

An Empirical Study on the Relationship between Leadership Style and Job Satisfaction in Manufacturing Sectors, Chennai

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Abstract: Leadership styles are important in organization precursors to influence employees. Choosing a better leadership style can improve job satisfaction and organization goals. This study was to assess the relationship between leadership style and job satisfaction in four manufacturing companies in Chennai. The sample size was targeted to 80 managers and staff. The survey was conducted by using questionnaire. Research method used was descriptive and quantitative. Data Analysis was performed by SPSS – using Chi square, Correlation and ANOVA test. According to the result, there was a significant relationship between leadership style and Job satisfaction. The study found that companies have almost same style of leadership – transactional leadership, transformational leadership and laissez fair has positive impact. Hence there is a positive relationship between leadership style and Job satisfaction in various manufacturing companies.

Keywords: Leadership style, Job satisfaction, manufacturing sector.

INTRODUCTION

Manufacturing sector is highly competitive in today's global business. An effective hiring process, training approaches, retaining of employees along with effective leadership style is important for any organization (Chaudhuri, 2015). Leadership theories highlight on improving relationships between leaders and employees. Leadership with its type has a crucial role in shaping the behavior and attitude of the subordinates as well as the staff. The field of leadership not only aimed to analyze the relational link but also to focus on the role of a leader as a motivator. The goal of this study was to determine the relationship between leadership style and job satisfaction in a manufacturing sectors. For the study, four manufacturing companies in Chennai have been identified: R K Steel Manufacturing Company Private Limited, RG Bronze Manufacturing Company Private Limited, Godrej & Boyce Mfg. Co. Ltd and Mabara Manufacturing Company. The researcher uses three types of leadership styles such as transactional leadership, transformational leadership and laissez fair to compare its variables with that of job satisfaction.

Objectives

1. To study the relationship between leadership style and job satisfaction in manufacturing sectors, Chennai.
2. To find out the effect of relationship between leadership style and Job satisfaction of employees.
3. To analyze the different variables of leadership styles and Job satisfaction.

Problem Statement

Every organization has the target to achieve its goals and to develop higher strategies. The basic problem undertaken for the study is to find out the relationship between different styles of leadership with subordinates' job satisfaction. In most of the companies 77% of employees are unhappy with the current job. Many variables can lead to job satisfaction or dissatisfaction. One variable that has been linked to job satisfaction is leadership styles (Mardanov et al- 2008). Many researches on Job satisfaction and leadership style have been conducted in health care and academic environment and may not be comprehensive to other industries.

REVIEW OF LITERATURE

Avolio, 2004; Dvir, 2002 and McColl-Kennedy & Anderson (2005) defined transformational leadership style as guidance through individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence. Kuhnert & Lewis, 1987; MacKenzie et al., 2001 have stated that transformational leadership is the capability to motivate and to encourage rational stimulation through inspiration further they fundamentally change the values, goals, and aspirations of followers who adopt the leader's values and, in the end, perform their work because it is consistent with their values and not because they expect to be rewarded. Transformational leadership which encourages autonomy and challenging work became increasingly important to followers' job satisfaction. The concept of job security and loyalty to the firm for one's entire career was disappearing. Steady pay, secure benefits, and lifetime employment were no longer guaranteed for meritorious performance. At the same time, transactional leadership alone could not provide job satisfaction.

Bass & Avolio -1993 has mentioned that transactional leadership is an exchange-based relationship where self-interest is dominant. Transactional leaders work within their organization's culture and follow existing rules, procedures, and operative norms. Pearce & Sims- 2002 have studied that transactional leadership relies on the use of appropriate rewards to motivate followers. Dessler & Starke have emphasized on completion and accomplishing of allocated tasks on hand. This type of leader maintains and preserves harmonious working relationships coupled with promises on rewards for satisfactory performance. Furthermore, this leadership is focused on leader-follower exchanges in which followers or dependents are expected to carry out his or her duty and perform according to the given instruction. Huberts, et al, 2007 has interpreted as a non-transactional kind of leadership style in which prompt decisions are not made with delay in action taken, coupled with ignoring of leadership responsibility and non-exercise of authority.

Robbins et al - 2010 has emphasized that in contrast to transformational and transactional leaderships, Laissez-Faire leadership is a submissive kind of leadership style. This type of leader generally gives his or her followers or employees complete freedom to make decisions or to complete a task in whichever way they deems fit and appropriate. It also being interpreted as a non-transactional kind of leadership style in which prompt decisions are not made with delay in action taken, coupled with ignoring of leadership responsibilities and non-exercise of authority. Hamidifar (2010) commented that leaders who are practicing this leadership style are usually do not care and take no consideration and concern on issues that arises in organization environment.

Job Satisfaction

Job satisfaction is defined by Locke (1976) as "a pleasurable or positive emotional state resulting from one's job or job experiences" (p.1300). Later, Armstrong (2003) defined job satisfaction as the feelings and attitudes of people toward their job. He mentioned that if people have favorable and positive attitudes towards their job, this means job satisfaction, but if they have unfavorable and negative attitudes towards their job, this means job dissatisfaction.

Voon, et al, 2011 explained that effective leadership and employee job satisfaction are two factors that have been regarded as fundamental for any organizational success. Employees with high job satisfaction are likely to employ more effort in their consigned tasks and pursue organizational interests. An organization that fosters high employee job satisfaction is also more capable of retaining and attracting employees with the skills that it needs.

RESEARCH METHODOLOGY

This study is descriptive research design. Data used in this study are primary and secondary data. Secondary data were obtained and compiled from various literature, books and journals. The primary data was collected for the study. Primary data collected through survey method giving questionnaire to the respondents. Stratified random sampling technique was used. The sample size for the study is 80. Statistical tools used are chi square, correlation and one way ANOVA. The research variables are independent and dependent. For the study, leadership style is considered as independent variable and job satisfaction as dependent variable.

Analysis

In Table 1, the values of Cronbach's Alpha obtained is above 0.60 that is 0.849, this means that the instrument used in this study is reliable.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.849	20

Source: Primary data

Chisquare Test

H0: There is no significant association between leadership styles and work related behaviour of the respondents.

H1: There is a significant association between leadership styles and work related behaviour of the respondents.

Table 2: work related behaviour * Leadership Style

work related behaviour	Leadership Style			Total
	Transformational Leadership Style	Transactional Leadership Style	Laissez fair Leadership Style	
Motivation	26	0	0	26
Team work	0	26	0	26
Job satisfaction	0	0	28	28
Total	26	26	28	80

Table 2.1 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	160.000 ^a	4	.000
Likelihood Ratio	175.679	4	.000
Linear-by-Linear Association	79.000	1	.000
N of Valid Cases	80		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.45.

Source: Primary data

In table 2 Chi Square test, the significant value less than 0.05. Hence there is significant association between leadership style and work related behavior of the respondents.

Correlation

H0: There is no significant relationship between leadership styles and Job satisfaction of the respondents.

H1: There is a significant relationship between leadership styles and Job satisfaction of the respondents.

Table 3: Correlations

		transactional	transformational	Laissezfair	Jobsatisfaction
transactional	Pearson Correlation	1	1.000**	1.000**	1.000**
	Sig. (2-tailed)		.000	.000	.000
	N	80	80	80	80
transformational	Pearson Correlation	1.000**	1	1.000**	1.000**
	Sig. (2-tailed)	.000		.000	.000
	N	80	80	80	80
Laissezfair	Pearson Correlation	1.000**	1.000**	1	1.000**
	Sig. (2-tailed)	.000	.000		.000
	N	80	80	80	80
Jobsatisfaction	Pearson Correlation	1.000**	1.000**	1.000**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	80	80	80	80

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

Source: Primary data

In table 3, Correlation test results showed that there is a significant relationship between the variables of leadership style and job satisfaction, as shown by the significant value below 0.01 which can be seen in Table 3.

F-test

H0: There is no significant difference between variables of leadership styles and Job satisfaction of the respondents.

H1: There is a significant difference between variables of leadership styles and Job satisfaction of the respondents.

Table 4 : ANOVA test

Models	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.223	2	5.612	6.123	.000
Within Groups	51.319	56	.916		
Total	62.542	58			

Source: Primary data

a. Predictors: (Constant), leadership style

b. Dependent Variable: job satisfaction

F-Test was conducted to determine whether all of the independent variables simultaneously affect the dependent variable. From table 4, the variables of leadership style together has a significant effect on job satisfaction, this can be seen in the significant value below 0.01 which means that the employee's job satisfaction will increase if the leadership style of a leader rated as excellent and improved employee satisfaction.

FINDINGS

- The purpose of the study was to examine the relationship between leadership style and Job satisfaction in four manufacturing companies. In Chi square, there is a significant association between leadership styles and work related behavior
- In the Pearson Chi-Square value is 160 and, the significant value less than 0.05. The findings of the study had a positive impact on all three leadership styles – transformational, transactional and laissez fair with that of job satisfaction. There is a strong relationship between all the different types of leadership style to job satisfaction ie Pearson Correlation is $r=1$, $p=0.000$.
- This is clear evidence that the employees of the above mentioned manufacturing companies were satisfied with the current leadership style. In F test, the independent variable was leadership style and the dependent variable was job satisfaction with the F value = 6.123 and $p= 0.000$. Hence there is a significant different between the variables of leadership style and job satisfaction.

CONCLUSION

Based on the findings, every leadership style studied in this research had both positive impacts on job satisfaction. The variables associated with leadership style and job satisfaction has a positive relationship. Organization must examine and identify the role of leadership in supporting and contribute to the development of the company. Organization which has good leadership power and capability, will accomplish success therefore organizations need to look at leadership as a major concern. Thus the organization which nurtures high employee job satisfaction is more proficient of retentive and attracting employees with the abilities that is required for the job.

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