



Addis Ababa University

College of Business and Economics

School of Commerce

**Analyzing the influence of leadership styles on employee's job satisfaction: in
case of Federal Housing Corporation (FHC)**

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

By

Yemisrach Worku

Advisor

Bahran Asrat (PhD)

June, 2024

Addis Ababa, Ethiopia

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DECLARATION

I, Yemisrach Worku Bezabh, declare that this study entitled “Analyzing the influence of leadership styles on employee’s job satisfaction: in case of Federal Housing Corporation” is my original work prepared and submitted to Addis Ababa University in partial fulfillment of the requirements for the Degree of Master of Business Leadership under the guidance of my research advisor Bahran Asrat (PhD). This paper has not been previously submitted to Addis Ababa University or any other university for any degree award and all sources of materials used for the study have been duly acknowledged.

Declared by:

Yemisrach Worku

Signature: _____

Date: _____

STATEMENT OF CERTIFICATION

This is to certify that this study entitled “Analyzing the influence of leadership styles on employee’s job satisfaction: in case of Federal Housing Corporation”, undertaken by Yemisrach Worku Bezabh under my supervision for the partial fulfillment of the requirements for the Degree of Master of Business Leadership at Addis Ababa University College of Business and Economics School of Commerce, is an original work and not submitted earlier for any degree award either at this University or any other University.

Certified by:

Research Advisor: Bahran Asrat (PhD)

Signature: _____

Date: _____


Addis Ababa University
College of Business and Economics
School of Commerce
Department of Business Leadership

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Acronyms/Abbreviations

FHC	Federal Housing Corporation
JSS	Job Satisfaction Survey
MLQ	Multifactor Leadership Questioner
Sig.	Significant
Std.	Deviation
SD	Standard Deviation
SPSS	Statistical Package for the Social Sciences

Abstract

This study set out to examine the relationship between leadership styles and work satisfaction among FHC employees. Both primary and secondary data sources were employed in the study. Purposive sampling was the method employed in the study to select respondents in order to collect primary data. A survey structure was used in conjunction with a descriptive and explanatory approach. The basic data were gathered using the Multifactor Leadership Questionnaire (MLQ) and the Job Satisfaction Questionnaire (JSS). A total of 237 questionnaires were sent out, and 92.4% of them were returned. The results indicate that the most common leadership style used in FHC was Transformational, which was followed by Transactional and Laissez-Faire approaches. Additionally, it was discovered that FHC workers were often satisfied in their jobs. Employee work satisfaction was positively influenced by transformational leadership, which was followed by transactional and laissez-faire leadership styles. It was also shown that there is a substantial correlation between leadership styles and total employee job satisfaction at FHC. Therefore, it was suggested that FHC leaders use transformational styles more often at the current level in order to improve employees' job satisfaction through their leadership styles. Furthermore, it was suggested that FHC should involve its staff in decision-making and provide its executives with further transformational style training for advanced practices.

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

Chapter One

Introduction

This chapter presents background of the study, statement of the problem, and research questions. It also lists objectives and significance of the study followed by the scope and limitations of the study. Finally, definitions of key terms and the organization of the paper are presented.

1.1 Background of the Study

Leaders with different styles can have varying impacts on their employees' level of job satisfaction, affecting their motivation, commitment, and overall performance. Therefore, understanding how leadership styles affect employee job satisfaction is essential for implementing effective leadership techniques and creating a positive workplace. Employees with a high level of job satisfaction are better able to perform effectively and advance the interests of the business because good leaders provide appropriate guidance and guide followers toward reaching the desired goals (Sarwar, et al, 2015).

Understanding how different styles of leadership affect workers' job satisfaction is essential for leaders and organizations looking to foster an exciting and effective work environment. Organizations can enhance their leadership development programs and boost overall organizational performance by acknowledging the impact of different leadership styles. Employees that are satisfied are more likely to be dedicated to their companies and employment. Numerous researches have looked into the connection between the two factors and found that leadership has a major impact on employees' job happiness (Valentine et al., 2011).

Wilderom, Berg & Peter (2004) an organization's leadership behavior directly influences the relationship between leaders and employees and this in turn affects the employees' performance, job satisfaction, commitment, and the organization's total coherence. These theories of leadership can be very different, ranging from autocratic where the team member is excluded from decision-making to democratic where the team member is invited to participate and offer suggestions. Other approaches include servant leadership, which emphasizes the responsibility of leaders to attend to the needs of their team, and transformational leadership, which concentrates

on inspiring and encouraging followers to attain high performance. Every leadership approach has its own set of advantages and disadvantages, prompting successful leaders to adjust their style according to their team's requirements and the circumstances they are facing.

Research by Selznick (2011) emphasized the sociological interpretation of leadership in administration. He discussed the role of leaders as influencers within the organizational context. Furthermore, Alberts (2013) highlighted the significance of effective leadership as a primary factor in bringing positive change to the organization. These perspectives highlight how important leadership is in influencing organizational dynamics and bringing about change, revealing the complex nature of leadership.

Transformational leadership, transactional leadership, and laissez-faire leadership are three distinct styles of leadership.

Transformational leadership is a critical concept in organizational behavior and management. This style of leadership has been associated with various organizational outcomes, especially during periods of change and restructuring. Research by Antonakis and House (2014) found that transformational leadership is related to during ongoing incremental organizational change at lower hierarchical levels; there is a noticeable alteration in reactions, frequency, and consequences of change. This suggests that transformational leaders play a crucial role in facilitating and managing organizational change processes, especially at the operational level. Transactional leadership styles have an impact on employees' motivation, highlighting the significance of this leadership style in influencing employee behaviors Zareen et al. (2015). Laissez-faire leadership, also known as delegative leadership, is a leadership style where the leader allows group members to make decisions without interference.

Employee's job satisfaction refers to the fulfillment and contentment that employees experience in their roles within an organization. For two reasons, job satisfaction is seen as a crucial objective in organizations. First and foremost, workers should be treated fairly and with respect. Respect and fair treatment are essential for employees. Additionally, the level of job satisfaction among employees can significantly impact the overall functioning of the organization.

1.2 Back Ground of the Organization

Federal Housing Corporation was known by different names and operated in the country for the last 48 years, from July 1975 until now. At that time the major business of the corporation was only providing rental housing administration services. To make the corporation effectively participate in narrowing down the gap between the rental housing market demand and supply, efficient, competitive and profitable in the rental housing market; the government reestablished the institute by the name Federal Housing Corporation as a state owned enterprise with the Council of Ministers regulation No 398/2017.

Since its establishment in 2017 as a state-owned enterprise, the Corporation has achieved many successes, guided by the Strategic Plan to achieve its objectives. Guidelines that contribute significantly to the success of the corporation's objectives, manuals/e.g., mortgage, corporate finance, human resource management/have been developed and implemented. The corporation is better equipped with a skilled workforce to carry out its mission.

Later in 2018, the corporation merged with Ethiopian Construction Materials enterprise by the Council of Ministers Regulation No 427/2018. According to these Directives, the major purposes for which it established are to build houses, rent out, sell or buy houses, administer and rent out federal owned houses and possessions, to carry out necessary maintenance and repair works to preserve and protect government owned houses, to make sure that the government owned houses and possessions are legally registered and protected and to produce and supply construction materials for both internal use for housing development and maintenance service within the corporation and for sales on the market.

The Corporation has six branch offices five of which are located in Addis Ababa, while one is in Diredawa. It is lasting government Development Company under various names. It was established with the aim of managing and renting out the houses and properties it owns, maintaining them by doing the necessary repairs and renovations.

Moreover, the Corporation has put in place a modern administrative structure and systems that would enable it to effectively administer federal public houses under the custody of the Federal Government. And it has established a modern housing management system to properly manage the houses; doing this and implementing an integrated system, it has

achieved outstanding performance in housing construction and management

Currently, the Corporation administers and manages 18,727 houses. It owns numerous buildings of various types and structural designs including apartments with various levels of flats, commercial stores and warehouses, mobile tents, commercial centers, villas, garages are all administered under the six branch offices in Addis Ababa and Diredawa. The total operational capital assets of the Corporation up to 2015 E.C are estimated at current market price of 260 billion ETB. Moreover the corporation owns huge expands of urban plot of lands to be used for future projects. FHC has put in place, strong, modern, comprehensive and quality management system through a meaningful and deep organizational reform.

At present, the Corporation is constructing multi-purpose housing complexes in 12 sites located in Addis Ababa. Constructions in five sites have already been completed in less than two years. These include a modern housing complex at Gerji site with its tantalizing modern technology of aluminum framework. The technologies that are introduced in these building complexes have ensured security efficiency, quality and productivity in the entire operatives of the organization.

1.3 Statement of the Problem

Employee satisfaction is often measured through a variety of factors that can provide insight into the overall well-being and engagement of employees within an organization. Leadership styles significantly influence job satisfaction. Transformational and transactional leadership, along with other factors, collectively shape employees' experiences and contribute to their overall satisfaction at work. Organizations that prioritize effective leadership and employee well-being can foster a positive work environment and retain valuable talent.

Numerous investigations have examined the correlation between employee job satisfaction and various leadership styles. In a study conducted by Wen (2019), it was discovered that thought, transactional, and transformational leadership styles significantly influence employees' job performance, with transformational leadership showing the most significant impact. Voon (2011) discovered a direct correlation between job satisfaction and transactional and transformational leadership styles, with transformational leadership having a greater influence. This finding is consistent with Voon's findings. Savery (1991), however, disputed the idea that a democratic

leadership style is required to achieve job satisfaction, arguing that high levels of dedication and contentment can exist regardless of the leadership style that is employed. Ababneh (2009) went on to highlight the impact that leaders' competencies—such as motivation, communication, problem-solving, and emotional intelligence—have on employee's job satisfaction.

According to Al-Ababneh (2010), there were notable variations in job satisfaction depending on the demographics of the workforce; nevertheless, the evidence did not prove a direct correlation between leadership style and job happiness. In contrast, a robust positive correlation between job satisfaction and transformational and transactional leadership styles was found by Kemal (2018) and Govender (2013).

Various studies have investigated the correlation between leadership styles and employee job satisfaction, yielding diverse results. Savery's (1991) research revealed that leadership style does not have a significant impact on job satisfaction and commitment, contradicting the notion that a democratic leadership style is essential for achieving these outcomes. In contrast, Kebede (2017) and Mgaiwa (2023) both found a positive impact of transformational leadership on job satisfaction in Ethiopian public universities and Tanzanian academic institutions, respectively. Fernandes (2011) also discovered a significant impact of transformational leadership on contentment within a diverse cultural setting. However, the impact of transactional leadership on job satisfaction was not consistent across these studies. The findings indicate that the correlation between leadership styles and job satisfaction is intricate and can be affected by contextual elements.

To the best of my understanding, the relationship between leadership and the case of FHC has not been emphasized in any previous studies conducted by Alemu (2017), Rahel (2022), Munit (2021), Solomon (2019), and Biqila (2020). These studies have primarily focused on examining leadership in financial sectors within Ethiopia. Therefore, this research undertakes to bridge the knowledge gap created regarding the effect of leadership styles (Transformational, Transactional, and Laissez-faire) on employees' job satisfaction in the case of FHC.

1.4 Research question

- How does transformational leadership style influence job satisfaction in the case of FHC?
- How does transactional leadership style influence job satisfaction in the case of FHC?
- How does Laissez-faire leadership style influence job satisfaction in the case of FHC?
- What is the satisfaction level of employees in FHC?
- What is the prevailing leadership style typically observed at FHC?

1.5 Research objective

1.5.1 General objective

The General objective of this research is to examine the influence of leadership styles on employee job satisfaction within FHC

1.5.2 Specific objective

- To investigate how Transformational, Transactional, and Laissez-Faire leadership style influence employee's job satisfaction
- To assess the three leadership styles—transformational, transactional, and laissez-faire—on an organization and whether they yield positive or negative outcomes
- To describe the current satisfaction level of the employees of the FHC.
- To evaluate FHC's common leadership style.

1.6 Significance of the Study

The findings of the research are highly significant for FHC in the following ways. First this study provides FHC with an insight into identifying and developing more effective leadership styles that enhance employee job satisfaction and provides a range of data for future research. Second, Understanding the current state of facts is important because it highlights the strengths and weaknesses of the subject being studied and provides a realistic image of all the attempts that have been made to make improvements. Third, this research has the potential to enhance the existing knowledge regarding the impact of various leadership styles on employee job

satisfaction. Last but not least, this study could provide as a platform for future investigations into leadership-related topics in Ethiopia generally and FHC specifically.

1.7 Scope of the Study

The primary objective of the study is to examine the impact of leadership styles on employee job satisfaction within FHC. In order to adhere to tight time and budget limitations, only three leadership styles commonly found in the current business landscape, as suggested by literature, were investigated. These leadership styles include transformational, transactional, and laissez-faire.

The research involved full-time employees of FHC at the headquarters who possessed a certain level of education and had successfully obtained their diplomas. This specific educational requirement was chosen in order for employees to effectively address inquiries regarding leadership styles. The study utilized a qualitative research methodology, incorporating both descriptive and causal research types. Primary data was gathered from the designated participants at the corporation's headquarters. All questionnaires were personally distributed to and collected from the respondents.

The Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio in 1995 was utilized to assess the leadership styles of supervisors, while the Job Satisfaction Questionnaire (JSS) created by Spector in 1997 was employed to gauge the level of employees' job satisfaction. Both descriptive and inferential statistics were employed to describe, analyze, and interpret the collected data. The correlation between leadership styles and employees' job satisfaction was examined and narrated upon utilizing descriptive statistical methods like percentage, mean, and frequency. To accomplish this, the data was analyzed using the Statistical Package for the Social Sciences (SPSS) software version-26 to compute both descriptive and inferential statistics.

1.8 Limitation of the Study

Here are some constraints in this study:-

- The research is confined to the head office located in Addis Ababa, thus the applicability of the findings may be limited.

- The respondents were limited to the staff employees of head office. Consequently, outcomes for employees in other branches might be different.
- Workers may experience pressure to give positive feedback about their leader in the corporation.

1.9 Organization of the Study

This research is divided up into five chapters that provide an in-depth study of the topic.

- The introduction sets the stage by outlining the research problem and the significance of the study.
- The literature review delves into relevant scholarly works, identifying gaps and laying the groundwork for the research questions.
- The methodology section outlines the research design, data collection methods, and analytical approach utilized in the study.
- Following this, the analysis and findings are presented, integrating the data to address the study's questions. The discussion section analyzes the results within the framework of existing literature and provides insights into their implications.
- Lastly, the conclusion highlights the main findings, explores their wider significance, and the recommendations proposes directions for future research.

1.10 Definition of key terms

The following are definitions for terms used in the study:

A **leader** is responsible for providing their team with the necessary support and resources to reach their objectives.

Leadership involves leaders engaging with their followers and motivating them to achieve the most desired objectives or results for the company. Leadership, according to Cojocar (2008), is the ability to influence others and create chances for others to contribute to the success and effectiveness of the organizations in which they are involved.

Leadership style is the pattern of interactions between a leader and their subordinates that involves organizing, managing, and directing all strategies and tactics employed by

the leader to inspire followers to adhere to job procedures. The approach a leader adopts while interacting with subordinates to influence the achievement of corporate goals is known as leadership style (Lin,2003)

Transformational leadership is a leadership style that prioritizes the development and motivation of employees to exceed expectations, ultimately benefiting the organization, its goals, and the national economy. Emotional bonds are formed between the leader and followers during this process (Mester Visser and Roodt, 2005:74).

A **transactional leadership** approach involves gaining followers' support through rewards, praise, promises, and offering different types of incentives and compensation to fulfill their immediate needs and enhance their current performance (Northouse, 2010).

A **laissez-faire leadership** approach, also known as delegative leadership, involves leaders being hands-off and empowering group members to make decisions. This leadership style is characterized by high levels of avoidance, indecisiveness, and indifference (McColl-Kennedy and Anderson, 2005:116).

Job Satisfaction is a crucial aspect that encompasses an individual's overall attitude towards their job, reflecting the perceived fairness of their earnings. It plays a pivotal role in facilitating effective communication between the managerial team and the workforce, ultimately determining the benefits and advantages for employees (Yudiawan, 2017).

CHAPTER TWO

Review of Related Literature

This chapter provides a comprehensive review of leadership styles, job satisfaction, and the impact of leadership styles on employee job satisfaction. The review is based on a thorough analysis of both published and unpublished data from secondary sources of information. The research focuses on three specific leadership styles: transactional, laissez-faire, and transformational.

The chapter primarily consists of two types of reviews: theoretical and empirical. The theoretical assessment covers topics such as job satisfaction, leadership, leadership styles, and their interconnections. Conversely, the empirical review conducted by multiple researchers establishes a correlation between job satisfaction and the three distinct leadership styles. Additionally, this chapter presents a conceptual framework that illustrates the relationship between the variables being studied.

2.1 Conceptual Review

2.1.1 Meaning and Nature/Characteristics of Leadership

Different perspectives are used in different literatures to define leadership. As a result, it is challenging to come up with a clear definition. Dreams, perspectives on the larger picture, and transformation are all part of leadership (David 2009). Yukl (2006) defined leadership as the intentional influence that an individual has on a group of people inside an organization. According to Gharibvand (2012), leadership is the ability to communicate, motivate, and coach staff members in addition to providing clear guidance.

Effective guiding and influence are facilitated by a broad range of characteristics and abilities that are a component of leadership. Here are few characteristics of leadership:

Table 2.1 characteristics of leadership

characteristics of leadership	
Integrity and Honesty	Two key attributes that fall within trait leadership theories. Leaders who possess honesty and integrity are often viewed as exceptional because these traits are typically linked to acting in the best interests of their peers, teams, and the overall organization.
Creativity	Challenging situations may not occur frequently, but they are bound to arise in the workplace. Effective conflict resolution skills are essential for individuals in leadership roles to perform optimally. As situational leadership entails, leaders must directly address problems, collaborate with teams to identify solutions, and evaluate the results of their problem-solving endeavors.
Communications	More is required for effective team management than just direction and delegation. Great leaders pay attention to the opinions and ideas of their people on every activity that concerns them. With this two-way dialogue, leaders can obtain important information from a variety of team members while also offering their staff members mentoring and helpful criticism. Relational leadership theories, which emphasize the formation of strong teams that collaborate to achieve common goals, are related to this concept of connecting individuals.
Flexibility	Successful leaders cultivate the flexibility required to engage with individuals across various circumstances. The concept of situational leadership is exemplified by your capacity to adjust your management style, strategies, and objectives based on the specific situation at hand. Additionally, outstanding leaders who can adapt to a variety of circumstances excel at networking, inspiring their team members, and maintaining their interest.
Self-awareness	is a skill necessary for leadership roles as well as any other professional role. Competent managers and leaders are individuals who recognize their own constraints, understand the importance of seeking assistance when needed, and have experience in controlling their emotions and behaviors. Strong and successful leaders have the ability to recognize their strengths, control their emotions, and control their behaviors.
Influence	is a dynamic force that molds our attitudes, choices, and behaviors. Outstanding leaders possess strong communication skills, making them skilled in building relationships with their team members and encouraging cooperation and trust. They can effectively handle difficult circumstances and effect significant change in their organization or society because they

	are creative and forward-thinking. Influential leaders have the ability to permanently alter the attitudes and behaviors of individuals under their direction by using their charm and steadfast commitment.
Vision	Visionary leaders are prime examples of typical leadership beliefs that emphasize creativity, originality, and the ability to initiate and impact change as essential concepts in team management. Vision as a means of empowering, engaging, and inspiring others; visionary leaders are also typically extremely successful.

Leadership style is another concept in the context of leadership. It's an approach a leader takes when guiding others. Cuadrado et al. (2007) assert that a leadership style refers to a consistent set of actions or patterns that revolve around either a specific task or an employee relationship.

Mehmood and Arif (2011) define leadership styles as the actions that leaders do to manage teams, organizations, or functions. Furthermore, Tetteh and Brenyah (2016) proposed that various leadership styles may be utilized by leaders in varying circumstances to efficiently oversee their team members towards a favorable result.

2.1.2 Importance of Leadership

The most important factor in achieving organizational success is the significance of leadership in organizations. Leadership is defined as an influence dynamic between leaders and followers, with the goal of achieving tangible results and changes that align with their common objectives.

Positive connections between leaders and subordinates are frequently the foundation of effective leadership and can enhance worker performance, dedication, and job satisfaction as well as organizational coherence. It is widely acknowledged that effective leadership plays a crucial role in motivating and satisfying employees, ultimately leading to high levels of commitment and performance.

Leadership is "an influence relationship among leaders and followers who aspire factual changes and outcomes that reflect their shared purposes," according to Rost and Barker's 2000 definition (quoted in Daft, 2008). According to Dubrin, Dalglish, and Miller (2006), leading a team is the definition of leadership.in the direction of accomplishing organizational goals. The researchers

went on to say that the art of leadership is instilling people with the confidence, influence, and motivation to effect positive, profitable change inside an organization.

Kumar (2005) asserts that leadership encompasses the act of guiding followers towards accomplishing a common objective, while simultaneously fostering unity and solidarity within the group.

2.1.3 Leadership Styles

Leadership Styles are the behavioral patterns that influence the way his followers behave are known as their leadership styles These are the ways in which a leader gives instructions to his subordinates and motivates them to accomplish the goals they have been given. This section provides an overview of transformational, transactional, and laissez-faire leadership styles along with their respective features.

2.1.4 Transformational Leadership

Leaders who employ a transformational leadership approach inspire their team members to excel in performance and ethical behavior. This style of leadership is captivating, challenging, motivating, encouraging, and consistently drives employees to unleash their full potential. Consequently, employees are driven to work towards their maximum capacity, motivated by transformational leaders (Bass, 1985).

Transformational leadership is a leadership style that has been thoroughly examined and proven to have a substantial effect on the personality, performance, safety voice, and organizational performance of leaders. The sub-dimensions of transformational leadership have been linked to various outcomes, shedding light on the multifaceted nature of this leadership style.

In their study, Deinert et al. (2015) investigated the link between transformational leadership sub-dimensions, leaders' personality, and performance. The positive correlation between leaders' performance and the sub-dimensions of idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration was discovered by the researchers. This finding indicates that various aspects of transformational leadership significantly contribute to the effectiveness of leaders.

a) Idealized Influence

Idealized influence is a leadership attribute that fosters employee creativity, innovation, and commitment. Based on the research by Avolio, Bass, and Jung (1997), idealized influence focuses on creating and sharing a clear vision, establishing challenging goals, and inspiring individuals to surpass expectations in order to contribute to the success of the organization.

The leader upholds the highest moral and ethical standards and fosters in their followers a sense of pride, respect, and faith (Loganathan, 2013). Flynn (2009) argues that a manager uses influence to try and spread their beliefs and views. Followers of transformational leaders are receptive to them and desire to connect with them personally. Among the traits that the peoples admire are perseverance, determination, and great potential. This indicates that each person has characteristics unique to them as well as optimal behaviors. The individuals sought after by these groups are those with a shared work ethic and the belief that they can conquer any challenges (Burns, 1978). Moreover, many people who exhibit perfect behavior are constantly willing to take chances without sacrificing their moral principles or integrity

Inspirational motivation

Transformational leaders must possess inspirational motivation. More than simply charm, inspirational motivation comes from a leader's genuine attitude and ability to forge a strong bond with followers. The way a leader acts inspires people around him by demonstrating how to accomplish tasks and setting challenges for those who follow him. He speaks very highly about the long term and in an upbeat manner about what has to be done, present a convincing long-term vision, and demonstrate confidence in the accomplishment of objectives.

b) intellectual stimulation

The leader motivates their followers to question their traditional problem-solving skills and consider alternative approaches in order to foster more profound and inventive thinking (Barling et al., 2003, as cited in Roland, 2013). By challenging presumptions, modifying problems, and taking different approaches to previously done tasks, the leader inspires his subordinates to be creative and innovative as well. He reconsiders crucial assumptions to see if they are applicable,

looks for different perspectives to resolve problems, encourages people to look at problems from a variety of viewpoints, and offers fresh approaches to looking at how to finish projects.

c) Individualized consideration

Individualized consideration involves offering assistance, motivation, and guidance to followers (Yuki, 2010). By acting as a mentor or advisor, the leader addresses each individual's needs for growth and progress. He devotes his time to mentoring and instructing others; he respects everyone equally and believes that each person has entirely distinct goals, abilities, and desires from others; and supports others in finding their own strength. A description such as "the leader spends time teaching and coaching" shows the specific consideration scale.

2.1.5 Transactional Leadership

Transactional leadership is a leadership style that places emphasis on overseeing the organization and ensuring performance. It involves motivating subordinates to meet job expectations through the use of rewards or punishments (Avery, 2004; Bass, 1985). The key aspect of transactional leadership lies in understanding the connection between effort and reward, being open to addressing concerns, employing incentives, rewards, and punishments, motivating through goal setting and performance recognition, and utilizing power to ensure followers complete their tasks (Burns, 1978).

Bass and Avolio (1995) outlined three key components of transactional leadership, which include contingent rewards, active management-by-exception, and passive management-by-exception.

a) Contingent reward

A technique known as contingent reward involves the supervisor assigning a task to a subordinate and working together to decide on the outcome; once the task is finished, the benefit is shown based on a job well done. The use of punishment as the main fallout from poor performance is the aspect that differs from the others. "The leader makes clear what one can expect to receive when performance goals are achieved" is a specific description that shows the contingent reward item (Bass & Riggio, 2006).

b) Active management by exception

Active management by exception involves a manager keeping an eye on the actions of their followers, monitoring any violations of the law and principles, anticipating concerns and problems, and acting in accordance with the followers' performance and fixes the problems by making the necessary adjustments (Odumeru & Ifeanyi, 2013).

c) Passive management-by-exception

Bass & Riggio (2006) further explained this aspect as the act of patiently awaiting the occurrence of deviations, faults, and errors, and subsequently implementing corrective measures. Leaders that take the passive management by exception approach don't get involved in problem-solving unless it becomes extremely difficult. Leaders step back and take action when necessary because the issue appears as well serious (Odumeru & Ifeanyi, 2013).

2.1.6 Laissez-Faire Leadership

Delegative leaders offer minimal guidance to team members and entrust decision-making to them. This style can be advantageous when dealing with experts, but often leads to ambiguous tasks and a lack of direction. Laissez-Faire leadership is when leaders refrain from making decisions and shirking responsibilities. They hold subordinates solely accountable for decisions and grant them full autonomy to make choices regarding the tasks at hand.

2.1.7 Job Satisfaction

Several researchers have defined job satisfaction at different points in time, but the majority of them have evidence that indicates it is an employee's attitude about their work. Job satisfaction is the term used to describe an individual's overall connection with the organization they work for and the compensation they receive. It is the feeling of contentment that arises from accomplishing a goal or fulfilling a purpose. Job discontentment in the workplace results in absence of motivation in the workplace. Researchers have varied descriptions of the factors that lead to job dissatisfaction and satisfaction with work.

Based on the research conducted by Tella, Ayeni, and Popoola in 2007, job satisfaction is linked to various emotions related to work, including perceptions about job features, salary and perks, position, social support, chances for career growth, technological complexities, and recognition. Alternatively, Ellickson and colleagues (2001) emphasized that having access to adequate work equipment, resources, and training programs, as well as a fair distribution of workload, can greatly enhance and boost employee job satisfaction.

Satisfaction in the workplace is composed of two primary dimensions - intrinsic satisfaction and extrinsic satisfaction. Intrinsic job satisfaction, as described by Hirschfield (2000), pertains to the feelings and emotional connections individuals have towards the actual tasks themselves (such as special projects or activities done for the sake of the task). On the other hand, extrinsic satisfaction is related to the feelings individuals have towards external aspects of the job environment, such as working conditions, management practices, policies and procedures, rules, and regulations, which have the potential to impact the job in various ways (Shim, Lusch, and O'Brien, 2002). This research considers both intrinsic and extrinsic dimensions of job satisfaction to assess the overall level of job satisfaction within the organization..

In order to meet the needs of human services for a tool to measure employee job satisfaction, Spector (1994) designed a measurement tool. Certain factors include pay, nature of work, promotion, coworkers and benefits, all of which will be elaborated on extensively.

d) **Pay:** -

Pay, as stated by Robbins, Odendaal, and Roodt (2003), refers to the complete sum of income obtained for a specific job. This includes competitive pay, a fair pay structure, benefits like retirement, health, and life insurance, as well as incentives and paid time off. They are thought to be the key factors in determining job satisfaction.

While individuals may have a natural inclination towards money, having an adequate amount does not guarantee contentment. Nevertheless, various studies have shown that one's salary can significantly influence their overall job satisfaction (Lumley et al., 2011; Ali, Ahmad & Maitlo, 2012). According to various literatures, employee job satisfaction is positively correlated with pay, along with other relevant factors. When employees perceive their pay as fair and reasonable, they are more inclined to experience satisfaction (Singh & Jain, 2013).

e) Nature of work: -

Numerous studies have demonstrated a positive correlation between job satisfaction and the type of work. According to a Danish study's findings, an organization can boost productivity by improving the internal (or physical) aspects of the work environment and might enhance organizations' performance (Buhai, Cottini, & Nielsen, 2008). The nature of work should be planned with employee inspiration and satisfaction in mind throughout the entire organization by putting in place career paths, training and development programs, and growth as well as standard acquisition that provides a positive workplace.

f) Promotion

According to several studies, organizations may believe that regular promotions are an effective way to determine how well employees are doing their jobs and how productive they are. Shields and Ward (2001) discover from cross-sectional data on British nurses that discontent with training opportunities have a greater impact on quitting intentions than workload or compensation discontent. This demonstrates that in order to improve job satisfaction, businesses must concentrate on their promotional strategy. Promotion drives employee engagement, diminishes absenteeism, fosters team spirit, boosts morale, fosters trust between parties, and enhances productivity effectively.

d) Coworkers

This is a reference to the type and quality of the interactions and relationships that workers have with their direct superiors and fellow colleagues. Better relationships with the leader and subordinates are positively associated, according to McCormack (2006). Similarly, there is a strong correlation between employees' affective commitment and their relationship with their coworkers (Harris & Cameron (2005)

g) Benefits

Benefits have a significant impact on how satisfied employees are with their workplaces. Mathis and Jackson (2003) stated that fringe benefits refer to the various forms of indirect compensation given to either a group of employees or an individual employee upon joining an organization.

Fringe benefits, which are additional components of the total compensation package beyond regular wages, are crucial in shaping compensation packages, whether they are fully or partially covered by employers for their employees (Williams, 1995:1097).

Despite the fact that Milkovich and Newman (2004) recognize the ongoing debate surrounding fringe benefits, it seems that these benefits do not have a substantial influence on an organization's ability to attract, retain, and motivate employees, potentially resulting in a decline in organizational performance.

some researchers continue to debate the notion that while they acknowledge a positive correlation between benefits and job satisfaction, certain fringe benefits are deemed to have little to no impact on job satisfaction.

2.1.8 The Relationship between Leadership Styles and Job Satisfaction

Research on the connection between job satisfaction and leadership styles is essential for understanding organizational behavior and human resource management. It has been discovered that strong leadership significantly affects worker job satisfaction, which in turn affects organizational performance. Vincent-Höper, Muser, and Janneck (2012) reported that positive leadership styles influence employee work engagement through various shared pathways.

Bass and Avolio (1995) argued that transformational leadership style creates intrinsic satisfaction within individuals, given their ability to impact their intellectual stimulation. According to Emery & Barker (2007), transformational leaders inspire their followers to take up more responsibilities and this instills in employees a high sense of achievement, satisfaction, and commitment with their jobs.

The reactions of employees towards their supervisors are typically influenced by both the traits of the employees and the traits of the leaders (Yukl and Wexley, 1984). Employee self-esteem and job satisfaction are significantly impacted by the type of leader-follower relationship or its scarcity Chen and Spector (1991), Brockner (1988), and DeCremer (2003) have all contributed valuable insights to the field.

Bezawit (2017) proposed that organizational leaders should not limit themselves to practicing only one type of leadership style. The research concluded that combining various leadership

styles would lead to higher satisfaction and improved employee performance. Similarly, Nemaei (2012) contended that organizations adopt different leadership styles due to changes in social values, technology, and the political system. Supporting this argument, McCleskey (2014) emphasized that changes in these factors can render previously effective leadership styles ineffective, thus organizations must adopt styles that align with their objectives and have a significant impact on their employees.

Ali and Tang (2016) highlighted that spiritual leadership style exerts the most substantial impact on job satisfaction, with authentic leadership style, transformational leadership style, and transactional leadership style following suit. The research also unveiled that job satisfaction plays a mediating role in the correlation between each leadership style and business performance. Likewise, Castaneda and Nahavandi (1991) found that employees express high levels of satisfaction when they perceive their supervisors to exhibit both task-oriented (intrinsic) and interpersonal (extrinsic) behaviors and attitudes.

Numerous research endeavors have been undertaken to explore the correlation between leadership styles and job satisfaction. These investigations highlight the beneficial influence of transformational leadership on job satisfaction.

2.2 Review of Empirical Studies

Several studies have emphasized the significant correlation between the transformational leadership style and job satisfaction within public sector organizations. In their research, Masa'deh, Obeidat, and Tarhini (2016) discovered that the transformational leadership style effectively ensured job satisfaction among staff nurses. They further suggested that this style should be enhanced through behaviors that encompass greater respect, care for others, professional development, and appreciation. Similarly, Top, Akdere, and Tarcan (2015) reported that the transformational leadership style exhibited the highest number of positive correlations with nurses' job satisfaction, followed by authentic, resonant, and servant styles. These findings underscore the crucial role of transformational leadership in augmenting employees' job satisfaction within public sector organizations.

Transactional leadership philosophies have also been examined in connection to job performance and satisfaction with work, in addition to transformational leadership. The impact of transformational and transactional leadership styles on work performance was observed by Masa'deh, Obeidat, and Tarhini (2016), highlighting that transactional leadership had a more pronounced influence on knowledge sharing. Additionally, Top, Akdere, and Tarcan (2015) found that the interplay between job satisfaction, work environment, and leadership style has a substantial impact on employee performance. Though only transactional leadership had an impact on information sharing, the most recent research also showed a higher correlation between transactional leadership style and corporate achievement.

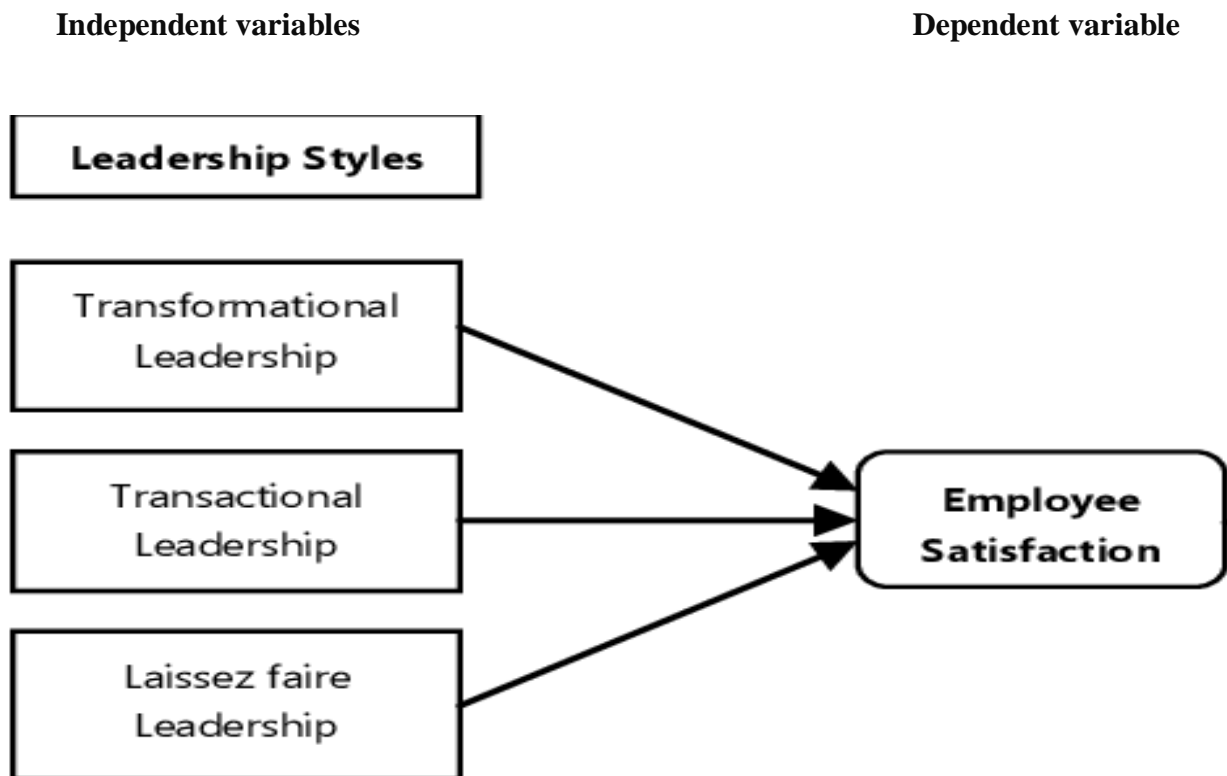
Significant correlations were found between the general transactional leadership style and employee job satisfaction levels at the Cellulose Pulp Mill in Kwazulu-Natal, South Africa., according to the findings of another empirical study conducted by Loganathan (2013). Based on the research findings, intellectual stimulation and individual consideration are identified as the two key components of transformational leadership that significantly contribute to job satisfaction.

Ethiopia has conducted extensive research on the correlation between job satisfaction and leadership. Research has shown that transformational leadership has the greatest impact on employee job satisfaction compared to other leadership styles. Helina Mesfin (2020) found no significant relationship between transactional or laissez-faire leadership styles and employee job satisfaction at Panafric Global. In a different study, a team of researchers from a governmental organization in Ethiopia made noteworthy findings that the adoption of a transformational leadership approach had a substantial impact on the level of job satisfaction among workers. Moreover, it was observed that a transformative leadership style played a crucial role in fostering positive job satisfaction. Conversely, the influence of transactional and laissez-faire leadership styles on the workplace was found to be insignificant (Alemu and Getnet, 2017).

2.3 Conceptual framework of the study

Figure 1 illustrates the framework that demonstrates the correlation between transformational, transactional, and laissez-faire leadership styles and job satisfaction. The literature has been utilized to substantiate the conceptual framework employed in this study. Within this model, the independent variable is leadership styles, while the dependent variable encompasses job satisfaction.

fig. 2.1 conceptual framework



Source: adopted from related literature

Chapter Three

Research Methodology

3. Introduction

This chapter includes an overview of the research techniques that were employed for the study. The target population, study location, study variables, and research design are all included in the subsections that compose up the chapter. Furthermore, a detailed discussion of sample size and sampling technique is provided. In addition, data types, sources, methods for collecting, and analysis are provided.

3.1. Research Design

Research design, as defined by Creswell (2009), encompasses the plan and procedures for conducting research, covering a wide range of decisions from overarching philosophical assumptions to specific methods of data collection and analysis. It serves as a comprehensive framework that incorporates the core concept of the research, various strategies, and methods for execution. Descriptive research design is commonly used to portray the existing descriptive characteristics of the factors under study. The research in question utilized both descriptive research design and explanatory design, along with correlation and regression analysis. These statistical techniques were employed to investigate the relationship and cause-and-effect connection between the independent variables, such as different leadership styles (Transformational, Transactional, Laissez-faire), and the dependent variable, which is Job Satisfaction.

3.2. Research Approach

For this research, a quantitative technique was used. In order to make inferences, quantitative research requires gathering and analyzing numerical data and it also used cross-sectional approach. It can be applied to a variety of tasks, including determining causal relationships and making predictions and generalizations. Both descriptive and qualitative research can be used to do correlations (Bhandari, 2021).

3.3 Description of the Study Variable

The survey questionnaire on demographic characteristics encompasses age, gender, education level, and length of service with the organization, FHC. The demographic data of the respondents holds significance in comprehending their background information and its impact on the present study.

The Multifactor Leadership Questionnaire (MLQ), developed by Avolio and Bass (1995) to assess various leadership styles (transformational, transactional, and laissez-faire), is utilized as the tool for evaluating leadership styles. The study focuses on the dependent variable of employees' job satisfaction, which includes five facets: pay, nature of work, promotion, coworkers, and benefits. These facets of job satisfaction will be gauged using the Job Satisfaction Survey (JSS) scale created by Spector (1997).

3.4. Description of Study Area and Target Population

The research was conducted at the headquarters of the Federal Housing Corporation in Addis Ababa to examine the leadership styles of supervisors as perceived by subordinates and their impact on employees' job satisfaction within the organization. The study focused on full-time employees at FHC who have completed a diploma and above.

3.5. Sampling Technique and Sample Size

The population encompasses all members, events, or items of interest that the study aims to investigate or explore. The study's sample is specifically drawn from the FHC headquarters in Addis Ababa. In order to establish the suitable sample size for the study, key demographic information regarding the study population, such as the total number and educational background of full-time employees at FHC excluding top managers, was gathered from the organization. Purposive sampling was the method employed in the study to select respondents in order to collect primary data. The headquarters of the case company currently employs 582 full-time staff members. Given the impracticality of researching the entire population, a sample was selected from this group. Utilizing Taro Yamane's (1973) formula with a 95% confidence level, the sample size for this study was determined. Yamane posited that with a representative sample, it

is possible to draw conclusions about the overall population based on the findings. The calculation formula of Taro Yamane is presented as follows:

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

Where n= the sample size to be determined

N= the population under study

e= the margin error which is 0.05 for this study.

Substitute numbers in formula we have:

$$n = 582 / (1 + 582(0.05)^2)$$

Therefore, 237 are determined to be the appropriate sample size for the study based on the purposive sampling method mentioned above.

3.6. Data Collection

The research utilized a combination of primary and secondary data. To examine the impact of leadership style on job satisfaction, questionnaires were administered to non-managerial employees of FHC to collect primary data. The secondary data, on the other hand, were obtained from academic publications, research on related topics, unpublished materials, and online sources.

To assess leadership style and its influence on employee satisfaction, the study employed close-ended questionnaires. The Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio in 2004, as well as the job satisfaction scale (JSS) created by Spector in 1994, were utilized. These instruments covered various leadership styles such as transformational, transactional, and Laissez-faire, and measured factors including pay, nature of work, promotion opportunities, coworkers, and benefits.

The survey successfully met the requirements of the research and was designed to address the research questions outlined in the first chapter. A five-point Likert Scale will be utilized in the study, with the following ratings: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree. The Likert scale is widely used as a rating scale question type in research studies.

3.7. Data Analysis – Model, Techniques & Software

The qualitative data was examined using SPSS version 26. Descriptive statistical analysis methods were used to establish the relationship between the independent and dependent

variables. Inter-correlation analysis was conducted to analyze the connection between the single dependent variable, Job Satisfaction, and multiple independent variables including Transformational leadership style, Transactional leadership style, and Laissez-faire leadership style. The research utilized multiple linear regression models.

The following equations represent the multiple regression models:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where: Y = Dependent Variable

β_0 = Intercept (value of Y when X= 0)

β_1 = Slope X1=

Transactional leadership style

X2= Transformational leadership style

X3= Laissez-faire leadership style

ε = the error

3.8 Reliability and Validity

Reliability is the extent to which a measurement is consistent and stable, while validity is the extent to which a measurement accurately captures what it is intended to measure. Reliability indicates the ability to replicate study findings under the same circumstances, while validity indicates how well the findings reflect the intended characteristics being measured (Fiona Middleton, 2019). The concept of validity pertains to how well a measurement represents the attributes present in the subject of study, ensuring that the instrument accurately measures the intended variables (Bell and Bryman, 2003).

The MLQ and JSS have both been widely utilized as standard research instruments in leadership studies. These instruments consist of well-established and verified surveys with good psychometric qualities.

The study conducted a Cronbach's alpha reliability analysis to assess the reliability of the data gathering tools used. The analysis revealed that the reliability coefficient for transformational leadership style was 0.764, for transactional leadership style was 0.768, and for laissez-faire leadership style was 0.965. Additionally, the reliability coefficient for job satisfaction was found to be 0.724. Overall, the Cronbach's Alpha coefficient (α) for all variables exceeded 0.70,

indicating a high level of reliability. Consequently, the MLQ was considered a dependable measure of transformational leadership style, transactional leadership style, and laissez-faire leadership style, while the JSS was deemed a reliable measure of job satisfaction.

Table 3.1 Cronbach's Alpha Coefficient

	Cronbach's Alpha
transformational	.764
transactional	.768
laissezfaire	.965
jobsatisfaction	.724

Source: survey data (2024)

3.9. Ethical Considerations

Ethical considerations were duly considered during the execution of this research. The best attempt is to choose the right time to distribute the questionnaires with adequate focus. The information will be gathered from people who agree to complete the survey without coercion. During the study, things that go against the respondents' dignity will be avoided. The study's findings are solely used for academic purposes; participant replies will be kept private, and the researcher just looked at the study's overall analysis without making any changes.

Chapter Four

Data Presentation, Analysis and Interpretation

4.1. Introduction

The primary objective of this research is to explore the impact of various leadership styles on the job satisfaction of employees at the FHC head office. This chapter presents and examined the data collected from the participants. Additionally, the results regarding the correlation between leadership styles and employee job satisfaction, along with relevant statistical analysis to address the research inquiries, will be discussed and evaluated.

237 questionnaires were distributed, with 219 respondents returning completed forms, resulting in a response rate of 92.4%. Following a thorough check for omissions, the responses underwent coding, editing, and entry into SPSS version 26 for additional analysis..

Table 4.1: Respondent's response rate

Response type	Frequency	%age
Distributed Questionnaire	237	100%
Filled in and returned Questionnaire	219	92.4%
Non-returned questionnaire	18	7.6%

Source: survey data (2024)

4.2. Demographic Characteristics of the Respondent

This section presents the participants' overall professional as well as personal profile. The following table shows the participants' gender, age, marital status, educational background and work experience using descriptive data of frequency as well as percentage.

The data in Table 4.2 below is briefly discussed using descriptive statistics of frequency and percentage.

The data presented in Table 4.2 reveals that out of 219 respondents, 155 were male and 64 were female. This indicates that 70.8% of the participants were male, while 29.2% were female, highlighting an imbalance in gender representation among the respondents.

In terms of age, 13(5.9%) individuals were under 25 years old, 45(20.5%) fell within the 26-30 age group, 6(2.7%) were in the 31-35 age range, 93(42.5%) were aged 36-40, and 62(28.3%) were 41 years old and above. The data also reveals that the majority of respondents, accounting for 71.7%, were less than 40 years old. This demographic makeup suggests that the company should consider hiring a younger workforce, which could potentially contribute to the organization's success. Additionally, strong leadership will be essential in order to effectively utilize these resources.

Table 4.2 illustrates the marital status of respondents, showing that 30(13.7%) were single, 119(54.3%) were married, 36(16.4%) were divorced, and 34(15.5%) were widowed. The marital status of employees has an impact on their job satisfaction. It is evident that the workforce at the federal Housing Corporation comprises individuals of all marital statuses, with the majority being married individuals at 54.3%. Research has consistently shown that employees' marital status can impact their job satisfaction.

Table 4.2 presented below provides information on the educational level of the respondents. Out of the total respondents, 14 individuals (6.4%) reported completing a diploma, while the majority, consisting of 105 respondents (47.9%), held a BA/BSC degree. Additionally, 64 respondents (29%) possessed an MA/MS/MBA degree, and 36 individuals (16.4%) had a degree above Master's level. These statistics indicate that a significant portion of the respondents possessed the necessary educational qualifications to comprehend the questionnaire and provide their unbiased assessment. Consequently, this suggests a promising growth potential for the corporation in terms of the educational qualifications of its workforce.

Table 4.2 illustrates the distribution of work experience among respondents. It shows that 30 individuals (13.7%) have 1-5 years of work experience, 55 individuals (25.1%) have 6-10 years of work experience, 16 individuals (30.1%) have 11-15 years of work experience, and 83 individuals (37.9%) have more than 15 years of work experience. From these findings on years of experience, the majorities (37.9%) of the staff have above 15 years of work experience in federal Housing Corporation and it can be revealed that the majority of the staffs have sufficient years of experience

To summarize, the comprehensive examination of demographic factors in the study reveals that the diverse backgrounds of the respondents indicate that they were a representative sample of the population under investigation. Nevertheless, the varied demographic makeup emphasizes the importance of effective leadership in addressing the diverse requirements of the workforce and surpassing organizational goals.

Table 4.2 Demographic Characteristics of the Respondents

Variable	Characteristics	Frequency	Percentage	Cumulative Percentage (%)
Gender	Male	155	70.8	70.8
	Female	64	29.2	100
Age group	Below 25	13	5.9	5.9
	26 – 30	45	20.5	26.5
	31 35	6	2.7	29.2
	35 – 40	93	42.5	71.7
	41 and above	62	28.3	100
Marital Status	Single	30	13.7	13.7
	Married	119	54.3	68
	Divorced	36	16.4	84.5
	Widowed	34	15.5	100
Educational Background	Diploma	14	6.4	6.4
	First degree	105	47.9	54.3
	Master’s degree	64	29.2	83.6
	Above Master’s degree	36	16.4	100.0
Working experience	1 -5 years	15	6.8	6.8
	6 -10 years	55	25.1	32.0
	11-15 years	66	30.1	62.1
	above 15 years	83	37.9	100.0

Source: survey data (2024)

4.3. Descriptive Analysis

Numerical data were summarized and described using descriptive statistics to make it easier to evaluate the findings and reach appropriate conclusions. The mean score and standard deviation of the gathered data were computed and analyzed under descriptive analysis.

4.3.1. Distribution of Leadership Styles

The MLQ scale contains 21 statements to assess the level of three leadership styles (transformational, transactional & laissez-faire) practiced by the leaders/supervisors in the case company. The respondents were required to indicate their level of agreement to the statements about different leadership behaviors of their supervisors by choosing from the given rating scales (1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, 5=strongly agree).

Based on the mean score of a five-point likert scale survey questionnaire, the statistical values for items assumed that the mean (M) score was up from less than the midpoint of 3.0 as a low average, the mean score from 3.01 to 4.0 was considered as moderate, and the mean score of 4.01 and above was considered as high by comparison.

According to Chamberlain,2003 (cited in Leapley-Portscheller 2008), the five-point MLQ rating scales can be divided into the three-point scale (i.e., three equal parts) to determine the effectiveness level of the MLQ mean results. Based on this scale, ratings from 0 to 1.33 represents a low level of a particular leadership style, ratings from 1.34 to 2.66 represents a moderate level of a leadership style, and ratings from 2.67 to 4.00 represents a high level of a leadership style. Hence, to know to what extent the leadership styles under the study are effective in the case company, the results of the current study are also discussed in comparison with the Chamberlain (2003) rating scale.

As shown in Table 4.3 below, raters perceived that their supervisors/leaders exhibited a different level of the leadership styles. The mean score for the statement” The leader make others feel good to be around him/her” M=3.74 and SD=0.605, The mean score for the statement” The leader expresses, with a few simple words, what employees could or should do” M=3.77 and SD=0.595, The mean score for the statement” The leader helps others to find meaning in their work” M=3.76 and SD=0.589, for the statement” The leader spends time to teach and coach his/her subordinates” M=3.76 and SD=0.589, for the statement” The leader appreciates for the quality of employee’s efforts” M=3.84 and SD=0.507, for the statement” The leader gives his/her subordinates with insightful suggestions on what they can do to improve” M=3.83 and SD=0.501. For the statement” The leader is efficient in reaching the corporation's requirements”

M=3.81 and SD=0.524. Based on the mean score of a five-point likert scale a moderate level of transformational leadership style was displayed by supervisors as perceived by the raters.

As was previously mentioned in the literature section, transformational leadership style significantly affected worker’s job satisfaction in Ethiopia governmental institution (Alemu and Getnet, 2017). The data shows in this study that based on the three-point rating scale of Chamberlain (2003), a moderate level of the transformational leadership style was displayed by supervisors as perceived by the raters.

Table 4.3 Descriptive characteristics of transformational leadership style

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
The leader make others feel good to be around him/her.	219	2	5	3.74	.605
The leader expresses, with a few simple words, what employees could or should do.	219	2	5	3.77	.595
The leader helps others to find meaning in their work.	219	3	5	3.76	.589
The leader spends time to teach and coach his/her subordinates.	219	3	5	3.76	.589
The leader appreciates for the quality of employee’s efforts.	219	3	5	3.84	.507
The leader gives his/her subordinates with insightful suggestions on what they can do to improve.	219	3	5	3.83	.501
The leader is efficient in reaching the corporation's requirements.	219	3	5	3.81	.524
Valid N (listwise)	219				

Source: survey data (2024)

According to Chamberlain,2003 (cited in Leapley-Portscheller 2008), the five-point MLQ rating scales can be divided into the three-point scale (i.e., three equal parts) to determine the effectiveness level of the MLQ mean results. Based on this scale, ratings from 0 to 1.33 represents a low level of a particular leadership style, ratings from 1.34 to 2.66 represents a moderate level of a leadership style, and ratings from 2.67 to 4.00 represents a high level of a

leadership style. Hence, to know to what extent the leadership styles under the study are effective in the case company, the results of the current study are also discussed in comparison with the Chamberlain (2003) rating scale.

As shown in Table 4.4 below, raters perceived that their supervisors/leaders exhibited a different level of the leadership styles. The mean score for the statement "The leader displayed a sense of power and confidence" $M=3.75$ and $SD=0.616$, The mean score for the statement "The leader tells his/her subordinates what to do if they are to be rewarded for their work" $M=3.79$ and $SD=0.644$, The mean score for the statement "The leader tells his/her subordinates the standards to carry out their work." $M=3.74$ and $SD=0.605$,

regarding "The leader appreciates / reinforces other who fulfills their mandate" $M=3.77$ and $SD=0.596$, for the statement the leader freely allows other to conventionally attend to daily duties" $M=3.90$ and $SD=0.677$, for the statement "The leader will take action before problems are chronic" $M=3.75$ and $SD=0.603$. For the statement "The leader notifies employees the requisite level of skill before they attend to his /her assignment" $M=3.65$ and $SD=0.620$. Based on the mean score of a five-point likert scale a moderate level of transactional leadership style was displayed by supervisors as perceived by the raters. In other words, based on the three-point rating scale of Chamberlain (2003), a moderate level of the transactional leadership style was displayed by supervisors as perceived by the raters.

As already discussed in the literature part, Research conducted by logonathan(2013), statistically significant between overall transactional leadership style and job satisfaction. Based on the mean score of a five-point likert scale a moderate level of transactional leadership style was displayed by supervisors as perceived by the raters.

Table 4.4 Descriptive characteristics of transactional leadership style

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
The leader displayed a sense of power and confidence.	219	3	5	3.75	.616
The leader tells his/her subordinates what to do if they are to be rewarded for their work.	219	3	5	3.79	.644
The leader tells his/her subordinates the standards to carry out their work.	219	2	5	3.74	.605
The leader appreciates / reinforces other who fulfills their mandate.	219	2	5	3.77	.595
The leader freely allows other to conventionally attend to daily duties.	219	3	5	3.90	.677
The leader will take action before problems are chronic.	219	2	5	3.75	.603
The leader notifies employees the requisite level of skill before they attend to his /her assignment.	219	2	5	3.65	.620
Valid N (listwise)	219				

Source: survey data (2024)

According to Chamberlain,2003 (cited in Leapley-Portscheller 2008), the five-point MLQ rating scales can be divided into the three-point scale (i.e., three equal parts) to determine the effectiveness level of the MLQ mean results. Based on this scale, ratings from 0 to 1.33 represents a low level of a particular leadership style, ratings from 1.34 to 2.66 represents a moderate level of a leadership style, and ratings from 2.67 to 4.00 represents a high level of a leadership style. Hence, to know to what extent the leadership styles under the study are effective in the case company, the results of the current study are also discussed in comparison with the Chamberlain (2003) rating scale.

As shown in Table 4.5 below, raters perceived that their supervisors/leaders exhibited a different level of the leadership styles. The mean score for the statement "The leader allows employees to determine what needs to be done and how to do it." $M=4.15$ and $SD=0.657$, the mean score for the statement "The leader stays out of the way as employees do their work." $M=3.72$ and $SD=0.857$, the mean score for the statement "Employees are allowed to evaluate their own work as a rule by the leader." $M=3.74$ and $SD=0.704$, for the statement "In complex situations, the leader allows the employees to apply their own creativity around issues" $M=4.08$ and $SD=0.581$, for the statement "Employees prefer only little input from the leader." $M=3.74$ and $SD=0.856$, for the statement "The leader gives freedom for employees' personal initiative to generate solutions" $M=3.79$ and $SD=0.700$. For the statement "There is no intervention from the leader when employees are working." $M=3.88$ and $SD=0.667$.

Based on the mean score of a five-point likert scale a moderate level of laissez faire leadership style was displayed by supervisors as perceived by the raters. In other words, based on the three-point rating scale of Chamberlain (2003), a moderate level of the laissez faire leadership style was displayed by supervisors as perceived by the raters

Table 4.5 Descriptive characteristics of laissez faire leadership style

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
The leader allows employees to determine what needs to be done and how to do it.	219	3	5	4.15	.657
The leader stays out of the way as employees do their work.	219	2	5	3.72	.857
Employees are allowed to evaluate their own work as a rule by the leader.	219	2	5	3.74	.704
In complex situations, the leader allows the employees to apply their own creativity around issues.	219	3	5	4.08	.581
Employees prefer only little input from the leader.	219	2	5	3.74	.856
There is no intervention from the leader when employees are working.	219	2	5	3.79	.700
The leader gives freedom for employees' personal initiative to generate solutions.	219	3	5	3.88	.667
Valid N (listwise)	219				

Source: survey data (2024)

4.3.2. Distribution of job satisfaction

Spector (1997) stated that mean item responses of 4 or higher on the 4-item subscales and the 20-item total score indicate satisfaction, while mean responses of 3 or lower indicate dissatisfaction. Scores between 3 and 4 suggest ambivalence.

According to the interpretation of JSS scores by Spector (1997), the results presented in Table 4.4 above show that the majority of job satisfaction facets in the current sample reflect an ambivalent level, with some facets indicating a satisfaction level. In Table 4.6 below, the average score for the statement "The work I am doing is enjoyable" is $M=3.67$ with $SD=0.545$, the average score for the statement "I am given the opportunity to do different things" is $M=3.68$ with $SD=0.542$, the average score for the statement "I feel a sense of pride in doing my job" is $M=3.68$ with $SD=0.542$, the average score for the statement "I feel I am being paid a fair amount for the work I do" is $M=3.72$ with $SD=0.590$, the average score for the statement "My job gives me a feeling of personal accomplishment" is $M=3.72$ with $SD=0.590$, and the average score for the statement "The leader visibly demonstrates a commitment to quality work" is $M=3.72$ with $SD=0.590$.

The benefits provided are comparable to those offered by most other organizations, with a mean of 3.75 and a standard deviation of 0.616. In terms of the statement "My job gives me the opportunity to learn," the mean is 3.79 with a standard deviation of 0.644. As for the statement "My manager is competent in making decisions," the mean is 3.74 with a standard deviation of 0.605. Regarding the statement "Those who perform well on the job have a fair chance of being promoted," the mean is 3.77 with a standard deviation of 0.595. In relation to the statement "I am satisfied with my chances for promotion," the mean is 3.76 with a standard deviation of 0.589. For the statement "I receive the appropriate amount of recognition for my work," the mean is 3.76 with a standard deviation of 0.589. In terms of the statement "I know my work is truly effective in achieving the organization's goals," the mean is 3.78 with a standard deviation of 0.604. Lastly, for the statement "The amount of work expected of me is reasonable," the mean is 3.78 with a standard deviation of 0.606.

The average rating for the statement "Employees get promotion as fast here as they do in other organizations" is 3.77, with a standard deviation of 0.600. Similarly, the statement "Employees

in my department communicate sufficiently with one another" has an average rating of 3.77, with a standard deviation of 0.595. The work associated with my position allows me to make a contribution" also has an average rating of 3.77, with a standard deviation of 0.595. In regards to the statement "The leader is quite competent in doing his or her job," the average rating is 3.77, with a standard deviation of 0.595. Additionally, the statement "The leader acts in a way that builds my respect" has the same average rating of 3.77, with a standard deviation of 0.595. Lastly, the statement "The leader treats me as an individual rather than just as a member of a group" has an average rating of 3.76, with a standard deviation of 0.583.

As previously mentioned in the literature review, job satisfaction is recognized as a crucial factor for fostering strong commitment and performance (Spector, 1985), thereby playing a significant role in organizational development (Gallup, Klein & Jiang, 2008). According to Spector's (1997) analysis of JSS scores presented in Table 4.4, it is evident that the majority of job satisfaction facets in the current sample reflect ambivalence, with some facets indicating satisfaction. The average scores ranged from 3.67 to 3.79.

Tab 4.6 Descriptive characteristics of job satisfaction

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
The work I am doing is enjoyable.	219	3	5	3.67	.545
I am given the opportunity to do different things.	219	3	5	3.68	.542
I feel a sense of pride in doing my job.	219	3	5	3.68	.542
I feel I am being paid a fair amount for the work I do.	219	3	5	3.72	.590
My job gives me a feeling of personal accomplishment.	219	3	5	3.72	.590
The leader is visibly demonstrates a commitment to quality work.	219	3	5	3.72	.590
The benefits we receive are as good as most other organizations offer.	219	3	5	3.75	.616
My job gives me the opportunity to learn.	219	3	5	3.79	.644
My manager is competent in making decision.	219	2	5	3.74	.605
Those who do well on the job stand a fair chance of being promoted.	219	2	5	3.77	.595
I am satisfied with my chances for promotion.	219	3	5	3.76	.589
I receive the right amount of recognition for my work.	219	3	5	3.76	.589
I know my work is really effective in achieving the goals of the organization.	219	3	5	3.78	.604
The amount of work expected of me is reasonable.	219	3	5	3.78	.606

Employees get promotion as fast here as they do in other organizations.	219	3	5	3.77	.600
Employees in my department communicate sufficiently with one another.	219	3	5	3.77	.595
The work associated with my position allows me to make contribution.	219	3	5	3.77	.595
The leader is quite competent in doing his or her job.	219	3	5	3.77	.595
The leader is acts in a way that builds my respect.	219	3	5	3.76	.583

Source: survey data (2024)

4.4. Inferential Statistical Analysis

Another method employed to analyze the collected data was inferential statistical analysis. By examining the information obtained from the samples, conclusions about populations were made using inferential statistical techniques. The purpose of the inferential analysis was to address the research question, which aimed to ascertain the level of significance of different leadership styles on employees' job satisfaction. In this section, the findings of the inferential statistics were reinforced by the utilization of Pearson correlation coefficient and multiple regressions were conducted.

4.4.1. Correlation Analysis

The strength of association between variables is described by correlation. According to Brooks (2008), correlation analysis measures the linear association between a dependent and independent variable. The correlation coefficient ranges from -1 to 1, with a value of 1 indicating a perfect positive relationship between the variables, -1 indicating a perfect negative relationship, and 0 indicating no relationship. In this study, correlation analysis was used to assess the relationship between job satisfaction and different leadership styles.

To determine the direction and strength of the relationship between each leadership style and overall job satisfaction, Pearson correlation analysis was performed. The results of the analysis are presented in Table 4.7, showcasing the correlation between each leadership style and employees' overall job satisfaction.

Table 4.7 Correlation of Leadership Style and Job Satisfaction

		Correlations			
		transformational	transactional	laissezfaire	jobsatisfaction
transformational	Pearson Correlation	1	.864**	.168*	.945**
	Sig. (2-tailed)		.000	.013	.000
	N	219	219	219	219
transactional	Pearson Correlation	.864**	1	.237**	.897**
	Sig. (2-tailed)	.000		.000	.000
	N	219	219	219	219
laissezfaire	Pearson Correlation	.168*	.237**	1	.315**
	Sig. (2-tailed)	.013	.000		.000
	N	219	219	219	219
jobsatisfaction	Pearson Correlation	.945**	.897**	.315**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	219	219	219	219

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: survey data (2024)

The findings suggest a statistically significant association between the general transformational leadership approach and the overall job satisfaction of employees. A strong and positive correlation of $r=0.945$, $p<.05$ was identified, demonstrating significance at the 0.05 level (2-tailed).

In relation to the correlation between transactional leadership style and the overall job satisfaction of employees, the findings indicate a statistically significant association between the two variables. The results revealed a strong and positive correlation of $r=.897$, $p<.05$, which was deemed significant at the 0.05 level (2-tailed).

In regards to the connection between the laissez-faire leadership style and employees' overall job satisfaction, the results of the Pearson correlation analysis indicate a statistically significant relationship. The analysis revealed a weak yet positive correlation of $r=.315$, $p<0.05$, which was significant at the 0.05 level (2-tailed).

In summary, there was a strong and positive relationship between the independent variables (transformational leadership style and transactional leadership style) and employees' job

satisfaction. On the other hand, the relationship between the laissez-faire leadership style and job satisfaction was weak but still positive.

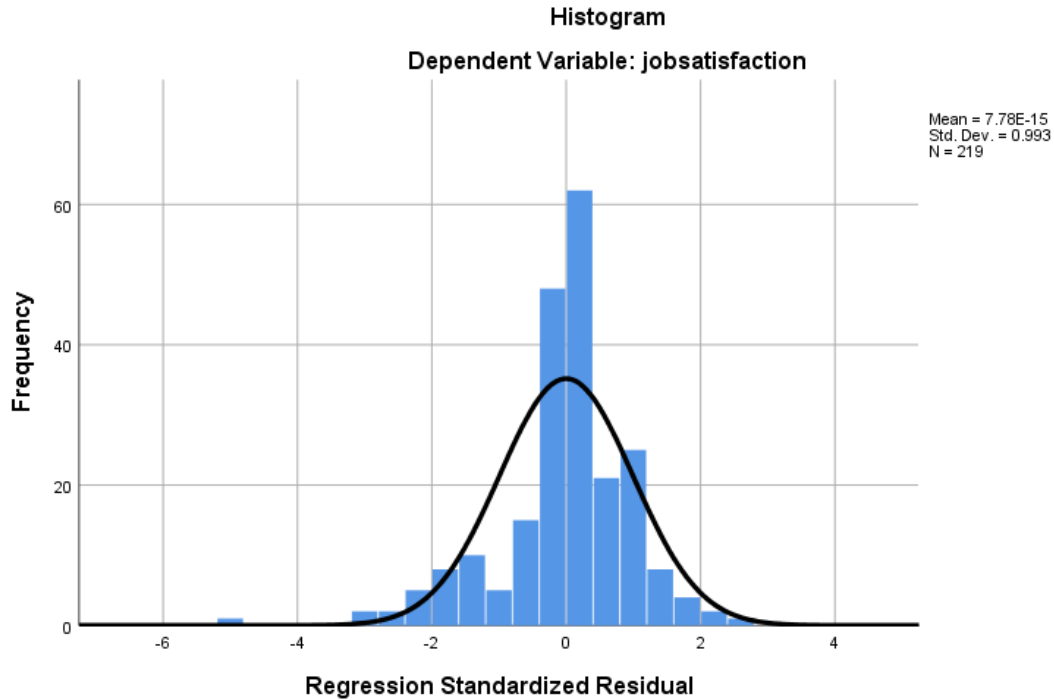
4.4.2 Regression Assumption Analysis

In this section, the utilization of multiple linear regression analysis is a valuable statistical technique that enables the examination of the relationship between a single dependent variable and multiple independent variables. In line with this principle, the present study aimed to employ linear multiple regressions to investigate the influence of the leadership styles on employees' job satisfaction. The leadership styles were considered as independent variables, while job satisfaction was regarded as the dependent variable. Before conducting the multiple linear regression analysis, the researcher ensured that five assumptions were met. These assumptions are crucial as failing to fulfill them would render the regression analysis impossible. The tests for these five assumptions of multiple regressions are provided below.

4.4.2.1 Normality Test

Based on Frost's (2019) research, meeting the requirement of normal distribution of residuals enables the execution of statistical hypothesis testing and the creation of dependable confidence intervals and prediction intervals. The normal distribution is characterized by its symmetry around the mean, indicating that data points close to the mean are more common than those further away. The values in this distribution are roughly approximately equally distanced from the mean, with the mean being close to zero and the variance being close to or equal to one.

Figure 4.1 Frequency Distribution of Residual (Histogram)

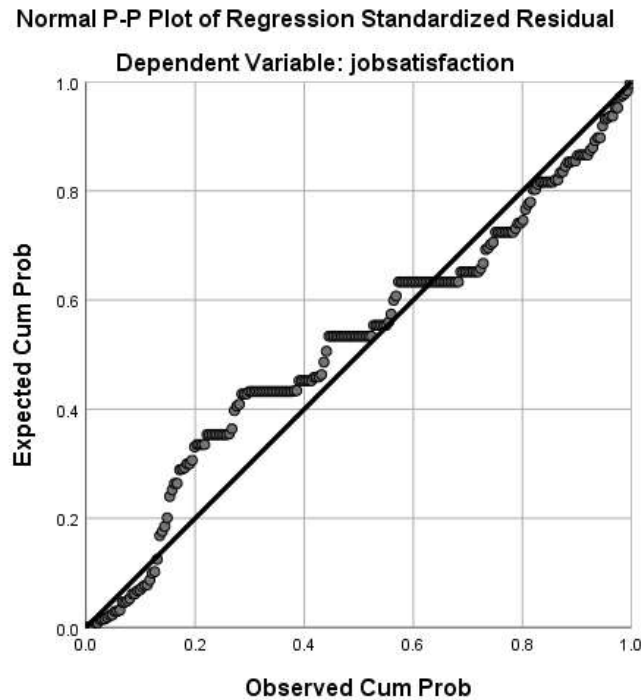


Source: survey data (2024)

4.4.2.2. Linearity test

In the Normal Probability Plot, one would anticipate that the points will fall along a relatively straight diagonal line extending from the lower left to the upper right. This alignment indicates minimal deviations from normal distribution. By utilizing the Normal P-P Plot of regression Standardized Residual (Figure 4.2), the research examined linearity. As the points were evenly dispersed around the diagonal line, a linear pattern was evident. Consequently, the direct correlation between the residuals and the anticipated dependent variable scores confirmed the attainment of linearity.

Figure 4.2 Frequency Distribution of Residual (Q-Q)

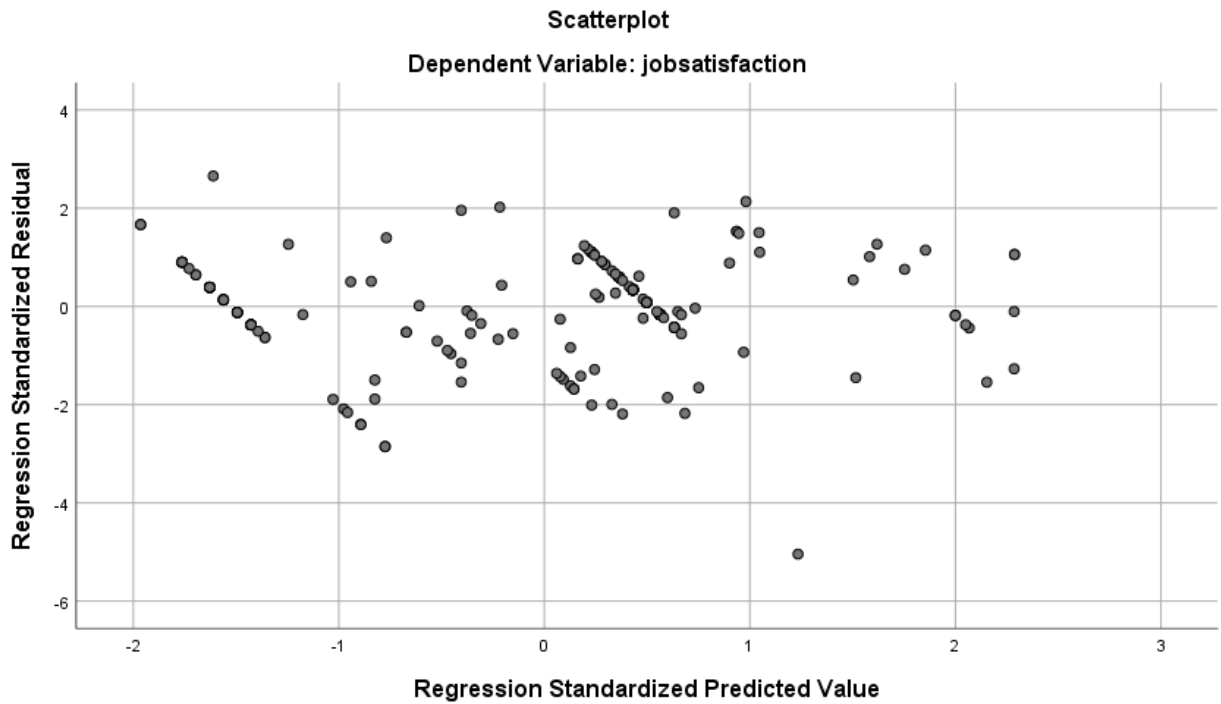


Source: survey data (2024)

4.4.2.3. Test for Heteroscedasticity

The linear regression model (LRM) assumes that the variance of the error term is constant, which is referred to as homoscedasticity. If the error term's variance is not constant, it is considered heteroscedastic. To assess whether this assumption is violated, the researcher utilized scatter plot technique. The outcome displays the standardized residual plotted against the standardized predicted value. The presence of heteroscedasticity is indicated if the plots exhibit a pattern. Conversely, if the plots do not show a pattern, there is no evidence of heteroscedasticity. In accordance with this general assumption, the researcher generated a scatter plot using the average results of the dependent variable, employee job satisfaction, and the independent variables (transformational, transactional, and laissez-faire) constructs to determine if homoscedasticity is a significant concern in this particular study.

Figure 4.3 Frequency Distribution of Residual (Scatter P-P Plot)



Source: survey data (2024)

4.4.2.4 Test of Autocorrelation

Table 4.8: Durbin-Watson test

Model	Durbin-Watson
1	1.717

Source: survey data (2024)

The regression model assumes that the covariance between the error terms in the cross-section is zero, meaning there is no serial correlation among the error terms. The study utilized the Durbin Watson test, a widely used method for detecting autocorrelation. If the DW test value falls between 1.5 and 2.5, it indicates no presence of serial correlation among the error terms (Hassen et al, 2017). As indicated in table 4.8, the DW test value of 1.717 falls within the acceptable range. The independent/predictor variables show no significant autocorrelation. Additionally, the correlation between the independent variables and the dependent variable was not affected by the autocorrelation of the independent variables.

4.4.2.5 Multicollinearity Test

The concept of multicollinearity assumes that there should not be a high level of relationship between independent variables. If a high correlation value is found, it is considered as evidence of the existence of multicollinearity. Tolerance values approaching 1 indicate the absence of multicollinearity, while values approaching 0 indicate a severe multicollinearity problem. Typically, a tolerance value less than 0.10 or a VIF value above 10 percent is used as a cutoff point to determine the presence of multicollinearity (Pallant, 2005). Therefore, the Multicollinearity test conducted on the result table 4.8 revealed that there was no multicollinearity issue. This conclusion is supported by the statistical output of the tolerance value (greater than 0.1) and VIF (below 10%), which indicate the absence of multicollinearity or any association between the independent variables..

Variance Inflation Factors (VIFs) ranging from 1 to 5 indicate a moderate correlation, which does not require any corrective actions. However, VIFs exceeding 5 indicate a significant level of multicollinearity, leading to poorly estimated coefficients and questionable p-values (Frost, 2019).

Table 4.9: Variance Inflation Factor Coefficients

Model		Collinearity Tolerance	
		Tolerance	VIF (%)
1	(Constant)		
	transformational	.252	3.976
	transactional	.244	4.093
	laissezfaire	.938	1.066

Source: survey data (2024)

4.5. Regression Analysis

A linear multiple regression analysis was performed to examine the correlation between independent variables and the dependent variable in the study. This analysis technique was utilized to investigate the impact of one or more predictor variables.

The study adopted the following regression equation to establish causal relationship between variables. $y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$; where y is the dependent variable (job satisfaction) and X_{1,2,3}, are independent variables (leadership styles) (i.e., X₁ = transformational leadership

style, X2= transactional leadership style & X3= laissez-faire leadership style). β_0 , β_1 , β_2 & β_3 are the parameters of the model or regression coefficients and ϵ represents the unobservable error which is the left-over portion of variability that the model cannot explain.

The summary of a multiple regression model is shown below, along with the results for independent variable in tables 4.10. Table 4.11 displays the ANOVA results, while Table 4.12 presents the coefficients of the multiple regression analysis.

Table 4.10 Multiple Regression Model Summary

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.967 ^a	.936	.935	.12868	1.717

a. Predictors: (Constant), laissezfaire, transformational, transactional

b. Dependent Variable: jobsatisfaction

Source: Survey Data (2024)

The multiple regression model yielded impressive results with R= 0.967, R² =0.936, and the adjusted R²=0.935. R-squared is a statistical tool that indicates the extent to which the variance in a dependent variable is clarified by independent variables in a regression model, while the adjusted R² gauges the model's goodness of fit. Essentially, R-squared offers a relative measure of the portion of the dependent variable's variance that the model accounts for. Thus, the result revealed that the predictor variables (i.e., transformational leadership, transactional leadership and laissez-faire leadership) explain 93.6% of the variance in job satisfaction at Federal Housing Corporation as represented by R² (the coefficient of multiple determination). This, therefore, means that other factors not included in this study explain 93.5% variations in the employees' overall job satisfaction in the case company.

Table 4.11 ANOVAa Analysis

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.096	3	17.365	1048.657	.000 ^b
	Residual	3.560	215	.017		
	Total	55.656	218			

a. Dependent Variable: jobsatisfaction

b. Predictors: (Constant), laissezfaire, transformational, transactional

Source: survey data (2024)

The research employed ANOVA analysis to assess the importance of the regression model, revealing an F-significance value of $p < 0.05$. Consequently, the model demonstrated statistical significance in forecasting the influence of independent variables on employee job satisfaction. As a result, the regression model exhibited a confidence level exceeding 95%, indicating highly reliable outcomes. Through the F-test statistic, the sample F yielded a value of 1048.657, confirming the statistical significance of the regression model ($F= 1048.657, P<0.05$).

Table 4.12 Coefficients of Multiple Regression Analysis

Model	Coefficients ^a						Collinearity Statistics		
	Unstandardized Coefficients		Standardized Coefficients			t	Sig.	Tolerance	VIF
	B	Std. Error	Beta						
1 (Constant)	-.825	.123			-6.717	.000			
transformational	.685	.034	.692		20.124	.000	.252	3.976	
transactional	.289	.038	.266		7.634	.000	.244	4.093	
laissezfaire	.230	.030	.136		7.632	.000	.938	1.066	

a. Dependent Variable: jobsatisfaction

Source: survey data (2024)

Based on the unstandardized beta coefficient values presented in table 4.11, it is evident that leadership styles have a positive and statistically significant impact on employees' job satisfaction at a 5% significance level.

The results of the regression analysis indicate that transformational leadership style ($\beta=0.685, p<0.05$), transactional leadership style ($\beta=0.289, p<0.05$), and laissez-faire leadership style ($\beta=0.230, p<0.05$) all play a statistically significant role in influencing overall employees' job satisfaction. The findings show that taking all other independent variables at zero, a unit increase in transformational leadership will lead to a 0.685 or 68.5% ($p = 0.00$) increase in the employees' job satisfaction.

In relation to transactional leadership, a single increment will result in a 0.289 or 28.9% ($p=0.00$) rise in the level of job satisfaction among employees. Furthermore, an increase in the laissez-faire leadership style by one unit will lead to a 0.230 or 23% ($p=0.00$) increase in employees' job satisfaction. The findings from the analysis demonstrate that transformational leadership, transactional leadership, and laissez-faire leadership style all made a positive impact on enhancing employees' job satisfaction.

Based on the results discussed above, the data shows in this study that based on the three-point rating scale of Chamberlain (2003), a moderate level of the transformational leadership style was displayed by supervisors as perceived by the raters. Based on the mean score of a five-point likert scale a moderate level of transactional leadership style was displayed by supervisors as perceived by the raters. based on the three-point rating scale of Chamberlain (2003), a moderate level of the laissez faire leadership style was displayed by supervisors as perceived by the raters. According to Spector's (1997) analysis of JSS scores presented in Table 4.4, it is evident that the majority of job satisfaction facets in the current sample reflect ambivalence, with some facets indicating satisfaction. The average scores ranged from 3.67 to 3.79.

In addition to the regression models for combined leadership styles that were discussed above, separate leadership style regression models were established to determine the nature of causal relation that each leadership style individually has with employees' overall job satisfaction. the multiple regression model yielded result revealed that the predictor variables (i.e., transformational leadership, transactional leadership and laissez-faire leadership) explain 93.6% of the variance in job satisfaction at Federal Housing Corporation as represented by R² (the coefficient of multiple determination).

Chapter Five

Summary, Conclusion and Recommendation

5.1 Introduction

The primary aim of this research was to investigate the impact of different leadership styles (transformational, transactional, and laissez-faire) on the job satisfaction of employees. Out of the 582 employees in the case company, a purposive sample of 237 employees was selected to complete a structured questionnaire on leadership styles and job satisfaction. This chapter encompasses a summary of the analysis results, a conclusion derived from the study's findings, recommendations, and suggestions for future implementation.

5.2. Summary of Findings

In order to examine the connection between the dependent variable and the independent variables in the research, which focuses on the impact of leadership style on employee job satisfaction, the study employed multiple regression analysis and a correlational matrix.

The majority of the participants in the study (70.8%) were male employees, and a significant proportion of the respondents (71.7%) were under the age of 40. Furthermore, a majority of the respondents (54.3%) were married, and a significant portion of them (47.9%) held a first degree. Additionally, 37.9% of the respondents had more than 15 years of work experience.

The results presented in the preceding section revealed a notable correlation among the independent variables, namely transformational leadership style, Transactional leadership style, and Laissez-faire leadership style, and the dependent variable, Employee Job satisfaction.

The inferential analysis findings demonstrated a robust and favorable association specifically between the Transformational leadership style and Employee Job satisfaction. The impact was most pronounced with Transformational leadership style, followed by Transactional leadership style and Laissez-faire leadership style, in that order.

5.3. Conclusion

The aim of this research was to investigate the impact of different leadership styles on the job satisfaction of employees within the federal Housing Corporation. The goals of this study included examining how leadership style influences employee job satisfaction within the federal Housing Corporation. A research design combining descriptive and causal elements, structured as a survey, was utilized. Additionally, a qualitative approach was taken, incorporating both primary and secondary data sources. Primary data was gathered through a questionnaire distributed to 237 employees. Data analysis involved the use of descriptive and inferential statistical methods, including frequency, percentage, mean, correlation, and regression.

The impact of three leadership styles (transformational, transactional, and laissez faire) on employees' job satisfaction in the Federal Housing Corporation was examined in the current study. Additionally, the study aimed to identify how these leadership styles influence job satisfaction among employees. Based on the study's findings, the following conclusions can be drawn. The dominant leadership style practiced by supervisors/managers at the Federal Housing Corporation is transformational leadership, followed by transactional leadership. On the other hand, the laissez faire leadership style is the least commonly practiced style in the organization. Furthermore, employees in the Federal Housing Corporation exhibit an ambivalent level of job satisfaction, neither fully satisfied nor dissatisfied.

Overall, there exists a robust and favorable correlation between the transformational leadership style and the job satisfaction of employees. Conversely, there is a weaker yet still positive correlation between transactional leadership styles and employees' job satisfaction. Additionally, there is a similar weak but positive correlation between laissez-faire leadership and employees' job satisfaction. As a result, employees tend to prefer working with leaders who exhibit transformational and transactional leadership styles.

5.4. Recommendations

The research investigated the leadership styles implemented within the organization under study and analyzed how these styles correlate with the job satisfaction of employees through the utilization of descriptive and inferential statistics. Consequently, the findings demonstrated a

noteworthy and favorable association between three distinct leadership styles (namely transformational, transactional, and laissez-faire) and the job satisfaction of employees.

From the above, analysis and conclusion provide a recommendation that the management of FHC should take into consideration in order to improve employee job satisfaction and foster harmony between the staff and the management team. In order to elevate employees' job satisfaction to a greater extent, it is imperative to implement these leadership styles with increased frequency. Alternatively, to foster a higher level of job satisfaction among employees, the organization should provide training to its managers, enabling them to cultivate new transformational leadership skills.

- Engage in a way that makes them able to lead by example for those who follow them
- Stress the significance of having a shared sense of purpose.
- Gives others confidence that challenges will be overcome, that they are risk-takers and consistent rather than arbitrary.
- provides an appealing vision for the future
- Encourage their followers to be creative and innovative by challenging presumptions, rephrasing issues, and taking a fresh perspective to familiar circumstances.
- As you role as a coach or mentor, pay close attention to the demands of each individual follower in terms of success and development.

The Federal Housing Corporation should actively engage its employees in decision-making processes in order to ensure that they fully understand and embrace the organization's vision and mission. This approach will foster a sense of ownership among employees and motivate them to perform at their highest potential.

In conclusion, in order to enhance overall job satisfaction among employees, it is crucial for the organization to implement leadership development programs such as training sessions, seminars, workshops, and panel discussions. These initiatives will help improve the leadership skills of managers and supervisors, enabling them to effectively fulfill their roles as leaders within the organization.

5.5 Suggestions for Further Studies

The primary aim of the present research was to examine the impact of perceived leadership styles (transformational, transactional, and laissez-faire) on employees' job satisfaction at FHC. Limited research has been carried out on the relationship between leadership and job satisfaction among employees in Ethiopian government organizations. Thus, this study will undoubtedly provide future researchers with useful insights and opportunities. As a result, given the limits of the current study, it is advised that future research on a related subject take into account incorporating a few key variables.

The current study focused at how leaders' perceived leadership influenced their subordinates' ratings of their job satisfaction, and it excluded information regarding how leaders felt about their own leadership style. Therefore, it is advised that subsequent research should balance the outcomes, mention the leaders' opinions about their own leadership styles.

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APPENDICES
ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE

DEPARTMENT OF BUSINESS LEADERSHIP

RESEARCH SURVEY

Dear Survey participant,

I am Yemisrach Worku, a master's student in the School of Commerce at Addis Ababa University. I am conducting a study to analyze the influence of leadership style on employee's job satisfaction in case of FHC. The purpose of these questionnaires is to collect relevant raw data for the study. The outcomes of the study will be used in order to suggest possible solutions for problems identified while conducting the study. All information collected through the questionnaire will be used for academic purpose and thus not affects you in any case. Therefore, I respectfully ask that you carefully consider your answers to each question item. Thus, I would want to express my gratitude in advance for your willingness to volunteer.

Name: Yemisrach Worku

Email: yemisrachworku55@gmail.com

Phone no: +251932000246

General Instructions

- There is no need of writing your name
- Where answer options are available please tick (✓) in the appropriate box.

Section I: Demographic Information

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

1.1. Gender:

Male [] Female []

1.2. Age Group:

Below 25 [] 26 – 30 [] 31 35 [] 35 – 40 [] 41 and above []

1.3. Marital Status:

Single [] Married [] Divorced [] Widowed []

1.4. Educational Background:

Diploma [] First degree [] Master’s degree [] Above Master’s degree []

1.5. Working experience in FHC:

1 -5 years [] 6 -10 years [] 11-15 years [] above 15 years []

Section II: Leadership styles Questionnaire

This section of the questionnaire gives you an overview of the leadership style of your leader.

Please judge how each of the descriptive statements listed in the table below fits with him/her as per the given rating scale.

1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree.

	Statements	Scale				
	Transformational Leadership Style	1	2	3	4	5
1	The leader make others feel good to be around him/her.					
2	The leader expresses, with a few simple words, what employees could or should do.					
3	The leader helps others to find meaning in their work.					
4	The leader spends time to teach and coach his/her subordinates.					
5	The leader appreciates for the quality of employee's efforts.					
6	The leader gives his/her subordinates with insightful suggestions on what they can do to improve.					
7	The leader is efficient in reaching the corporation's requirements.					
	Transactional leadership style					
1	The leader displayed a sense of power and confidence.					
2	The leader tells his/her subordinates what to do if they are to be rewarded for their work.					
3	The leader tells his/her subordinates the standards to carry out their work.					
4	The leader appreciates / reinforces other who fulfills their mandate.					
5	The leader freely allows other to conventionally attend to daily duties.					
6	The leader will take action before problems are chronic.					
7	The leader notifies employees the requisite level of skill before they attend to his /her assignment.					
	Laissez-faire leadership style					
1	The leader allows employees to determine what needs to be done and how to do it.					
2	The leader stays out of the way as employees do their work.					
3	Employees are allowed to evaluate their own work as a rule by the leader.					
4	In complex situations, the leader allows the employees to apply their own creativity around issues.					
5	Employees prefer only little input from the leader.					
6	There is no intervention from the leader when employees are working.					
7	The leader gives freedom for employees' personal initiative to generate solutions.					

Section III: Job Satisfaction Questionnaire

The statements given below are aimed at assessing your job satisfaction at FHC. You are request to rating yourself against each statement to indicate your level of agreement with what the statement is suggesting. The rating scales are defined in the following way.

1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree.

Put a tick “√” in the box that indicate the extent to which you agree with the statements in table below

Job Satisfaction Questionnaire		Scale				
		1	2	3	4	5
1	The work I am doing is enjoyable.					
2	I am given the opportunity to do different things.					
3	I feel a sense of pride in doing my job.					
4	I feel I am being paid a fair amount for the work I do.					
5	My job gives me a feeling of personal accomplishment.					
6	The leader is visibly demonstrates a commitment to quality work.					
7	The benefits we receive are as good as most other organizations offer.					
8	My job gives me the opportunity to learn.					
9	My manager is competent in making decision.					
10	Those who do well on the job stand a fair chance of being promoted.					
11	I am satisfied with my chances for promotion.					
12	I receive the right amount of recognition for my work.					
13	I know my work is really effective in achieving the goals of the organization.					
14	The amount of work expected of me is reasonable.					
15	Employees get promotion as fast here as they do in other organizations.					
16	Employees in my department communicate sufficiently with one another.					
17	The work associated with my position allows me to make contribution.					
18	The leader is quite competent in doing his or her job.					
19	The leader is acts in a way that builds my respect.					
20	The leader treats me as individual rather than just as member of a group.					