

THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE SATISFACTION

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Abstract

Leadership style is one of the most important factors for organization and employee performance. Therefore very important to find the impact of leadership style on employee job satisfaction and as well as on firm financial performance. There are three types of leadership styles. Transformational leadership style was seen to have a positive effect on various facets of employee job satisfaction. Transactional leadership also turned out to be perceived as having a positive effect on different facets of employee job satisfaction. So did laissez-faire leadership Sanders (2007).

Objective of this research is to found the influence of Leadership style to the employee job satisfaction. According to this research the dependent variable is employee job satisfaction and Independent Variables are Leadership Styles. Relating to this research topic other researchers use the primary sources to collect evidence of dependent variables and secondary data to collect evidence of independent variables. Given the presence of multiple dependent variables, this research uses ANOVA to analyze the effect of leadership styles on employee satisfaction and employee performance. Employee job satisfaction was seen to have a positive effect on the various aspects of employee job performance analyzed (Turner & Muller, 2005).

Keywords: Leadership, Transformational, Transactional, Laissez-faire, Satisfaction, Performance