

# LEADERSHIP AND JOB SATISFACTION – A REVIEW

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## Abstract

The purpose of the present study is to provide a critical review of the relation between leadership and the levels of job satisfaction experienced by employees. An organization's or institution's leadership refers to its leader's style of providing direction, implementing plans and motivating employees. Job satisfaction refers to the employees' perceptions of their working environment, relations among colleagues, earnings and promotion opportunities. The review shows that contemporary job-related phenomena like job satisfaction are related to employees' relations with colleagues and superiors, performance and perceptions of their organization's specific culture. In addition, the employees' preference of leadership style is likely to be affected by several factors, including demographic characteristics. It can be supported, therefore, that measuring and analyzing an institution's leadership style in combination with its employees' demographic and individual characteristics may lead to valuable conclusions, so that job satisfaction is promoted.

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**Keywords:** Organizational Culture, Leadership, Leadership Style, Job Satisfaction

## Introduction

Recent facts in the fields of economy and industry have led the global labor market to rapid changes and imbalance. Competition among organizations and companies has increased, annual profit has decreased and the overall function of worldwide business is being under threat. As a result, the focus of companies all over the world has turned to human resources management and customer satisfaction. As Emery and Barker (2007) explain, a major determinant of customer satisfaction within service industry is the attitude of customer contact personnel. In addition, they mention a citation by John Smith, former CEO of Marriott Corporation: "You can't have happy customers served by unhappy employees" (Heskett, Sasser &

Schlesinger, 1997 in Emery & Barker, 2007). Furthermore, they cite a phrase by Heskett (1987 in Emery & Barker, 2007), according to which “Great employee satisfaction begets high employee motivation begets high level of service quality compared with the highest organizational commitment and lowest employee turnover consistently report the highest levels of customer satisfaction”. Therefore, organization-related phenomena like employee’s job satisfaction, job commitment and turnover intention have been studied by numerous academics and researchers.

Those phenomena are likely to be affected by several factors, like employees’ individual and demographic characteristics, organizations’ specific culture and leadership style. In particular, an organization’s leadership style is considered to have a direct impact on the relations between superiors and employees, thus affecting both the latter’s performance, job satisfaction and commitment and the organization’s total coherence (Wilderom, Berg & Peter, 2004). Moreover, studies have shown that in organizations which are flexible and adopt a participative management type, with emphasis in communication and employees’ reward, the latter are more likely to be satisfied, resulting in the organization’s success (Mckinnon, Harrison, Chow & Wu, 2003).

The purpose of the present study is to provide a critical review of the relation between organizations’ leadership styles and employees’ level of job satisfaction in correlation with multiple factors, like demographic characteristics. Results are derived from bibliographical and research studies from different fields like industry, sales, credit institutions, education and law services.

## **LITERATURE REVIEW**

### **1. Organizational Culture**

The radical changes in the process of management and function of companies, institutions and organization have led to high competition and requirements. Therefore, a new “culture” has been formed in the frame of a general effort to keep up with organizations’ external adjustment and internal completion (Schein, 1991). Apart from this general culture that characterizes the fields or industry, sales and services, research results have shown that employees’ behavior and organizations’ general function are affected by three different cultures: national, occupational and organizational (Hofstede, 1991). An organization’s specific culture is a product of occupational relations among employees, between employees and superiors and between employees and customers, thus it is likely to reform and adapt to the institution’s goals and strategies.

Organizational culture has been conceptualized as a complex web of norms, values, assumptions, attitudes and beliefs that are characteristic of a

particular group and reinforced and perpetuated through socialization, training, rewards and sanctions (Lytle, Brett, Barsness, Tinsley & Janssens, 1995). Organizational culture constitutes the successful attempt to adapt to the external environment, presents the group's strategy for survival (Triandis, 1995) and is widely used for the description of the variance in the behavior of organizations and employees. As Hofstede (1991, p.3) put it, organizational culture can be called "the software of the mind", indicating its central role in employees' way of thinking and behavior.

It must be noted that organizational culture is not a stable and commonly accepted situation, as it is affected by individual characteristics, attitudes and preferences. Previous studies have proven the existence of differences between the dominant and preferred type of organizational culture in different working fields. For instance, Koustelios (1996) gathered the views of employees from three different types of organizations: a) Public sector, b) Public Enterprises and Organizations (Public Electricity Enterprise and Banks), c) Private sector. For the measurement of job satisfaction, the Employee Satisfaction Inventory, ESI, created by Koustelios, 1991, was used, while for the measurement of organizational culture a 15-variable questionnaire was used, each variable providing four possible options – types of organizational culture. The results revealed that the current culture in most fields differed from the desired one.

Two recent studies of Belias and Koustelios (2013a, 2013b) revealed that the gender of bank employees was likely to affect both their institution's current culture type and their preferred type as well. In general, women seemed to prefer a more family-friendly working environment (clan culture), while men preferred the competitive environment of the market culture. In particular, women reported working in an organization characterized by hierarchy, while they would prefer to work in a more clan institution. Men, on the other hand, reported that they both worked and would prefer to work in an organization which is characterized by market features and rules.

What is more, organizational culture has been linked with several job-related phenomena, like job satisfaction. Koustelios (1991) reviewed a number of investigations correlating job satisfaction with several aspects of organizational culture: organization size, employees' background, attitudes and national culture. In addition, he found that there was a significant difference in job satisfaction among employees who operate in different organizational cultures. Also, he found that when employees have a match-up between their present and desired culture, they are more satisfied with the intrinsic aspects of their work. Therefore, it can be said that an organization's internal culture is studied and measured as part of its employees' national culture, demographic characteristics and individual features.

## **2. Leadership**

In the frame of an organization or institution, the role of leadership is crucial for its proper function and welfare. Leadership is broadly defined as an influence process affecting the actions of employees, the choice of objectives for the group or organization and the dynamic interaction between superiors and employees (Yukl & Van Fleet, 1992). It has also been defined as simply something a leader does (Fleishman, 1973), as a form of influence (Hersey, 1984) and as the ability to guide followers toward shared goals (Bryman, 1992). Leadership is a key construct in the organizational sciences and has triggered a large number of empirical studies over the past decades. In addition, leadership training ranks among the most frequently conducted types of training in organizations and the development of global leaders is considered to be one of the central tasks of management development programs. Furthermore, Yukl and Van Fleet (1992) stress the importance of leadership in the frame of an organization, as an effective leadership can lead to a number of desired outcomes at an individual, group and organizational level.

### **2.1. The relation between Leadership and Organizational Culture**

Leadership is present in all societies and it is an essential factor of organizations' function within societies. However, the specific characteristics of leaders are very likely to vary across countries (Den Hartog, House, Hangers et al., 1999). An organization's leadership style is affected –and sometimes defined- by both the existing national culture and the specific culture that has developed among the organization's employees. Hofstede (1984, p. 257) had described leadership as “a compliment to subordinateship”, indicating the importance of cultural values to leadership behavior. Therefore, an effective leader is able to fulfill subordinates' expectations of what leadership behavior is ought to be within the particular cultural context.

A number of studies have shown the existence of cross-cultural differences in leadership. Hofstede (1980) discriminated five dimensions of culture related to work organizations: 1) Power Distance, which refers to the extent to which less powerful members of a group or society accept and expect that power is distributed unequally, 2) Individualism, which is defined as the degree to which group members expect that individuals orient their action for their own benefit rather than for the benefit of the group or collective, 3) Masculinity, which is the distribution of gender-role stereotypical behavior, 4) Uncertainty Avoidance, which refers to the degree to which members of a group are uncomfortable with and avoid change, ambiguity and uncertainty, and 5) Long-Term Orientation, which is the degree to which a group orients its actions toward long-term results and the

future rather than toward short-term goals and immediate gratification. Several researches that followed confirmed the discrimination above.

Gerstner and Day (1994) for example, compared leadership prototypes across eight countries and found reliable differences of leadership behavior along cultural dimensions like Power Distance, Uncertainty Avoidance and Individualism. Jung, Bass and Sosic (1995) addressed the relation between Individualism and Transformational Leadership and suggested that the latter's processes are likely to be enhanced in the context of low Individualism, as the majority of subordinates in those organizational cultures shows high respect and obedience toward the organization's leaders. In addition, Tayeb (1996) reviewed the record of success and failure of quality circles in several countries and found that cultures of Power Distance lead to great centralization of decision making and a more autocratic management style. As quality circles rely heavily on active involvement by all members, reluctance to disagree with a superior made quality circles and other participative styles of managing less effective in the context of that specific culture.

It should be noted, however, that despite the fact that different cultural groups are likely to have different conceptions of what leadership should entail, certain attributes associated with the so-called transformational leadership are usually endorsed as contributing to outstanding leadership, while some other leadership attributes are universally perceived as impediments to outstanding leadership (Den Hartog et al., 1999).

## **2.2. Leadership Styles**

From the extent research on leadership many theories and definitions have been derived and numerous leadership styles have been described.

In the first decades of the 20<sup>th</sup> century, Lewin, Lippit and White (1939) made a significant effort to identify different leadership styles. Although later research identified more specific leadership styles, those early studies turn out to be very influential and established three major leadership styles: 1) Authoritarian Leadership (Autocratic): An autocratic leader is likely to provide clear expectations for what needs to be done, when it should be done, and how it should be done. There is also a clear division between the leader and the followers. Authoritarian leaders make decisions independently with little or no input from the rest of the group. Authoritarian leadership is best applied to situations where there is little time for group decision-making or where the leader is the most knowledgeable member of the group. Abuse of this style is usually viewed as controlling, bossy, and dictatorial. 2) Participative Leadership (Democratic): The democratic leadership style has been found to be the most effective in the frame of Lewin's studies. A democratic leader usually offers guidance to group

members and is likely to participate in the group and allow input from other group members. Participative leaders encourage group members to participate, but retain the final say over the decision-making process. Group members feel engaged in the process and are more motivated and creative. In Lewin's studies, members of this group were less productive than the members of the authoritarian group, but their contributions were of a much higher quality. 3) Delegative Leadership (Laissez-Faire): This type of leadership is considered to be the least productive. Members of this group are likely to make more demands on their leader, show little cooperation and be unable to work. Delegative leaders offer little or no guidance to group members and leave decision-making up to group members. While this style can be effective in situations where group members are highly qualified in an area of expertise, it often leads to poorly defined roles and a lack of motivation.

Early in the 20<sup>th</sup> century as well, the sociologist Max Weber defined a leader's "charisma" as his/her devotion, exemplary character and normative patterns or order. Based on this definition, Bass (1985) suggested a distinction between transformational and transactional leadership styles. In particular, transformational leaders motivate their subordinates to perform at a higher level by inspiring their followers, offering intellectual challenges, paying attention to individual developmental needs and therefore leading followers to transcend their own self-interest for a higher collective purpose, mission or vision. Transactional leaders, on the other hand, engage in a process of negotiation, offering subordinates rewards in exchange for the attainment of specific goals and completion of agreed-upon tasks. Transactional leadership is characterized by focus on specific goals and agreed-upon rewards, which are considered to be quite effective, while transformational leadership aims to promote subordinates' feeling of pride to be working with a specific supervisor, which has been shown to exert an augmentation effect, that is to add to the levels of productivity, satisfaction and effectiveness (Bass, 1985).

Hersey and Blanchard (1969) proposed the Situational Leadership Theory, according to which, instead of using just one style, successful leaders should change their leadership styles based on the maturity of the people they're leading and the details of the task. Using this theory, leaders should be able to place more or less emphasis on the task, and more or less emphasis on the relationships with the people they're leading, depending on what's needed to get the job done successfully. According to Hersey and Blanchard, there are four main leadership styles: 1) Telling (S1) – Leaders tell their people what to do and how to do it, 2) Selling (S2) – Leaders provide information and direction, but there's more communication with followers. Leaders "sell" their message to get people on board, 3)

Participating (S3) – Leaders focus more on the relationship and less on direction. The leader works with the team, and shares decision-making responsibilities, 4) Delegating (S4) – Leaders pass most of the responsibility onto the follower or group. The leaders still monitor progress, but they're less involved in decisions.

Two more leadership styles were suggested by Hollday & Combs (1993), who describe leadership in the frame of communication competence, based on the fact that leadership appears to be enacted through communication in a way that it contains a relational (affective) and task (content) component. More specifically, communication shapes the perceptions of a leader's charisma and it can be divided into the content of the leader's messages and the presentation of those messages. Messages sent by leaders are considered to contain both affective and cognitive strategies and when leaders effectively communicate their vision, they gain their followers' confidence, leading to communication satisfaction between the leader and the followers.

Despite the multiple differences among the leadership styles that have been distinguished and described, one could say that there are some common features that make a leader effective. A leader is supposed to play different roles in the frame of the organization and must be characterized by trust and confidence, responsibility and efficacy, in order to achieve individual and team goals and promote satisfaction among employees. Therefore, it can be supported that leadership is a rather complex dimension of organizational culture, likely to affect employees' behavior, internal organizational relations and organization's function and well being.

### **2.3. Measurement of Leadership**

For the measurement of leadership behavior and styles, a number of scales and questionnaires have been developed. A widely known scale of measuring leadership behavior was developed in the academic field of the Ohio State University and is known as the Leader Behavior Description Questionnaire (LBDQ). It consists of two dimensions of leadership behavior: 1) Initiating Structure, which refers to the extent to which the leader is likely to define and structure his or her role and those of subordinates in the search for goal attainment. It includes behavior that attempts to organize work, work relationships and goals. 2) Consideration, which refers to the extent to which a person has job relationships characterized by mutual trust and respect for subordinates' ideas and feelings (Strogdill, 1963). Factor analysis has shown that the two dimensions of the questionnaire, Initiating Structure and Consideration, accounted for 83% of the variance in leader behaviour (Halpin and Wiener, 1957). Reddin (1970) asserted that Initiating Structure and Consideration are independent dimensions.

In 1964, Blake and Mouton published the Managerial Grid Model of leadership, based on two dimensions of leadership behaviors: 1) Concern for people, which refers to the degree to which a leader considers the needs of team members, their interests, and areas of personal development when deciding how best to accomplish a task, and 2) Concern for production, which refers to the degree to which a leader emphasizes concrete objectives, organizational efficiency and high productivity when deciding how best to accomplish a task. In order to provide a framework for describing leadership behaviors, the two variables of “concern for production” and “concern for people” are plotted on a grid showing nine degrees of concern for each, from 1 indicating a low level of concern, to 9 indicating a high level of concern. Five positions on the grid represent five differing managerial behavior patterns: 1) Impoverished/ Indifferent Leadership – Low Production/ Low People, 2) Country Club Leadership – High People/ Low Production, 3) Produce/ Dictatorial/ Perish Leadership – High Production/Low People, 4) Middle-of-the-Road/ Status-quo Leadership – Medium Production/ Medium People, 5) Team Leadership – High Production/ High People.

Avolio, Bass and Jung (1995) developed the Multifactor Leadership Questionnaire (MLQ) which consists of nine scales, based on five dimensions of Transformational Leadership, three dimensions of Transactional Leadership and one scale of Non-Leadership. The dimensions of Transformational leadership are: 1) Idealized Influence – Attributed and 2) Idealized Influence – Behavior, which involve gaining respect, trust and confidence toward the leader and transmission to followers by the leader of a strong sense of mission and the vision of the desired future (e.g. “I have trust in my superior’s ability to overcome any obstacle”), 3) Inspirational Motivation, which is when a leader communicates a vision with confidence and increases optimism and enthusiasm in its attainability (e.g. “My superior uses symbols and images to focus our efforts”), 4) Intellectual Stimulation, which is defined as a leader’s way of actively encouraging followers to question the status quo and to challenge their own and others’ assumptions and beliefs (e.g. “My superior enables me to think about old problems in new ways”), 5) Individual Consideration, which is described as personalized attention to the needs of all followers, making each person feel valued and treating him/her differently but equitably on a one-to-one basis (e.g. “My superior treats me as an individual and not as part of an anonymous group”). The dimensions of Transactional Leadership are: 1) Contingent Reward, which refers to an exchange of rewards between leaders and followers in which effort is rewarded by providing rewards for good performance or threats and disciplines for poor performance (e.g. “My superior makes sure that there is a close agreement between what he/she expects me to do and what I can get from him/her for my efforts”), 2) Management-by-Exception



– Active, which describes leaders characterized as monitors who detect mistakes and 3) Management-by-Exception – Passive, which describes a leader that intervenes with his/her group only when procedures and standards for accomplishing tasks are not met. The scale of Non-Leadership is called Laissez-faire and exhibits when leaders avoid clarifying expectations, addressing conflicts and making decisions.

In 2004, Avolio and Bass developed a new version of the Multifactor Leadership Questionnaire (MLQ-5x). The questionnaire measures different styles of leadership: 1) Transformational, 2) Transactional 3) Passive/Avoidant. In addition, it measures the leadership's outcomes: 1) Extra effort, 2) Effectiveness, 3) Satisfaction.

Laub (1999) developed the Organization Leadership Assessment (OLA) based on the idea of servant leadership, which had been suggested by Greenleaf (1970). Servant leadership places service to others over self-interest and self-promotion. A servant leader can lead more effectively by serving others and build strength and unity by valuing differences (McGee-Cooper & Trammell, 2002). The OLA is a 66-item instrument that measures six qualities of servant leadership in organizations: 1) Values people, 2) Develops people, 3) Builds Community, 4) Displays authenticity, 5) Provides leadership, 6) Shares leadership. The first 21 items are concerned with perceptions of servant leader characteristics across the entire organization. The next 33 items apply to the managers/ supervisors and top leadership of the organization. The last 6 items deal with the respondents' own role in the organization (job satisfaction), for a total of 60-Likert-type items in the questionnaire.

Another tool for measuring leadership is the 20-item Leadership Style Questionnaire, developed by Northouse (2001). The instrument measures the task and relational leadership styles and, when summed, represents a general leadership profile. The questions have the type of 5-point Likert-type scales: 1 = Strongly disagree, 5 = Strongly agree. Researches like the one of Anderson, Madlock and Hoffman (2006) reported scale reliabilities ranging from .92 to .95, while in the recent study of Madlock (2008) the reliability of the total leadership style was .93, the reliability of the task leadership style was .90 and the reliability of the relational leadership style was .92.

### **2.3. Leadership and Demographic characteristics**

Among others, leadership has been studied in the frame of various factors that are likely to influence it, like demographic characteristics. The most widely studied demographic factor in the frame of leadership is, perhaps, gender. Several authors have distinguished different leadership styles in terms of leaders' gender. Sergeant (1981) suggested that male and

female leaders and managers tend to adopt the most effective qualities of the opposite gender, adopting an androgynous leadership style. Loden (1985) suggested a masculine mode of leadership which included qualities like hierarchical authority, competitiveness, high leader control and problem solving which is unemotional and analytic. In contrast, a feminine mode includes cooperativeness, collaboration between managers and subordinates, lower leader control and problem solving which is based on intuition, empathy and rationality.

The review of Aspiridis, Grigoriou and Grigoriou (2012) on the position of women in leadership concluded that despite the established presence of women in the professional arena, the overall number of women who hold leadership positions is minimal. This observation raises questions about the absence of women in positions of power and authority. The literature review showed strong resistance to female leadership, which may be due to a set of conscious and unconscious stereotypes associated with gender and leadership. As a result, there is a general tendency to associate leadership with male characteristics.

On the contrary, many researchers have found no significant differences between men and women in terms of leadership. Kanter (1977) came to the conclusion that there is no research evidence indicating gender differences in leadership aptitude or style. Nieva and Gutek (1981) supported that despite notions about gender specialization in leadership styles, female leaders tend to behave in the same ways as their male colleagues. In addition, Bass (1981) found no pattern of differences in the supervisory style of female compared to male leaders, while Bartol and Martin (1986) revealed few differences in the leadership styles of male and female designated leaders.

In terms of age, research results are rather limited. In his study of servant leadership, Laub (1999) found no significant difference in the scores of OLA among the participants' age categories, while a significant positive correlation was found between age and the total instrument score, indicating that the higher the age, the higher the scores on the instrument. In the study of Kearney and Gebert (2009), age diversity was not significantly associated with team performance when transformational leadership was high, and it was negatively associated with team performance when transformational leadership was low.

When it comes to the position held by employees, in the study of Laub (1999) significant difference was found in OLA scores between top leadership and the categories of management/supervision and workforce with top leadership scoring higher. A significant negative relationship was found between position/role and the total instrument score, indicating that the

higher the position in the organization, the higher the scores on the instrument.

In terms of educational level, the study of Dannhauser and Boshoff (2006) on the relation between servant leadership, trust, team commitment and demographic variables revealed statistically significant differences on rational team commitment, with the lower qualification having a higher score than the group with a post school qualification. In general, however, most of the demographic variables that were included in the study were not related to servant leadership, trust, and team commitment. In the study of Kearney and Gebert (2009) the respective interactive effects of educational diversity on team performance were fully mediated by the elaboration of task-relevant information, while collective team identification partially mediated the interactive effect of educational diversity with transformational leadership on the elaboration of task-relevant information.

The study of Kearney and Gebert (2009) revealed that transformational leadership moderates the relationship of age, nationality, and educational diversity with team performance. In particular, both nationality and educational diversity were positively related to team performance only when transformational leadership was high, while these relationships were not significant when transformational leadership was low.

In general, it can be said that the relation between demographic characteristics and leadership has not been adequately searched and further investigation is needed in order to provide credible conclusions.

### **3. Job Satisfaction**

Taking into account the great number of organizations and institutions globally, it is only natural that the general well-being of workplaces has become an object of theoretical interest and extensive research. An organization's well being is described as the way in which its function and quality are perceived by employees (Warr, 1987). It includes the employees' physical and mental health, sense of happiness and social well being, which are all attributed with the term "job satisfaction" (Grant, Christianson & Price, 2007).

Job satisfaction is a very widely studied phenomenon, described as be a pleasant or positive emotional condition, which is derived from an employee's appreciation for his/ her occupation or work experience (Locke, 1976). Job satisfaction or dissatisfaction is affected by the relation between a person's job expectations and his/ her actual achievements. Herzberg, Mausner and Snyderman (1959) formulated a two-factor theory, according to which job satisfaction and dissatisfaction are two separate, and sometimes ever unrelated, phenomena, which should not be measured on the same continuum. Intrinsic factors – motivators are considered to be "satisfiers",

while extrinsic factors – hygiene factors are perceived as “dissatisfiers”. Hackman & Oldman (1975) formed another model of job satisfaction, according to which employees are more likely to react positively to their work if they experience the feeling that their work is remarkable and that they are responsible for their job performance and if they are aware of their actual job performance.

The work of Kennerly (1989) revealed the relationship between job satisfaction, leadership behaviors and organizational culture. More specifically, organizational behaviors, like warmth among employees, mutual trust, respect and rapport between employees and superiors can be significant predicting factors of the job satisfaction experienced by employees in the field of health. The work of Billingsley and Cross (1992) showed that leadership support, work involvement and low role conflict can be predicting factor of job commitment, job satisfaction and unwillingness to quit. It can be supported, therefore, that leadership is a job-related factor that influences all dimensions of work and affects employees’ behavior, performance and general well being.

#### **4. The relation between Leadership and Job Satisfaction**

In the frame of organizational culture, employees’ feeling of job satisfaction has been widely studied in parallel with leadership. Early in the 20<sup>th</sup> century the Hawthorne experiments conducted between 1924 and 1932 revealed that employees’ performance is linked to their attitudes, while their behavior is not totally explained by economic rewards (Ivancevic & Matterson, 1999). Therefore, the human relations movement arose, indicating that valuing employees’ job satisfaction is a key component of leadership (Judge, Bobo, Thoresen & Patton, 2001). In the study of the latter, the emphasis of servant leadership on building community (a relational emphasis) and clarifying goals (a task emphasis) was found to be likely to encourage more breadth in defining job performance and, therefore, should increase the measure of job satisfaction across the organization.

Studies have shown that in organizations which are flexible and adopt the participative management type, with emphasis in communication and employees’ reward, the latter are more likely to be satisfied, resulting in the organization’s success (Mckinnon et al., 2003). According to Schein (1992), there is an interactive relationship between the leader and the organizational culture. The leader creates an organization which reflects specific values and beliefs, a fact that leads to the creation of a specific culture. However, a culture is usually dynamic rather than static. As it evolves, therefore, it affects the actions and tactics of the leader. Hence, it could be said that, although the leader creates the culture primarily, he/ she is the one who evolves through this process, and so are the leadership tactics he/ she applies.

In a historical overview of the concept of job satisfaction, Holland (1989) suggested that satisfaction with one's particular job is a by-product of meeting different motivational needs within the employee. Holdank, Harsh and Bushardt (1993) labeled leadership behavior as one of the two styles found in the Ohio State studies, either consideration (relational) or initiating structure (task). Then, they compared leadership style with job satisfaction and found two correlations: a positive relationship between consideration behavior and satisfaction and an inverse relationship between initiating structure and job satisfaction. The study of Pool (1997) confirmed those results, adding worker motivation as the most powerful predictor of job satisfaction.

Research results have shown that the two main types of leadership in organizations which are likely to influence the employee's job satisfaction are the transactional and the transformational one. The transactional kind of leaders are the ones who tend to act within the frame of the prevailing culture, while the transformational kind of leaders often work towards change and adaptation of the culture to their own vision. Brown (1992) has stressed that a good leader must have the ability to change those elements of organizational culture that impede the performance of a company. Ogbonna and Harris (2000) found that leadership is indirectly linked to performance, while the specific characteristics of an organizational culture (e.g. competitiveness, originality) are directly linked to it.

Stone, Russel and Patterson (2003) reported that servant leadership, in comparison to transformational leadership, is predominantly a relations-oriented leadership, with the worker as its primary focus, while organizational outcomes are secondary. If the employees feel dignified in their jobs and gain intrinsic benefits from their work, this should impact their level of job satisfaction and correlate with the practice of servant leadership that includes similar values.

Chang and Lee (2007) investigated the connection and interaction between leadership style, organizational culture and job satisfaction among 134 private field employees, including bank employees. According to the results, leadership style and organizational culture were very likely to influence employees' job satisfaction positively, especially when the latter shared their leaders' vision in the frame of a transformational leadership style. As a result, employees and superiors cooperate not only for the organization's well being, but also for their personal completion, especially if the "clan" or the "task assignment" organizational culture is applied. Riaz, Akram and Ijaz (2011) have come to similar conclusions in their study of the effect of transformational leadership on employees' job commitment. More specifically, they found strong positive interaction between those two elements, and suggested that bank managers should adopt the

transformational leadership style in order to increase employees' commitment to the banking institution.

The study of Madlock (2008) revealed a statistically significant positive relation between supervisors' communication competence and employee job satisfaction. In addition, a strong relation was found between supervisors' both relational and task leadership style and employee communication satisfaction, while a weak relation was found between supervisors' both relational and task leadership style and employee job satisfaction.

Bushra, Usman, and Naveed (2011) investigated the relation between transformational leadership and job satisfaction among 133 bank employees in Pakistan. They found that transformational leadership had a positive impact on the general job satisfaction experienced by 42% of participants, indicating their preference for this particular leadership style. In general, transformational leadership seems not only to influence job satisfaction, but also to determine job commitment (Emery & Barker, 2007); the relation between job commitment and job satisfaction has been proven to be reciprocal, anyway (Riaz et al., 2011). The influence of this type of leadership lies in the ability of the leaders to promote those values related to goal achievement and emphasize on the impact of the employees' performance on the latter. Transformational leaders inspire employees to work harder, providing them with the idea of a common vision, in the frame of which the company's well being is strongly related to their personal involvement and completion (Shamir, Zakay, Breinin & Popper, 1998; Givens 2008).

Apart from organizational culture, occupational phenomena like job satisfaction and job commitment have been investigated in relation with national cultures, which also affect organizations' structures, leadership, function and internal climate and culture (Hofstede, 1991; Cheng, 1995). A part of the academic community believe that there is a difference between the so-called eastern and western-type cultures, as some cross-cultural researches have shown significant differences in characteristics of national – and thus organizational- culture between eastern and western societies and eastern and western-type organizations. More specifically, researches like the ones of Pye (1985), Chen (2001) and El Kahal (2001) in eastern countries like China have revealed high power distance values and bureaucratic cultures, with owners and executives on top of structure and top-down directions. The opposite has been found in researches from western-type countries, like the United States of America and Australia (Hofstede, 1980; Malone, 1997; Conger & Kanungo, 1998). In those organizations, authority is legitimized more on performance and merit. Decision making and control are delegated and decentralized. Greater empowerment by management,

however, is able to enhance employees' participation, productivity and hence job satisfaction and job commitment.

In terms of leadership, transformational and "consideration" leadership attributes, common in western cultures, are considered to be significant for employees' motivation and performance (Walder, 1995). Such attributes include empowerment and clear vision, which have been correlated with high job satisfaction and job commitment (Smith & Peterson, 1988; Iverson & Roy, 1994). On the contrary, eastern organizations are considered to function under a more "initiating structure" leadership style, which, however, has also been connected with job satisfaction (Walder, 1995). It could be said, therefore, that the role of national and organizational culture is likely to play a role in employees' job satisfaction and job commitment, if superiors adopt its most beneficial elements in order to build a strong relation with their colleagues. Other research results, however, have shown no connection between national culture and occupational phenomena.

For instance, the study of Lok and Crawford (2004) among managers from Hong Kong and Australia showed that Australian managers reported higher the innovative and supportive culture measures and on job satisfaction and organizational commitment. However, significant difference between the two groups of participants was not found in terms of bureaucratic organizational culture or on consideration and initiating structure leadership styles. In addition, no significant difference was found with the impact of leadership style on job satisfaction and job commitment between the two samples. When it comes to demographic characteristics, statistically significant differences were found in the effects of gender and age on job satisfaction, as they were considered to have a more positive effect on job satisfaction among employees from Hong Kong.

It should be noted, therefore, that further investigation should be carried out in order to determine the existence or absence of relation between organizations located in eastern or western countries and occupational phenomena like leadership and job satisfaction.

Finally, an interesting aspect of the relation between leadership and job satisfaction was revealed by the research of Aspididis (2013) on the effect of music on employees' performance. In particular, employees who listened to classical or lounge music during work reported a more pleasant working climate and an increase in productivity. Overall, the supervisors' decision to play music during the working hours was considered to have a positive impact on the employees' efficiency and create a general feeling of satisfaction.

From all the above, it can be supported that organizational culture and leadership styles are important organizational antecedents of job satisfaction and job commitment. Moreover, the results of recent researches

suggest that national culture is able to produce statistically significant moderating effects on the impact of certain demographic, leadership and organizational culture variables on job satisfaction and job commitment.

## **Conclusion**

The ongoing changes in the global labor market have increased competition of organizations and companies, revealing the importance of several work dimensions. In order to promote the management of human resources and the satisfaction of customers, many researchers have turned their interest to the study of job-related phenomena like organizational culture, leadership and job satisfaction.

It is widely known among academics and researchers that an organization's total function is affected by numerous factors that constitute its internal culture, in terms of employees' feelings, perceptions, behavior and relationships. In particular, organizational culture is a combination of norms, values, assumptions, attitudes and beliefs that are characteristic of a particular group and reinforced and perpetuated through socialization, training, rewards and sanctions. However, an organization's particular culture is not a stable and commonly accepted situation, as it is affected by individual characteristics, attitudes and preferences. In addition, it has been connected to many dimensions of work, like leadership and job satisfaction.

Leadership refers to an influence process affecting the actions of employees, the choice of objectives for the group or organization and the dynamic interaction between superiors and employees. It is defined by both the existing national culture and the specific culture that has developed among the organization's employees and many researchers have found cross-cultural differences in leadership. Furthermore, different styles of leadership have been defined, like Autocratic – Democratic – Delegative, Transformational – Transactional, Relational – Task etc. Despite some distinguishable differences, all categorizations of leadership styles are based on the same principles, which reflect the characteristics of leaders and make them effective or not. In general, an effective leader is considered to be flexible, offering guidance to employees, yet allowing them to be initiative and creative. Ineffective leaders, on the other hand, are considered to be more goal-focused, less caring for their subordinates' individual needs or absent from the process of decision-making.

Furthermore, several research tools have been developed for the measurement of leadership, including numerous dimensions of leaders' behavior and employees' attitudes. The Leader Behavior Description Questionnaire (LBDQ), for instance, focuses on the measurement of Initiating Structure and Consideration, while the Managerial Grid Model is based on Concern for people and Concern for production. The Multifactor



Leadership Questionnaire (MLQ) which consists of nine scales, based on five dimensions of Transformational Leadership, three dimensions of Transactional Leadership and one scale of Non-Leadership. The Organization Leadership Assessment (OLA) measures six qualities of servant leadership in organizations, Values people, Develops people, Builds Community, Displays authenticity, Provides leadership, Shares leadership. The Leadership Style Questionnaire measures the task and relational leadership styles and, when summed, represents a general leadership profile. All tools include features of effective and preferred leadership, like mutual trust and respect between superiors and followers, considering other people's needs, insuring confidence, inspiration, communication and motivation and providing productivity, development and well-being. Therefore, effective leaders are characterized by higher communication skills and are more likely to contribute to the employees' performance and job satisfaction.

Job satisfaction refers to a pleasant or positive emotional condition, which is derived from an employee's appreciation for his/ her occupation or work experience. Research results have shown that organizational behaviors, like warmth among employees, mutual trust, respect and rapport between employees and superiors can be significant predicting factors of the job satisfaction experienced by employees. Additionally, in organizations which are flexible and adopt the participative management type, with emphasis in communication and employees' reward, the latter are more likely to be satisfied, resulting in the organization's success. Furthermore, the main types of leadership that are likely to influence the employee's job satisfaction positively are the transformational and the servant one, with the worker as their primary focus.

Generally, it can be supported that employees' experience of job satisfaction is highly influenced by their perceptions of organizational culture and leadership styles, thus affecting their performance and behavior. Finally, further investigation of the influence of employees' and superiors' demographic characteristics on leadership is needed, in order to provide interesting conclusions and contribute to organizations' total function and well-being.

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