

# Effects of Different Leadership Styles on Employee Satisfaction

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**Abstract:** The leaders based on their roles, power, such as cognitive differences, formed the different leadership styles. The leadership in a group is not using the same way to create their leader role. Leaders usually use different leadership styles and these have various impacts on job performance and job satisfaction. Enterprise managers' personality and leadership styles also alleviate employees' emotions, arouse the enthusiasm of employees, and motivate employees to work hard. Leadership style is a gradually formed and consistent thought, style, and artistic characteristics in the process of the implementation of the long-term leadership which includes leadership thinking, the methods to solve the problem and attitudes towards people, things, and life. In other words, it is interpersonal ways.

The study aimed at the correlation on leadership styles and job satisfaction. Questionnaires and interviews of small and medium enterprises are utilized, and 3 main scales are used to collect the data. Reliability and validity analysis, correlation analysis, regression analysis and path analysis are also used in exploring the interaction and correlation of leadership styles and job satisfaction.

The last part of the thesis is conclusions and suggestions. In general, from the average analysis of employees' satisfaction, the job satisfaction of employees is high and the average value is the highest in the satisfaction of the managers and colleagues. Employees get more satisfaction on the decision-making ability and the relationship between colleagues. But there is less satisfaction in salary structure. The suggestions are to enhance leading of respecting people's values, needs and humanistic management; to complete the leading communication skills; to vary the control abilities in different situations; to use various leadership styles flexibly.

**Keywords:** leadership styles, employees, satisfaction, impact.

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## 1. INTRODUCTION

### 1.1 Research Meaning

If an enterprise wants to succeed in the fast-changing world, innovative techniques and good leading strategies are absolutely necessary. To promote the competition among enterprises, meet the needs of customers and to improve enterprise performances, all contributions of employees should be valued. Thus, how an enterprise establishes a better system is imperative. Leadership styles affect employees' behaviors and performance. For a leader, employs different styles in different employees is beneficial in management. Beside, various statuses of employees have different impacts on satisfaction, organization commitment, and organization fairness. All-trust management strategies are new styles among managers, but they are still not suitable in China. The managers still play key role in a group. The personal charm still unites the group. Especially in the mixed employment companies, there are high requirement in management tasks, job complexities, and leadership styles.

### 1.2 Research goals

The study focuses on the importance of working, and this provides an effective way in promoting employees' performances in a subjective view. By applying suitable leadership styles to improve the objective attitudes of employees, it has certain positive effects on many variables except opportunity commitment. The study aimed at the correlation on leadership styles and job satisfaction. Questionnaires and interviews of small and medium enterprises are utilized, and 3

main scales are used to collect the data. Reliability and validity analysis, correlation analysis, regression analysis and path analysis are also used in exploring the interaction and correlation of leadership styles and job satisfaction. The innovation of this study is to study the correlation of corporate leadership styles and employee satisfaction. The impacts of different leadership styles for the employee satisfaction are different. How to provide practical suggestions to enterprise is worth considering issue. In addition, this study also integrated the actual situations of the enterprise with the method of empirical analysis and questionnaire survey on leadership style analysis and this fully analyzed and demonstrates the impact on employee satisfaction. The importance of job is provided as effective ways under the leader's objective factors. It improves the subjective employees' attitudes towards organization through suitable leadership styles, and it does affect many variables except opportunity commitment. How the manager improves the employees' job importance is a real challenge.

## **2. LITERATURE**

Researches of leadership styles, employees' satisfaction and the correlation between employees' satisfaction and leadership styles are reviewed. The current leading viewpoints are: attribution theory of leadership, charismatic leadership theory, transactional theory and transformational theory. Main related theories are: charismatic leadership – return of trait theory, vision leadership, related theories of transformational leadership and transactional leadership. The difference between transactional leadership and transformational leadership is the hot issue in leadership theories. The measuring tools of employees' satisfaction are: guided interview, unguided interview, impressionistic method, structured questionnaire, unstructured questionnaire, rating scale, and critical incident. Related scales are: Job Descriptive Index, Minnesota Satisfaction Questionnaire, Need Satisfaction Questionnaire, Job Diagnostic Survey, Job Satisfaction Index, Job Satisfaction Inventory, Michigan Organization Assessment Questionnaire, and SRA Employee Inventory.

## **3. METHODOLOGY**

From the literature reviewed in chapter 2, we concluded that the relationship of care dimension and employees job satisfaction is consistent with the domestic and foreign scholars' results. This means high care usually goes with high satisfaction. Besides, the correlation of structure dimension and employees job satisfaction is not clear. It is still affected by other variables. By the questionnaire survey of leadership styles and employees' satisfaction and statistical analysis, the correlation of structure dimension and care dimension in enterprise culture and the structure dimension and care dimension in leadership styles are measured. The synergy of leadership styles and enterprise culture is thus discussed. Combine job satisfaction categories of the Minnesota Satisfaction Questionnaire, some researchers' grouping (Xu Jing-Cai 2010 ; Choi Hun, 2012) and the demand of the study, employees job satisfaction divided as inner satisfaction and outer satisfaction.

The questionnaire of employees job satisfaction is modified from the short scale of Minnesota Satisfaction Questionnaire (MSQ) and questionnaire in related researches of domestic scholars (Cao Li-Juan, 2006 ; Xu Jing-Cai, 2010 ; He Cai2012), and combine the current study needs. The employee job satisfaction in the current study is divided as inner satisfaction and outer satisfaction. The questions are in Table 3-3. Likert Scale is utilized in the study: 1=strongly disagree; 2=disagree; 3=fair; 4=agree; 5= strongly agree. The higher the score, the higher employees' job satisfaction.

## **4. RESULTS ANALYSIS**

From the descriptive statistics of leadership styles, the leadership styles that employees perceived, the total value is 3.79. This indicates most employees perceived higher leadership level. In two dimension of leadership styles, the leadership styles of structure dimension scored higher, it is 3.942. The leadership styles of care dimension is lower, it is 3.638. Two dimensions are higher than middle value 3. This indicates the employees' perception of leader's care dimension is fewer, and the leader should enhance care leadership behaviors.

Based on the previous scale designs, the higher the score, the more employees' job satisfaction. By the descriptive statistical analysis of employees satisfaction variables, the grand average of employees job satisfaction is 3.5. This indicates the employees' job satisfaction of small enterprise is above average.in the two dimensions of job satisfaction, outer satisfaction scores higher, the average is 3.523. This indicates the payment, evaluation mechanism, and interpersonal relationship of small enterprise is better. This increases employees' outer satisfaction. In inner satisfaction,

the score is lower in job content and learning opportunity. Enterprises need to improve the employees' satisfaction to promote development.

SPSS18.0 is used to measure the reliability.

From the result,  $\alpha$  coefficient values of the subscales in 2 dimensions of leadership styles is bigger than 0.80. This indicates the reliability is good.  $\alpha$  coefficient values of the total scales of leadership styles is bigger than 0.80. This indicates the degree of consistency and internal structure is good. The results are reliable.

$\alpha$  coefficient values of the subscales in 2 dimensions of employee job satisfaction is bigger than 0.80. This indicates the reliability is good.  $\alpha$  coefficient values of the total scales of employee job satisfaction is bigger than 0.80. This indicates the degree of consistency and internal structure is good. The results are reliable.

Pearson correlation analysis is used to examine the correlation of variables.

There is a significant correlation between independent variable care dimension and dependent variable employee job satisfaction. Positive correlation is shown between care dimension with inner satisfaction and outer satisfaction. The correlation coefficients are 0.504 and 0.581. Significance level value is less than 0.01. There is positive correlation only between structure dimension and outer satisfaction. Correlation coefficient is 0.293, and sig. value is less than 0.01.

Inner satisfaction is taken as dependent variable, and care dimension and structure dimension of leadership styles are taken as independent variables. The regression results showed that after adjusting the value expands to 0.240, F value is 34.895. Significance level is less than 0.01. This indicates the model has statistically meaningful. In model 2, outer satisfaction is taken as dependent variable, and care dimension and structure dimension of leadership styles are taken as independent variables. The regression results showed that after adjusting the value expands to 0.413, F value is 77.745, and significance level is less than 0.01. This indicates the model has statistically meaningful.

In regression results of table 4-4 model 1, there is positive correlation between care dimension and inner satisfaction. Regression coefficient  $\beta$  is 0.504. Significance level is less than 0.01. Thus hypothesis 1 a-1 is verified. There is no significant correlation between structure dimension and inner satisfaction. Thus, hypothesis 1 b-1 is not verified.

In regression result of table 4-4 model 2, there is positive correlation between care dimension and outer satisfaction. Regression coefficient  $\beta$  is 0.581. Significance level is less than 0.01. Thus hypothesis 1a-2 is verified, and hypothesis 1a is also verified. There is positive correlation between structure dimension and outer satisfaction. Regression coefficient is 0.293. Significance level is less than 0.01. Thus, hypothesis 1b-2 is not verified, and hypothesis 1b is also not verified.

## **5. CONCLUSIONS AND SUGGESTIONS**

### **5.1 Research Conclusions**

In general, according to the analysis of means of employee satisfaction, the job satisfaction of employees is high, and the average is the highest in supervisor and coworkers. Employees get higher satisfaction in the leading ability of supervisor and the situation of interpersonal relationship. But there is low satisfaction in salary structure.

There is positive correlation between two dimensions (care dimension and employees' job satisfaction) of leadership styles and inner satisfaction and outer satisfaction. This means the more caring leadership behaviors a leader shows, the more inner and outer satisfaction of employee gets.

Group leaders are mostly interested at the impact of group member satisfaction on group performance. The impact of job satisfaction on group performance is mainly on productivity, absenteeism and turnover rate. There is slight positive relationship between job satisfaction and productivity. But after bringing in the intervening variable, the relationship can be improved. There is negative relationship between job satisfaction and absenteeism. Although people might consider members who are not satisfied with the group might be absent more often, other factors may affect the relationship and reduce the correlation value. There is negative relationship between job satisfaction and turnover rate. The important intervening variable is the performance level of members. The impact of job satisfaction is bigger on low performance staffs than to the high performance staffs.

## **5.2 Research suggestions**

### **5.2.1 Enhance leading of respecting people's values, needs and humanistic management**

Humanistic management is the highest state of human society that managers manage the transition from a natural person, agent and social beings. Humanistic management based on human is the core content of modern enterprise management, and it is also one of the most important issues. Modern enterprises must establish a hard-working, united, cohesive, effective, and innovative leadership group. Enterprise is an economics unit and its goal is to gain big profit, increase market share and get the eternal superiority. Employees are the executors and implementers of the enterprise strategic targets. In the search of self-value in an enterprise, an employee does gain the sense of fulfillment, and helps the enterprise achieve advanced enterprise culture, operation concepts and ideas. Enterprise culture is the core of human resource management and the excellence essence of a successful enterprise. The personality charm and leadership styles of enterprise managers play important role on easing the tension of employees, motivating employees, and encouraging employees. Humanistic management based on human is to trust, care, love, understand and respect employees. It is necessary to communicate with employees, control the working situation and deal with problems of employees in time. It is good way to establish communicative, fair and equal industry management.

### **5.2.2 Complete the leading communication skills**

The management ideas and leadership styles has great influences on modeling group culture, improving organization efficiency and promoting leadership ability. Once leadership styles are developed, they are not easily changed. Besides, the leaders have to adjust leading ways according to group development phrases, goals and missions. Otherwise, the unchanged leadership styles will lead to rigid organization and lack of energy. For example, in the organization creating period, authoritative leadership styles may be the proper choice; in the organization changing phase, democratic leadership styles can usually explore potentials of employees, mobilize the enthusiasm, and jointly overcome the difficulties and challenges.

In addition, the leaders should use different leading ways according to the composition, professional ability, career experiences and maturity of employees. For example, for new employees or those who lack practical experiences, directive leadership styles are helpful in mission fulfillment. On the other hand, authoritative leadership styles are suitable for employees with plenty practical experiences and higher professions.

### **5.2.3 Vary the control abilities in different situations**

The strategies that improve leading control abilities are: in leading-member relationship, leaders can attend some activities with subordinates actively, such as traveling or athletic activities. Take time to have close conversations and communicate with subordinates; in mission structure, leaders could learn to improve professional skills, participate in the discussions, and send well-trained staff to design the working procedure and operation rules; in position power, request the superior authorization to enhance formal information transit, try to make decisions and solve problems. If leaders want to decrease leading control abilities, the following steps can be adopted: in leading-member relationship, reduce informal contact opportunities and place some 'dissident activists' in the group; in mission structure, leaders ask for more responsibilities to expand the working range and ask employees of different opinions to join in the group; in position power, leave authorization to subordinates and encourage employees to deal with their own problems.

### **5.2.4 Use various leadership styles flexibly**

By improving leadership, other leaders with disharmonious factors could also improve their leadership. Professor at Harvard University, David McClelland, discovered that leaders with over 6 key emotion leading ability are more capable in dealing with such problems. Besides, he also found that different good leaders can develop a sense of resonance among employees through a unique combination of leadership. For example, a leader may exceed in confidence, flexibility, initiative, goals fulfillment, empathy and exploring people's potentials; the other leader might exceed in self-awareness, honesty and integrity, being calm and steady under pressure, organizational awareness, influences and teamwork ability.

The more emotional abilities leaders possess, the more working effectiveness they get. This indicates leaders with strong emotional abilities can handle flexibly to a wide variety of needs of the organization running. Each leadership styles depend on various emotional abilities, so the best leader can choose the right time to use the right leading way, and change it flexibly.

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