

The Effect of Leadership Style and Working Environment towards Job Satisfaction

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Abstract: This research analysed the effect of leadership style and environment towards job satisfaction on the employees. The object of this research is one of education and training office owned by the government institution in South Jakarta area. Sampling method used in this research is purposive sampling with 64 people as the respondents. Data analysis is conducted by using Path Analysis and Sobel Test to determine the effect of mediation with the help of SPSS software version 24.

The results of this research indicated that leadership style has no significant effect towards job satisfaction, directly. Leadership style has a positive and significant effect towards working environment. Working environment has a positive and significant effect towards job satisfaction. Leadership style has a positive and significant effect towards job satisfaction through working environment as a mediation.

Keywords: leadership style, working environment, and job satisfaction.

I. INTRODUCTION

The manner of a leader in managing their subordinates may affect the attitudes and feelings perceived by the subordinates. Leadership style is closely related to the characteristics of the subordinates as well as the communication processes that occur between leaders and subordinates. According to Robbins and Coulter (2018:53), organizational benefits can be achieved through high employee satisfaction.

A propitious and adequate working environment is needed in order for the employees to feel comfortable in carrying out their daily tasks and activities. The sense of comfort perceived by the employees is expected to increase job satisfaction and working productivity, so as to support the achievement of organizational goals.

A change on the position of head office has occurred in the mid-2017, therefore there was a change of leadership style from the previous head office. Changes in leadership style also required the employees to adjust themselves to the new head office. From the results of interviews with several employees, it can be observed that there is a sense of dissatisfaction towards the leadership style applied by the head office and the current working environment conditions in the office.

Based on the above description, the researcher decided to conduct a research with the title "The Effect of Leadership Style and Working Environment towards Job Satisfaction".

II. LITERATURE REVIEW

A. Leadership Style

Kinicki and Williams (2018:466) stated that leadership is an ability possessed to affect subordinates or employees to pursuit organizational goals voluntarily. Effective leadership can motivate members of the organization therefore productivity, loyalty and satisfaction of the members may increase.

There are several theories regarding the situational leadership style, one of the theories stated by Hersey and Blanchard is called Situational Leadership Theory (SLT). According to Konopaske, et al. (2018:415), SLT is a leadership approach that advocates leaders to understand their own behaviour and the readiness of their subordinates.

Hersey and Blanchard's theory in Buchanan and Huczynski (2017:616) explained leadership behaviours in two dimensions:

a. *Task behaviour*

The number of referrals delivered to the subordinates may vary from specific instructions to delegations. Hersey and Blanchard identified two intermediate positions, where leaders facilitate the decisions of their subordinates, or explain themselves carefully.

b. *Supportive behaviour*

Supports provided by the leader to their subordinates may vary from limited communication, to listening, facilitating, and supporting.

Hersey and Blanchard in Konopaske, et al. (2018:415) developed four applicable leadership styles, amongst them are:

a. *Telling*

The leader defined the role needed to do the job and told their subordinates what, where, how, and when to do their job.

b. *Selling*

The leader provided their subordinates structured instructions, as well as supports.

c. *Participating*

The leader and subordinates shared their decisions on how to complete high-quality work in the best way.

d. *Delegating*

The leader provided inconsiderable, specific direction or personal support towards their subordinates.

Indicators of leadership style in this research:

- a. referral from the leader towards their subordinates
- b. variations of specific instructions to delegations
- c. thoughtfulness of the leader towards the decision of their subordinates
- d. providing explanations carefully
- e. leadership support towards their subordinates
- f. ease in communication
- g. listen to their subordinates
- h. facilitate their subordinates

B. Working Environment

Working environment is the entire matter around the workplace that may affect employees in carrying out their work directly or indirectly.

According to Sedarmayanti (2011:26), physical working environment which is the entire circumstances surrounding the workplace, which affects employees directly or indirectly.

Whereas, non-physical working environment is the entire circumstances that occur related to working relationships, either with seniors or with fellow co-workers, or with subordinates.

Konopaske, et al. (2018, 65) mentioned several factors that may affect working environment:

- a. manager's style
- b. technology
- c. noise

- d. co-workers
- e. salary system
- f. compensation plan
- g. career opportunities

Indicators of working environment variables in this research are lighting (light), temperature, humidity, air circulation, noise, mechanical vibration, scent, color coordination, decoration, music, workplace security, technology, relationships with seniors, relationships with co-workers and manager's style.

C. Job Satisfaction

Umam (2012:192) defined job satisfaction as a (positive) attitude of the workforce towards their work, which emerged according to an assessment of the work situation. Kinicki and Fugate (2018:62) stated that job satisfaction is an affective or emotional response towards various aspects of one's work.

McShane and Glinow (2018:102) stated that job satisfaction is seen as a collection of different job aspects and working contexts. We may like a co-worker, but at the same time, we may be dissatisfied with our workload.

From several opinions, it can be concluded that job satisfaction is a one's attitude or perception towards the entire aspects of job and the boundaries of a good relationship between individuals and organizations. This research used several indicators in measuring job satisfaction, these factors are:

- a. satisfaction with current salary
- b. satisfaction with work
- c. satisfaction with promotion opportunities
- d. satisfaction with supervision
- e. satisfaction with co-workers
- f. satisfaction with working conditions
- g. satisfaction with job assurance

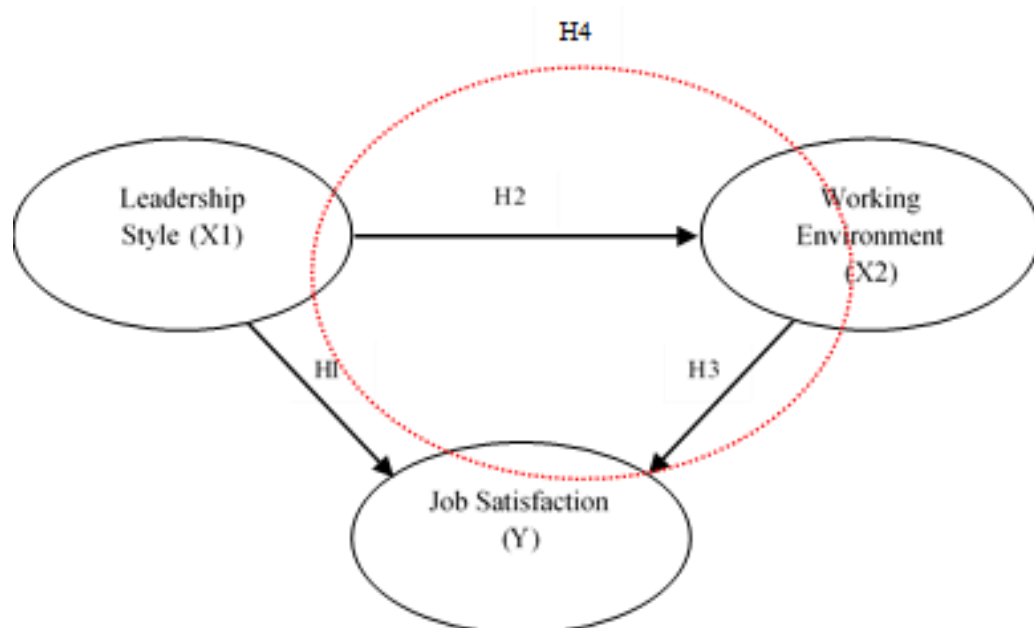


Figure 1: Research Framework

III. HYPOTHESES

The hypotheses developed in this research are:

H1: Leadership style has a positive and significant effect on job satisfaction

H2: Leadership style has a positive and significant effect on working environment

H3: Working environment has a positive and significant effect on job satisfaction

H4: Leadership style has a positive and significant effect on job satisfaction through working environment

IV. METHODOLOGY

The population in this research is the entire employees who work in the office. Whereas the sampling technique used in this research is Purposive Sampling. The sampling criteria used in this research are employees with the status of government employees. The research was conducted by using questionnaires with 64 respondents.

The variables in this research are leadership style, working environment, and job satisfaction. The method of analysis used is path analysis and Sobel Test. The data used is primary data, i.e. the results of questionnaires by respondents.

V. DATA ANALYSIS

A. Path Analysis

Based on the research framework, analysis can be divided into two sub-structure model. The examination on the effect of variables is conducted by comparing t value with t table. If t value > t table, therefore it is considered to have an effect. Whereas the determination of the significance is conducted by comparing the value of significance with the level of significance in this research, i.e. 5% or 0.05. If the sign value < 0.05 therefore it is considered as significant. The value of t table for this research is with the provision of degrees of freedom $df = (n-4)$ or $df = 60$ and 0.05 significance level of the research is 2,000.

a. Sub Structure 1

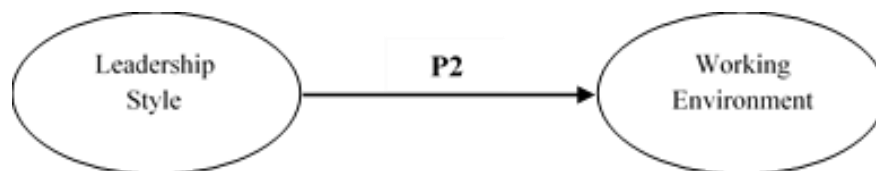


Figure 2: Sub Structure 1 Model

The result of data processing output of Sub Structure 1 on SPSS application is as follows:

Table I: Coefficient of Sub Structure 1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,907	0,436		6,676	0,000
	Leadership Style	0,427	0,113	0,434	3,789	0,000
a. Dependent Variable: Working Environment						

From Table I, it can be observed that coefficient on the relationship of leadership style towards working environment is $P2 = 0,434$. The t value of $3.789 > 2,000$ and the significance value of $0.000 < 0.05$. Hence, it can be concluded that there is significant effect, Hypothesis H2 is accepted.

b. Sub Structure 2

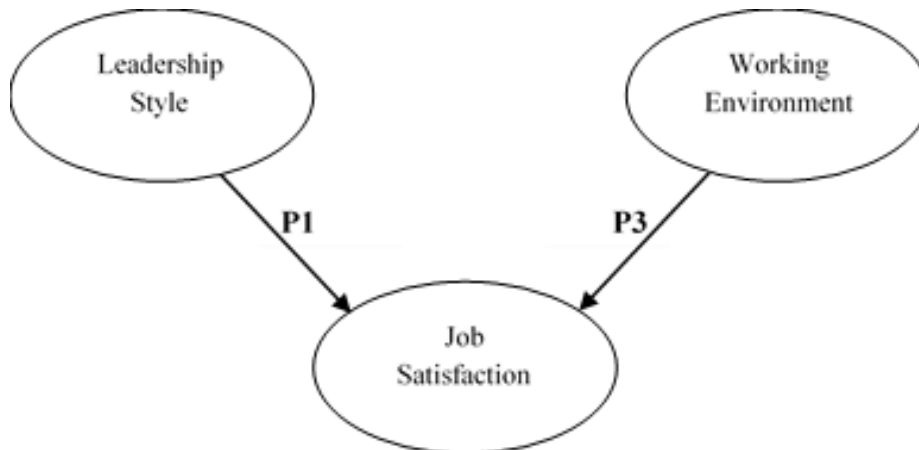


Figure 3: Sub Structure 2 Model

The result of data processing output of Sub Structure 2 on SPSS application is as follows:

Table II: Coefficient of Sub Structure 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,540	0,428		1,263	0,211
	Leadership Style	0,075	0,094	0,073	0,805	0,424
	Working Environment	0,771	0,095	0,735	8,109	0,000

a. Dependent Variable: Job Satisfaction

From Table II, it can be observed that coefficient on the relationship of leadership style towards job satisfaction is $P1 = 0,073$. The t value of $0.805 < 2,000$ and the significance value of $0.424 > 0.05$. Hence, it can be concluded that there is no significant effect, therefore H1 hypothesis is rejected.

Coefficient on the correlation of working environment towards job satisfaction is $P3 = 0,735$. The t value of $8.109 > 2,000$ and the significance value of $0.000 < 0.05$. Hence, it can be concluded that there is a significant effect, therefore H3 hypothesis is accepted.

c. Path Analysis Result

From the results of path analysis on both sub-structures, it can be seen that:

- Leadership style has no significant effect towards job satisfaction. This is indicated by the value of t value of $0.805 < 2,000$ and the significance value of $0.424 > 0.05$
- Leadership style has a positive and significant effect on the working environment. This is indicated by the value of t value of $3.789 > 2,000$ and the significance value of $0,000 < 0.05$
- Working environment has a positive and significant effect on job satisfaction. It is indicated with t value of $8.109 > 2,000$ and the significance value of $0,000 < 0.05$

When the two sub-structures are combined, it becomes Main Path Model which are shown below:



Figure 4: Main Path Model

B. Sobel Test

The Sobel test is used to determine whether the mediation variable in a relationship is capable of mediating the relationship significantly. Analysis by using Sobel Test is conducted by comparing t value with t table. If the t value > t table therefore it can be concluded that the effect of mediation is present (Ghozali, 2006) in Kurniawan (2015). The value of t table in this research and the significance value is 5% and df = (n-4) = 60 is 2,000.

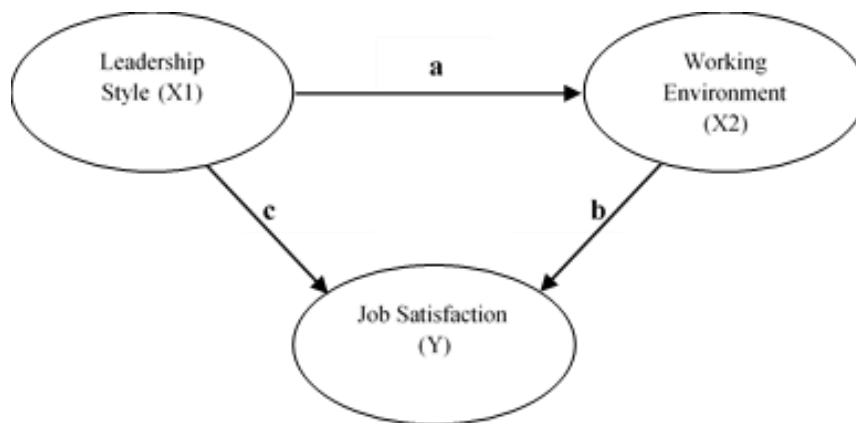


Figure 5 Sobel Test Model

According to Figure 5 above, the standard error coefficients a and b are written as S_a and S_b , the amount of indirect effect standard error from the previous Path Analysis test can be known for the values to conduct the Sobel Test as follows.

$$S_a = 0,113$$

$$S_b = 0,095$$

$$a = 0,434$$

$$b = 0,735$$

S_{ab} is calculated by the following formula:

$$S_{ab} = \sqrt{(b^2 S_a^2) + (a^2 S_b^2)}$$

Whereas to test the significance on the indirect effect, there is a need to calculate the value of t of the ab coefficient with the following formula:

$$t = \frac{ab}{S_{ab}}$$

$$t = \frac{ab}{\sqrt{(b^2 S_a^2) + (a^2 S_b^2)}}$$

$$t = \frac{0,434 * 0,735}{\sqrt{(0,735^2 * 0,113^2) + (0,434^2 * 0,095^2)}}$$

$$= 3.440$$

From the above calculation results, it can be seen that t value of 3.440 > t table 2,000 therefore it can be concluded that there is an effect of mediation. Hence, H4 hypothesis is accepted.

Sobel test results indicated that leadership style has a positive and significant effect on job satisfaction through working environment as the mediation.

VI. CONCLUSION

Based on the research about "The Effect of Leadership Style and Working Environment towards Job Satisfaction", the following conclusion are made:

- a. Leadership style (X1) has no significant effect on job satisfaction (Y).
- b. Leadership style (X1) has a positive and significant effect on working environment (X2).
- c. Working environment (X2) has a positive and significant effect on job satisfaction (Y).
- d. Leadership style (X1) has a positive and significant effect on job satisfaction (Y) through working environment (X2) as the mediation.

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