

CASE STUDY

Study of the relationship between managers leadership style and employees Satisfaction based on Likert theory

*B. Tajedin^{*1}, M. Moradi², M. Alitabrizi³*

¹Department of Industrial, Khatam University, Tehran, Iran

²Department of Urban Management, Islamic Azad University, Electronical Branch, Tehran, Iran

³Department of Environmental Law, Islamic Azad University, Science and Research Branch, Tehran, Iran

Received 3 December 2016; revised 11 February 2017; accepted 28 March 2017; available online 1 April 2017

ABSTRACT: This study aims at identifying the relationship between managers' leadership style and employees' job satisfaction. To achieve this aim and to examine the research hypotheses, two types of questionnaires, including Likert scale for leadership style and Job descriptive index for job satisfaction, were distributed among 218 employees in 3 different departments of Finance and Administration Deputy of Tehran Municipality. The research data analysis was carried out at inferential statistics level using SPSS software. In this study, the independent variable of leadership style was in four levels of autocratic-colonial, autocratic-charity, advisory and participatory as well as the variable belonging to employees' job satisfaction. The results showed that the third leadership style (advisory) was the dominant style in the community. There was a positive, meaningful relationship between managers' leadership style and employees' satisfaction. There was also a negatively meaningful relationship between employment type and gender with the employees' job satisfaction. Moreover, type of workplace was an influential factor in job satisfaction while its rate was not similar in each department.

KEYWORDS: *Job descriptive index (JDI), Job satisfaction; Leadership style; Likert theory; Managers*

INTRODUCTION

From organizational point of view, leadership as a procedure means using their influence without appealing to coercion to guide and coordinate activities of members of a group and as an adjective it means a set of properties. Discussion about organizations' leadership as many other discussions scientifically started from Taylor and his efforts. From 1920s and in the beginning of 1930s, Taylor's scientific method was gradually replaced with human relationships movement.

Job satisfaction indicates the amount to which people are satisfied with their job.

Some people enjoy their job and consider it as their central part of their lives, while others hate their jobs and do it just, because they have to do (Dervish, 2007).

Job satisfaction has some negative consequences like reduction in efficiency and effectiveness for organization through disorders in physical, psychological health and put stress on employees (Geet al., 2011). Totally, higher job satisfaction leads to motivation strengthening and it causes to fulfillment of the employees' personal goals as well as

*Corresponding Author Email: behshchtehtajedin@yahoo.com
Tel.: +98 21 9602 7053; Fax: +98 21 2271 9943

organizational purposes through influencing on cognitive, emotional and behavioral procedures (Peters et al., 2010). Employee job satisfaction depends upon the leadership style of managers. Nevertheless, participative management is not always a good management style. Managers should select the best leadership style according to the organizational culture and employees' organizational maturity (Fattahiyan et al., 2013) and Kordian and Beheshtizad (2014) in their study, and Hoseininasaband Farnia (2012) reached the same conclusion, too. Also, according to research it was found that by educating the managers about the leadership styles, a positive atmosphere for growth and prosperity of the employees can be achieved (Aghajani and Shoghi, 2014). In a review by Gayle about job satisfaction of employees who work with different managers and different leadership styles, it was shown that the amount of employees' job satisfaction in each leadership style, was meaningfully different (Gayle, 2009).

In considering the relationship between leadership styles of school principals and teachers' mental health, it was concluded that there is a high positive relationship between transformational leadership style and teachers' mental health (Niazi, 2011). In other research, it was concluded that there is a meaningful relationship between managers' leadership style and employees' creativity (Shoghi and Mortazavi, 2012). In another research which was conducted on 134 experts and managers of the Electricity Company in Isfahan province, stated that there is a difference between the job satisfaction of employees who controlled by managers with second and third styles, but there is no difference between the job satisfaction of employees who controlled by managers with third and fourth styles (Mohagheghzadeh, 2010). Randeree and Chaudhry (2012), in a study titled "review the effect of leadership styles on the organizational commitment and job satisfaction of employees of construction companies in the United Arab Emirates" showed a consultative leadership style is the most common style of construction companies. More than 50 percent of employees have also stated that this type of leadership style on job satisfaction and organizational commitment and their influence is very strong. Haraghiet al. (2012) proved, that there is a positive relationship between managers' leadership style and organizational performance of employees. In

his research Namavari (2009) in a research on the effective factors of job satisfaction, from the employee's point of view, in Kavooosh factory in Garmsar-Iran, stated that there is a positive relation between age, educational background, marital status, gender, job experience, salary, job category with job satisfaction. Shokri and his colleagues (2012), tried to study the influential factors in job satisfaction between employees of Islamic Azad University, Roudehen branch-Iran. The result of direct and indirect independent variables in the independent variable confirmed that, among all the understudy factors, education level, salary and job category play the significant roles had the highest roles respectively. In other research on considering the impact of manager's leadership style on employee job satisfaction in the Electrical company in Sistan and Baluchistan province-Iran, it was cleared that employees have higher satisfactions when leadership styles of the managers is participatory (Ziaei, 2012).

A research which was performed on the women employees of AL- Zahra University in Tehran-Iran, investigated the employee's job satisfaction of the style of management, leadership, showed that gender is an important factor in the employee's job satisfaction of women employees (Khazali and Jouvari, 2015). In a research by Liu, about the level of management between men and women in China, it was concluded that the majority of men have better management than women (Ibarra et al., 2010; Jyrkinen, 2014). On the other hand, Wittmann and his colleagues believed and concluded that management of women is better than men. Because the female managers attend to moral, favorites and ideas of employees (Wittmann et al., 2014). Based on Likert theory, Barati (2000), performed his research in Sepahan Steel Industrial Complex in Iran. In his research about the relationship between leadership style and the employee satisfaction stated that leadership style is one of the dominant style in his statistical society and the employee were more satisfied working under this management style.

In Michigan University Professor Likert and his colleagues have studied on styles and methods of management and leadership for thirty years. They have reached remarkable results and confirmed that an efficient manager is the one who is subaltern-centered. These managers try to unite all subalterns in the form of a group through utilizing communication. Since this method is very effective in motivating humane factor,

Likert considers it as the most influential method for leading a group (Koontz, 2010).

In the Likert system number 1 (autocratic-colonial management) all decisions are made by the manager. The leader rarely asks employees' ideas. The trust between boss and subordinate is at its lowest level. In the Likert system number 2 (autocratic-charity management) the manager commands, but subordinates have a little freedom to remark their ideas about command also the trust and confidence between boss and subordinate is at a low level. In Likert system number 3 (advisory management) employees determine their goals. They can decide about how to do their duties, but main decisions are made by senior managers. In such a system managers are rather rely on rewards and encouragements to motivate employee than punishment and penalty. In Likert system number 4 (participatory management) managers trust in employees and their interaction is based on honesty, loving perfection and trust. Goals and decisions are determined by groups and managers use financial reward to motivate the employees and create the sense of importance and value in them (IrannejadParizi and SasanGohar, 2007).

This present study tries to clarify the influence of managers' leadership style on employees' satisfaction in the departments of finance and administration deputy of the Municipality of Tehran-Iran, based on leadership theories of Likert in 2014.

MATERIALS AND METHODS

Since the aim of the research is recognizing the influence of managers' leadership style on employee job satisfaction based on four Likert's leadership system, therefore, the inferential statistics to transform data and changing them into information as well as testing selected hypotheses of this research were used. With respect to the location, the study ran in three departments of finance and administration deputy in Tehran Municipality.

Hypotheses of the study:

- 1) There is a meaningful relationship between managers' autocratic-colonial style and employee's job satisfaction.
- 2) There is a meaningful relationship between managers' autocratic-charity style and employee's job satisfaction.
- 3) There is a meaningful relationship between manager's advisory style and employees' job satisfaction.

4) There is a meaningful relationship between manager's participatory style and employees' job satisfaction.

5) There is a meaningful relationship between employees' job satisfaction and type of employment.

6) There is a meaningful relationship between employees' job satisfaction and gender.

7) There is a meaningful relationship between employees' job satisfaction and working environment.

Questionnaires were used for data gathering. This questionnaire was composed of two parts. The first part is JDI's job satisfaction standard questionnaire consisting of 70 questions, about the level of employees' job satisfaction. JDI's job satisfaction index considers 6 categories including: the nature of the occupation, supervision, colleagues, promotions, salary and working environment. The stability of the JDI questionnaire (the Job Descriptive Index) has been considered using Cronach's alpha, which was meaningful at the level of $\alpha=0.10$ (93%) which indicates high stability in measuring tool. In research by Smith, and his colleagues, its stability coefficient was between 0.62 to 0.89 and for subtests was between 0.59 to 0.92 (Smith *et al.*, 1969).

The second part of the questionnaire is about leadership style based on Likert model and involves 29 questions.

Statistical society of this study includes all employees and workers of three departments relevant to finance and administration deputy (either conventional or formal) in Tehran municipality and they are 504 people. (Department 1: 99 people, department 2: 221 people and department 3: 84 people).

In this research 218 people from statistical society were chosen using the formula, and the questionnaire was given to them. In this statistical society, there are also different occupational rankings with the titles of the employee or worker, which suitable number of people were selected from each rank.

Total number of personnel in these three groups was 504 people that sample number was chosen among employees' occupational position.

Size of sample content: 218; Sample number of department 1: 44; Sample number of department 2: 95; Sample number of department 3: 79; From total of 218 distributed questionnaires, 209 questionnaires were returned (96%) which is acceptable percentage.

RESULTS AND DISCUSSIONS

Purpose of analyzing hypotheses of the study, is considering the influence of managers' leadership style on employees' job satisfaction. To prove hypotheses, the answers of the leadership style questionnaire were coded (always, frequently, sometimes, rarely), then the weighted average of different management styles were calculated by considering codes and scores. Next, the average of job satisfaction and the average scores of leadership style were determined by considering class gaps between variables of the study (Tables 1 and 2).

In order to test the second hypotheses, the questionnaires rated in a range between 51 and 72 and represented Likert's system 2, were separated. Also the resulted score for employee's job satisfaction was shown in Table 2. By referring to the Table 2, the score of leadership style was 63.5 and this represents autocratic-charity leadership style and the score of job satisfaction was 231.5 that with respect to the classification in Table 1, it is shown in medium domain.

Now, in order to statistically test the hypotheses, the resulted data were transformed to information through statistical methods and specified hypotheses were tested. Then with using the appropriate computer software (SPSS) and determining the level of significance, the relationship between the variables and the statistics of the sample, by applying probability law, the parameters of society were generalized.

This analysis includes:

- Using frequency and percentage,
- Using zero and one test (H_0 and H_1) to study the research hypotheses,
- Using t test in hypotheses 1 to 4to determine the relationship between leadership style and employee's satisfaction (Sadeghi and Pourkarimi, 2009),
- Using a binomial test in hypotheses 5 and 6 in order to determine the relationship between employees' job satisfaction and gender and type of the employment (Sadeghi and Pourkarimi, 2009),
- Using Chi-square test in hypothesis 7 in order to determine the relationship between employee's job satisfaction and type of working place(Sadeghi and Pourkarimi, 2009).

In considering t test of the second hypothesis for $51 < \mu < 72$

H_0 : There is a meaningful relationship between managers' autocratic- charity leadership style and job satisfaction.

H_1 : There isn't a meaningful relationship between managers' autocratic- charity leadership style and job satisfaction.

T student test (Table 3) for $\mu > 51$; H_0 : $\mu > 51$; H_1 : $\mu < 51$.

Table 1: Classification of the variables of the study scores

Scores of leadership style				Job satisfaction				
System 1	System 2	System 3	System 4	Few	Weak medium	Medium	Strong medium	Too much
Less than 50	51-72	73-94	95-116	126 and less	127-182	183-238	239-294	294-350

Table 2: distribution of leadership style and job satisfaction scores

Leadership system	Leadership style scores	Job satisfaction scores	Abundance	Relative abundance
System 1	-	-	0	0
System 2	63.5	231.5	77	37%
System 3	79.8	258.6	116	55.6%
System 4	97.5	280.0	16	7.4%

At confidence level of 95% and degree of freedom of 78, the amount of statistic that obtained through the test is 9.87 and its value in statistical table (t_{α}) is 1.74. Since $9.870 > -1.74$ ($t < t_{\alpha}$ not established), it is concluded that the hypothesis H_0 is not rejected. So the resulted score for second leadership style is really higher than 51.

T student test (Table 4) for $\mu < 72$; $H_0: \mu > 72$; $H_1: \mu < 72$.

At confidence level of 95% and degree of freedom of 78, the amount of statistic equals -6.78 and its value in statistical table is 1.74. Since $-6.78 < -1.74$ ($t < t_{\alpha}$ is established), it is concluded that the hypothesis H_0 is rejected and H_1 is accepted. So the resulted score for second leadership style was really lower than 72.

By considering the above mentioned two tests, it was concluded that the score for second leadership style sample is really between 51 to 72 and the employees' satisfaction level is at the middle level.

The binomial test was applied to consider hypotheses 5 and 6 (Table 5). In hypothesis 5:

The level of job satisfaction is the same between males and females. $H_0: p=0.5$,

The level of job satisfaction isn't the same between males and females $H_1: p \neq 0.5$.

The amount of the test statistic is 0.5 and that is 0.815 by using of SPSS analysis. By considering $\alpha = 0.05$, it was observed that $0.815 > 0.05$ and so $\text{Sig.} > \alpha$ is established. As a result, hypothesis H_0 was not rejected and it was concluded that levels of job satisfaction in females and males are the same or in other words, gender is not an influential factor in job satisfaction. The Chi square was used (Table 6) to consider the hypothesis 7,

The relationship of employees' job satisfaction in each department was the same. $H_0: p_1=p_2=p_3$,

The relationship of employees' job satisfaction in each department was not the same. $H_1: p_1 \neq p_2 \neq p_3$.

Table 3: T student test for $\mu > 51$ (one -sample test)

Test value=51						
System 2	T*	df.**	Sig.*** (2-tailed)	Mean	95% confidence	
					Interval of the difference	
					lower	Upper
	9.870	78	0.000	12.44444	9.7843	15.1046

*T student test
 *Degrees of freedom
 **Significance

Table 5: Considering a binomial test

Category	N*	Exact Sig**.(2-tailed)
Gender:		
Group1	Female	35
Group2	Male	55
Total		79

*Number
 **Significance

Table 6: Considering Chi-square test

Chi-square	df.*	Sig.**
6.333 ^a	2	0.042

*Degrees of freedom

**Significance

The results from SPSS analysis showed that the amount of sig equals 0.04. By considering $\alpha=0.05$, it was observed that $0.04 < 0.05$ and Sig. $< \alpha$ was established. So, H_0 was rejected and H_1 was accepted. This means, that the level of employees' job satisfaction in each departments was not the same or in another words, the type of working environment is as effective factor in job satisfaction.

1) The study of the first hypothesis indicates that the managers with autocratic-colonial leadership style, their employees have lower job satisfaction (at a moderate level) than other employees of the organization. By observing and reviewing Table 2, none of the staff considered the system 1 as the appropriate leadership style.

2) In examining the second hypothesis of the research, with the elevation of the leadership style score, satisfaction has also increased (moderately) and by considering the distribution table of concessions, a total of 18 people, equivalent to 37% of staff, considered autocratic-charity system for leadership. In autocratic-charity style, employees do not interfere in decision making and there is constant monitoring and control over them.

3) A review of the third hypothesis of the study showed that the managers whose style of management is advisory leadership, their employees have more job satisfaction than other employees of the organization (strong enough). Furthermore, Table 2 showed that 116 people, equivalent to 55.6% of employees, considered leadership style of their management as advisory that was a higher percentage in comparison to other groups.

4) By considering the fourth hypothesis, it was suggested that managers with participatory leadership style have employees with high level of job satisfaction. By reviewing Table 2, it is observed that 16 people, equivalent to 7.4% of employees, considered leadership

style of their management as participatory. In participatory management, in addition to the interaction between the manager and their employee, the managers have a sense of trust and confidence in their employees. With respect to the obtained results of first to fourth hypothesis, this can be deduced that when the leader's leadership style have a counseling aspect and also employees have a continued commitment to decision making, there would be a significant relationship between leadership style and job satisfaction of employees.

5) By considering fifth and sixth hypotheses, it was observed that type of gender and employment (conventional-formal) has no influence in employees' job satisfaction.

6) By studying the seventh hypothesis, it is found that employees' job satisfaction is different in different departments. There is a direct relationship with department's leadership style and since leadership styles are different in different departments of Tehran municipality therefore the level of employees' job satisfaction is not the same level.

In this study by comparing the obtained averages for four management systems and job satisfaction and analysis of variables of various tests this is deduced, that there is a meaningful relationship between the four leadership styles and job satisfaction and in different leadership styles, the level of job satisfaction is different and when leadership style moves from the first system to fourth system, the level of job satisfaction improves. In other words, employees in the first system have the lowest job satisfaction and in the fourth system have the highest level of job satisfaction and there is no significant difference between second and third system.

CONCLUSION

Positive change in leadership style is the result of increasing changes in organizational life. In modern

leadership models, skills like helping and empowering have increasing importance (Hopkins, 2007).

Review of literature related to job satisfaction and leadership styles shows that satisfied employees have a positive attitude to life and psychologically, they make the society healthier and this will lead to increasing productivity in organizations. In this study, Likert leadership theories were considered. In Likert system, there is high emphasis on team working and mutual trust. The second and third Systems are middle stages. This study was an inferential and studied society where employees from 3 departments in finance and administration deputy in Tehran municipality.

The studied sample involved 218 employees that were chosen by random sampling method. Research tool was a questionnaire about leadership style according to Likert theory and a JDI questionnaire about job satisfaction. The average scores of job satisfaction derived from filled questionnaires and the average scores of leadership style were calculated. By comparing results, scores for management systems and job satisfaction and using of analyzing variables through the test, it was concluded that there was a meaningful relationship between four leadership styles and job satisfaction. The results of the study showed that in this research, leadership style was the third system, which was advisory and the level of job satisfaction was strong medium.

In addition, using the binomial test showed that type of employment and gender are not influential factors in job satisfaction and results of the Chi-square test showed that the levels of job satisfaction in different departments were not the same. In other words, the type of department was an influential factor in job satisfaction which that directly relevant to its leadership.

ACKNOWLEDGMENT

The authors would like to appreciate the employees of Finance and Administration Deputy of Tehran Municipality for their unwavering support in providing the required data.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interests regarding the publication of this manuscript.

REFERENCE

- Aghajani, T.; Shoghi, B., (2014). The effect of leadership style on employee creativity (Case study: The metal industry co. in Kaveh Industrial City), *J. Dev. Manage.*, 7(26):93-124 (32 pages).
- Barati, S. A., (2000). Study of management leadership style and employ's job satisfaction in Sepahan Steel Industrial Complex (based on Likert theory). M.S. Dissertation, Iran. (In Persian)
- Ge, C.; Fu, J.; Chang, Y.; Wang, L., (2011). Factors associated with job satisfaction among Chinese community health workers: a cross-sectional study. *BMC public health*, 11(1).
- Darvish, H., (2007). "Considering influential factors on Employees' Job Satisfaction (analytic-investigative approach)". Management culture publication, fifth year, number 16 (In Persian).
- Fattahiyan, M.; Hoorri, M. S.; Eslampanah, M., (2013). The relationship between managers' leadership style and organizational commitment of staff Spiritual Intelligence (The Iranian Gas Transmission Company, Region 7 of countries). *Int. J. Adv. Res.*, 1(8): 811-820 (10 pages).
- Gayle, M.M., (2009). Relationship between employee perceptions of leadership styles and job satisfaction in a commercial clinical laboratory environment. Nova Southeastern University, Florida, United States.
- Haraghi, M.; Haraghi, M.; Moghateli, N., (2012). Study of the relationship between managers' leadership style and employees' organizational performance, *J. Discip. Knowl. Bushehr city*, 9.
- Hopkins, M., (2007). Emotional intelligence and board governance. Leadership lessons from the public sector. *J. Manage. Psychol.*, 22: 44-56 (13 pages).
- Hoseininasab, D.; Farnia, M., (2012). Study of the relationship between managers' leadership style and school administrators' satisfaction (based on Likert theory) in Pars Abad city, *J. Edu. Sci.*, 5(20). (In Persian)
- Ibarra, H., Carter, N.M. and Silva, C., (2010). Why men still get more promotions than women. *Harv. Bus. Rev.*, 88(9): 80-85 (6 pages).
- IrannejadParizi, M.; SasanGohar, P., (2007). Organization and management, from theory to act. Iran Banking Institute, Iran. (In Persian)
- Jyrkinen, M., (2014). Women managers, careers and gendered ageism. *Scandinavian J. Manage.*, 30(2): 175-185 (11 pages).
- Khazali, E.; Joovari, B., (2015). Study of the relationship between managers' leadership style and employees' satisfaction (Case study: Female employees in Al-Zahra university). *J. Women Family*, 3(1): 111-126 (16 pages).
- Koontz, H., (2010). *Essentials of management*. Tata McGraw-Hill Education.
- Kordi, M.; Beheshtizad, R., (2014). Study of the relationship between managers' leadership style and employees' satisfaction (based on Likert theory) in welfare administration, Third international conference in Psychology and social Sciences. (In Persian)
- Liu, S., (2013). A few good women at the top: The China case. *Business Horizons*, 56(4): 483-490 (8 pages).
- Mohagheghzadeh, M., (2010). Considering managers' leadership styles and their influence on employees' job satisfaction in Regional Electricity Company, Isfahan. First

Relationship between Managers' Leadership Style and Employees' Satisfaction

- international conference in management and innovation, Isfahan, Iran. (In Persian)
- Namavari, A., (2009). Study of effective factors on job satisfaction from employee's view point in Kavooosh factory – Garmsar, Iran. M.S. Dissertation, Islamic Azad University, Rodehen Branch, Iran. (In Persian)
- Niazi, S.M., (2011). The relationship between leadership styles of school principals and teachers' mental health, M.S. Dissertation, Islamic Azad University, Jiroft, Iran. (In Persian)
- Peters, D.H.; Chakraborty, S.; Mahapatra, P.; Steinhardt, L., (2010). Job satisfaction and motivation of health workers in public and private sectors: cross-sectional analysis from two Indian states. *Hum. Resour. Health*, 8(1): 1-11 (**11 pages**).
- Randeree, K.; Ghaffar Chaudhry, A., (2012). Leadership–style, satisfaction and commitment: An exploration in the United Arab Emirates' construction sector. *Eng. Constr. Archit. Manage.*, 19(1): 61-85 (**25 pages**).
- Sadeghi, A.; Pourkarimi, F., (2009). SPSS 17 Statistical guidance software, Jihad Daneshgahi Publications, Tehran, Iran. (In Persian)
- Shoghi, B.; Mortazavi, S.M., (2012). The Relationship between managers' leadership style and employee creativity using Sashkin model, *Achiev. Des Sci. J.*, Switzerland, Geneva , 65(9).
- Shokri, B.; Sarikhani, N.; Hasoomi, T., (2012). Influential factors for employees' job satisfaction in Islamic Azad University. Roudehen branch, Social investigation publication, volume 5, number 14, page 119-135. (In Persian).
- Smith, P. C.; Kendall, L.; Hulin, C. L., (1969). The measurement of satisfaction in work and retirement. Chicago, Vol. 2, Rand McNally.
- Wittmannet, M.; Joachim, P.; Gutina, O., (2014). Individual differences in self-attributed mindfulness levels are related to the experience of time and cognitive self-control. *J. Pers. Indiv. Differ.*, 64: 41-45 (**5 pages**).
- Ziaei, M. H., (2012). Considering the influence of managers' leadership style on employees' job satisfaction in electricity company of Sistan and Baluchistan province. M.S. Dissertation, Karaj, Institute of Management Research and Education, Iran. (In Persian)