

**LEADERSHIP BEHAVIOR AND JOB SATISFACTION AMONG BANK
OFFICERS: THE IMPACT OF TASK CHARACTERISTICS**

By

NASINA MAT DESA

**Research report submitted in partial fulfillment of the requirement for the degree
of Masters in Business Administration**

MARCH 2002

715042

rb
f HD57.7
N254
2002

ACKNOWLEDGEMENTS

First and foremost, I would like to express my deepest gratitude to Tuan Syed Asmadi Syed Ahmad, who has given me all the courage and strength for me to finish my dissertation.

My sincere thanks to Dr. Rehana, Prof. Mahfooz and Associate Prof. Dr. Muhamad Jantan for all the wise advice given throughout doing my MBA at University Sains Malaysia.

I also want to thank my parents who stood tall behind me all the time.

I also want to acknowledge the thought provoking ideas of my close friends, Zaiton, Sumathi, Azli, Azmal, Khairi, Rosli, Isham and Azhar.

Last but not least, I would like to thank all Northern region bank managers; Bank Bumiputra Commerce, Public Bank, Arab Malaysian Bank, Mayban, Southern Bank and RHB Bank.

TABLE OF CONTENTS

	Page
Title page	i
Acknowledgements	ii
Table of Contents	iii
List of Tables	v
List of Figures	vi
List of Appendixes	vii
Abstrak	viii
Abstract	x

Chapter 1: INTRODUCTION

1.0	Introduction	1
1.1	Research Problem	3
1.2	Purpose of the study	4
1.3	Scope of the study	5
1.4	Significance of the study	5
1.5	Definitions of the terms	7

Chapter 2: LITERATURE REVIEW

2.1	Defining Leading	10
2.2	Review of Leadership Approach	11
2.3	Concepts of Path Goal Theory	13
2.4	Leadership Recommendations for Path Goal	16
2.5	Research on Leadership Behavior & Job Satisfaction	17
2.6	Task Moderators	19
2.7	Theoretical Framework	28
2.8	Hypotheses	32

Chapter 3: RESEARCH METHODOLOGY

3.1	Methodology	34
3.2	Measurement	36
3.3	Research Design	37
3.4	Sample Size	38

Chapter 4: ANALYSIS AND FINDINGS

4.1	Factor Analysis Results	41
4.2	Reliability of Measures	45
4.3	Restate Hypotheses	45
4.4	Testing of Hypothesis	47

Chapter 5: DISCUSSIONS AND CONCLUSION

5.1	Discussion and Findings	60
5.2	Limitation & Suggestions for Future Research	63
5.3	Conclusion	63

BIBLIOGRAPHY

APPENDICES

LIST OF TABLES

	Page	
Table 3.1	Profile of Respondents	39
Table 4.1.1	Factor Analysis of Leadership Behavior	42
Table 4.1.2	Factor Analysis of Task Characteristics	43
Table 4.1.3	Factor Analysis of Satisfaction with supervisor	43
Table 4.1.4	Factor Analysis of Satisfaction with work	44
Table 4.2	Reliability Measures	45
Table 4.4.1	ANOVA:Different of leadership behavior	48
Table 4.4.2.1	Ineffective supervision & Task Structure	49
Table 4.4.2.2	Ineffective supervision & Task Autonomy	50
Table 4.4.2.3	Ineffective supervision & Task Variety	51
Table 4.2.2.4	Effective Supervision & Task Variety	51
Table 4.2.2.5	Effective Supervision & Task Structure	52
Table 4.2.2.6	Effective Supervision & Task Autonomy	53
Table 4.2.2.7	Interesting Work and Task Variety	54
Table 4.2.2.8	Interesting Work & Task Structure	55
Table 4.2.2.9	Interesting Work & Task Autonomy	56
Table 4.2.2.10	Dull Work & Task Autonomy	57
Table 4.2.2.11	Dull Work & Task Variety	58
Table 4.2.2.12	Dull Work & Task Structure	58

LIST OF FIGURES

	Page
Figure 2.1 Predicted Effects of Path Goal Behaviors	16
Figure 2.2 A Conceptual Model	30

LIST OF APPENDICES

	Page	
Appendix 1	Questionnaires	72
Appendix 2	The Results of Descriptive Analysis	79
Appendix 3	The results of Reliability Test	84
Appendix 4	The results of Factor Analysis Test	89
Appendix 5	The results of ONE WAY ANOVA Test	96
Appendix 6	The results of Hierarchical Regression Test	99

ABSTRAK

Kajian ini bertujuan untuk mengetahui hubungan antara gaya kepimpinan ketua pejabat dengan kepuasan kerja para pekerja di bawah penyeliaannya di sektor perbankan di bahagian utara Semenanjung Malaysia iaitu di Pulau Pinang dan Kedah. Kajian ini memilih gaya kepimpinan yang dianjurkan oleh Sinha (1980) yang menggariskan empat gaya kepimpinan iaitu penglibatan, autokratik dan "nurturant-task". Pemboleh ubah jenis pekerjaan, seperti struktur kerja, autonomi kerja, pelbagaian kerja dimasukkan bagi melihat kesannya terhadap impak gaya kepimpinan ke atas kepuasan pekerja.

Kajian ini telah dijalankan di negeri Pulau Pinang dan Kedah, yang melibatkan bank Arab Malaysian, Bumiputra Commerce, Malayan Banking, RHB, Southern dan Public.

Setelah analisis faktor dijalankan, pemboleh ubah tidak bersandar telah dibahagikan kepada empat faktor iaitu penyeliaan yang efektif dan tidak efektif; kerja yang menarik dan bosan. Pemboleh ubah bersandar dan "moderator" kekal di bawah faktor yang sama.

Keputusan analisis statistik telah menunjukkan terdapat perbezaan bererti dalam keberkesanan antara pelbagai gaya kepimpinan. Gaya kepimpinan nurturant-task merupakan gaya kepimpinan yang membawa kepada penyeliaan paling efektif, diikuti oleh gaya penglibatan dan akhir sekali gaya kepimpinan autonomi. Manakala gaya kepimpinan penglibatan didapati memberikan hubungan yang bererti dengan kerja yang menarik, dikuti dengan gaya kepimpinan "nurturant" dan autokratik.

Analisis lanjutan menunjukkan dua ciri kerja, iaitu struktur kerja dan kepelbagaian kerja tidak meyederhanakan hubungan antara kepimpinan dengan semua

pembolehubah bersandar iaitu penyeliaan efektif, tidak efektif, kerja menarik dan kerja yang bosan.

Walau bagaimanapun, autonomi kerja jelas memberikan hubungan yang bererti dengan kerja yang membosankan. Untuk gaya kepimpinan penglibatan, autonomi kerja mempunyai hubungan negatif dengan kerja yang membosankan manakala gaya kepimpinan “nurturant” mempunyai hubungan yang positif dengan kebosanan kerja.

Kesimpulannya, kajian ini telah memberikan pengetahuan am tentang gaya kepimpinan terutamanya bagi mereka yang bekerja di sektor perbankan. Pengetahuan ini boleh digunakan bagi tujuan latihan kepimpinan dan ianya boleh digunakan bagi pegawai-pegawai meningkatkan kemahiran dan gaya kepimpinan masing-masing supaya lebih produktif dan dinamik bagi menangani perubahan pesat yang sedang berlaku. Penemuan ini juga boleh dijadikan asas kepada kajian kepimpinan yang seterusnya di lain-lain negeri di Malaysia.

ABSTRACT

The purpose of this study was to examine the relationship between leadership behavior and job satisfaction of bank officers in Penang and Kedah as perceived by the subordinates. The study chose three leadership styles as proposed by Sinha (1980) namely autocratic, participative and nurturant. The task characteristics performed by subordinates namely task structure, task autonomy and task variety were included as moderators to see the impact on the relationship between leadership behavior and job satisfaction.

The study was conducted in the state of Penang and Kedah, involving six banks namely, Arab Malaysian Bank, Bumiputra Commerce, Public Bank, Mayban, Southern Bank and RHB Bank.

After factor analysis were done to all variables, the dependent variables have been group under 4 names namely effective supervision, ineffective supervision, interesting work and dull work. The independent and moderator variables remain under the same group.

Results of the statistical analysis showed that there was significant different in the effectiveness between various leadership behaviors. It was found nurturant leadership behavior would lead to the most effective supervision, followed by participative and lastly autocratic leadership behavior, whereas, participative leadership behavior was found to be the most significant with interesting work, followed by nurturant and autocratic.

Further analyses showed that two task characteristics namely task structure and task variety did not moderate the relationship between leadership behaviors and

all the dependent variables namely effective supervision, ineffective supervision, interesting work and dull work.

However, task autonomy showed significant impacts on the leadership behavior and dull work. For participative style of leadership, task autonomy has a negative relationship with the dullness of work but a nurturant style has a positive relationship with the dullness of work.

This study concludes with broad views regarding leadership behavior particularly those who work in banking industry. The knowledge acquired could be used for leadership training purposes and help the officers enhance their leadership behavioral styles to be more productive and dynamic to suit rapid changes and needs. The findings could also be used for future studies on leadership styles of the Malaysia banking industry in other states.

Chapter 1

INTRODUCTION

1.0 Introduction

Leadership is a fascinating social phenomenon which occurs in all groups of people regardless of geography, culture, or nationality. Ancient Chinese and Greek leaders looked to philosophers for advice. Egyptians attributed specific godlike traits to their leader-kings, and famous writers such as Homer and Machiavelli documented shrewd and cunning strategies of successful leaders. Much of history is recorded through the lives of famous leaders. Names such as George Washington, Abraham Lincoln, Clara Barton, Mahatma Gandhi, Golda Meir, John F. Kennedy, Martin Luther King Jr., and Nelson Mandela symbolize major eras of social upheaval that had immense repercussions. Most young people today aspire to become leaders in school, athletics, entertainment, politics, industry, military, medicine, or some other area of endeavor. Although Bass (1990) has noted that the word "leadership" did not appear in the English language until about 1300, this social phenomenon has been recognized since the beginnings of recorded history.

Managers and leaders in Malaysia, whether in business, media, academia, politics, education or management, play a key role in the social and economic development of the nation. In line with vision 2020, leaders will now have to actively contribute to the creation of psychologically liberated, secure and developed Malaysian society with faith and confidence in itself, justifiably proud of what it is, of what it has accomplished, and robust enough to face all manner of adversity.

In projecting themselves as competent leaders, they have to serve as role models that embody and convey in actions and words, desirable attitudes, values and

beliefs of those they are responsible for. They have to be able to point the way, inspire and excite their subordinates with challenging and new possibilities about their jobs (Asma Abdullah, 1996).

Malaysian private service must provide the strategic leadership and cooperate with the public and private sectors to plan and implement proactive strategies to help achieve Malaysia's vision 2020. Malaysia's vision is to create "a united nation, with a confident society that is democratic, moral and tolerant, caring, economically just and equitable, progressive and prosperous, and full possession of an economy that is competitive, dynamic, robust and resilient" (Sarji, 1996).

To design appropriate policies and programs to achieve that vision, there is a need for strategic leadership. Unlike the private sector of developed countries, the private sectors in developing countries like Malaysia has an added responsibility in providing the primary driving force for national development. One of the critical aspects of strategic leadership is to understand the environment in which the private sectors is operating. Mergers and acquisition is the challenges that banking industry must face to survive. The quality of leadership is one of the most important factors in determining the success and survival of banks. Although technology plays an overriding part under some conditions, effective leadership and job satisfaction have often compensated for lack of equipment and resources. It would be difficult to imagine a world without leaders (Fiedler, 1987).

Basically this study attempts to investigate the leadership behavior of managers, as perceived by subordinates in banking industry in Malaysia, particularly in the northern states; Penang and Kedah. This study will also examine the relationship between managers' leadership behaviors as perceived by subordinates

and task performed by subordinates and how this interaction influences subordinates job satisfaction towards their work and superior.

1.1 Research Problem

Despite aggressive mergers and acquisition happening in Malaysia banking industry, the turnover rate of management staffs in the industry are relatively increasing as compared to previous years (Bank Negara Annual Report, 2000). One of the possible reasons is due to job satisfaction that is associated with leadership behaviors exhibited by managers in the respective banks.

It is evident that there may be other factors, which are not observable, influencing job satisfaction. Individuals are unique, demanding satisfaction of different needs. The right match between the manager leadership behavior and individual needs is necessary to satisfy both parties. Quite often a person get themselves in the position of a managers without realizing their subordinate needs. As a result a mismatch occurs, resulting in the subordinate being dissatisfied and leaving the organization. On the other hand, organization, too, fail to take the effort to identify the real drivers of members, resulting in negative outcomes for both the individual and the organization.

This study will try to determine the perceived leadership behavior practiced by the banks in northern part of Malaysia especially Penang and Kedah i.e., whether they practiced autocratic, nurturant-task or participative behavior of leadership and how it brings the most satisfaction in the subordinates. Lastly, the study will try to look at the impact of task characteristics performed by subordinates namely task autonomy, task variety and task identity on the relationship between leadership behavioral behavior and job satisfaction.

So for this study, the House Path Goal leadership behavior (1974) was chosen as the standard measure but at the same time the variables from Sinha (1980) was adapted to the theory to test the significant with job satisfaction amongst bank officers in Northern side of Malaysia. This will be discussed later in the literature section.

1.2 Purpose of the Study

The study aims to provide some knowledge on leadership behavior of banking officers in Northern region of Malaysia, namely Penang and Kedah. The finding will help to find ways to improve banking organization performance from leadership performance. The right behaviors of leadership will sustain the human resources in an organization, in this case banking organization. This will lead to cost efficiency involves in recruitment and training of a staff. Studies have shown that job satisfaction have a direct effect on turnover (Fishbein & Ajzen, 1975). The right behavior of leadership could be used to complement the role of technology in helping Malaysia achieve vision 2020.

Research questions for the study are as follows:

1. Is there a significant relationship between perceived leadership behavior of managers and subordinate job satisfaction?
2. What is the correlation between leadership behavior and subordinates job satisfaction when subordinates have a different perceived task characteristics?

1.3 Scope of the Study

The study was conducted in the state of Penang and Kedah. Data was collected through structured questionnaires answered by the subordinates. Two weeks were needed to distribute and collect the questionnaires.

For this study, the population is confined to the banking industry and subordinates who have been working at least a year under each selected managers. The managers and subordinates will be selected from five main departments in the bank namely, retail loan department, corporate loan department, credit card department, operation department and customer services department. Subordinates consisted of officer categories from officer B4 to officer B1. B1 is the highest level of officer with the salary of RM 2500 and above, B2 with the range of salary between RM 2000 to RM 2499, B3 with the range of salary between RM 1600 to RM 1999 and B4 officers with the range of RM 1000 to RM 1599.

1.4 Significance of the Study

Numerous studies (Ragavan, V, 1994, York 1990, Fisher B.M 1988, Howell 1986) have been conducted on leadership and its related aspects. However, the findings had been inconclusive. In the relationship behavior and subordinate job satisfaction, for instance, the impact of the different behaviors of leadership, whether directive or participative, autocratic or democratic, task oriented or human-oriented towards job satisfaction is inconclusive. The findings of the moderating effects of the characteristics of the task they performed are also varied. Apart from this, the majority of the studies are conducted in Western countries and it is therefore doubtful as to whether these research findings are equally applicable to the local environment. Considering the importance of the banking organization towards the

social and economic well being of the country, there is therefore a need for more research to be carried out in this organization with regard to the impact of bank manager leadership behavior on subordinate job satisfaction.

In order to function effectively and to attain company's mission, understanding of the impact of leadership on job satisfaction is essential for the management.

According to House (1971), job satisfaction is a critical part of an organizational environment. His theory asserts that various leader behavior have different effects on the satisfaction of subordinates. He also argues that a particular behavior of leadership may have some indirect consequences on job satisfaction and group morale.

As such, this study will try to determine the most prevalent leadership behavior practiced by banking industry in Penang and Kedah whether they practice the autocratic, participative or nurturant-task behavior. The study also aims to find out whether there is a significant relationship between perceived leadership behavior of managers and their subordinates satisfaction. The study will try to look at the impact of task characteristics namely task autonomy, task variety, and task structure on the relationship between three leadership behaviors with subordinate job satisfaction.

The awareness of the impact of leadership on job satisfaction through this study will shed some light as to choose the right training program to improve the effectiveness of managers in these organizations. The right training programs can help to develop effective bank leaders in the future.

For managers themselves, hopefully, the study will provide some broad ideas on leadership behavior and how satisfy they are with each behavior. Managers can

manipulate the behavior and adapt to the fast changing environment to enhance individual and organizational effectiveness. Several dimensions and variables in the study could be used as guidance in choosing an appropriate leadership behavior that is satisfying to the managers. The success of an organization largely depends on a manager's effectiveness in promoting satisfaction and commitment among subordinates.

Generally, an understanding of the above study will enhance our understanding about the importance of leadership behavior of a manager towards subordinate job satisfaction. A good understanding between managers and subordinate will enhance teamwork and organizational performance.

1.5 Definition of Terms

The terms used are mainly for the purpose of this study. The terms that are consistently used are perception, leadership behavior, job satisfaction, task variety, task autonomy, task structure and subordinate.

1.5.1 Perception

Perception is defined in this study as a global phenomenon of the total cognitive registration of the world in its conceptual, value-oriented, as well as in its sensory aspects indicated by the subjects' responses to the questionnaire used in this study (Bass, 1981).

1.5.2 Leadership Behavior

Leadership Behavior is the way in which the functions of leadership are carried out, the way in which the manager typically behaves towards members in the group (Mullin, 1996). For the purpose of this study, we are looking at three main

leadership behavior commonly found in Malaysia; autocratic, participative, and nurturant-task leadership behavior. The Path-Goal Theory of leadership by House (1971) suggest that performance of subordinates is affected by the extent to which the manager satisfies their expectations. In this theory, directive (or autocratic) leadership behavior is when leaders let subordinates know exactly what is expected of them and give them specific instructions. Subordinates are expected to follow rules and regulations. This type of behavior is similar to 'initiating structure' in the Ohio State Leadership Studies. In the same study, nurturant-task leadership involves a friendly and approachable manner, where leaders display concern for the needs and welfare of subordinates. Nurturant-task leadership is a task-oriented behavior with a blend of care and nurturance (Sinha,1980) while participative leaders involves followers in the decision-making processes

1.5.3 Job Satisfaction

Several scholars have differentially defined Job satisfaction in many different ways. Hoppock (1935) views job satisfaction as "any combination of psychological, physiological, and environmental circumstances that causes a person truthfully to say, " I am satisfied with my job." Porter and Lawler (1968) refer to satisfaction as " the extent to which rewards actually received, meet or exceed the perceived equitable level of rewards. For the purpose of the study, job satisfaction is defined and operationalised in terms of two facets of subordinate satisfaction: (a) satisfaction with supervision and work which are defined as the extent of an individual's satisfaction towards his immediate superior and work as measured by the satisfaction with supervision subscale of Smith, Kendall and Hulin's Job Description index (1969).

1.5.4 *Task Variety*

Defined in this study as the degree of variety and non-repetitiousness that the respondent perceives regarding his job.

1.5.5 *Task Autonomy*

Defined as the degree to which the respondent is able to perform his job without depending upon his superior or others.

1.5.6 *Task Structure*

Defined as the degree to which the respondent perceived the task to be structures, such as, whether a detailed description of the finished task or a standard operating procedure, is available.

1.5.7 *Subordinate*

For this study, subordinates refer to those staff that works at least a year under the supervision of their immediate managers. They were randomly selected from four main departments namely operations, retail loan, corporate loan, credit card and customer services. They compromise of category B4, B3, B2 and B1 staffs, excluding temporary staffs.

Chapter 2

LITERATURE REVIEW

2.0 Introduction

The objective of this review is to highlight the importance of leadership behaviors and job satisfaction. The review begins with a review of the relevant approaches of leadership, followed by a depth review of Path Goal Theory. This chapter will relate the leadership value in India and explain the similarities with Malaysia. Thus it will explain why Sinha (1980) leadership behaviors are adapted to the Path Goal theory. Previous research on the relationship between leadership behavior and job satisfaction will be review. Finally, theoretical framework and hypotheses will be discussed.

2.1 Defining Leading and Motivating

Leading has been identified as the ability to get others to want to do something that needs to be done. Leaders are those who can create a perception of the world that is exciting to subordinates – giving them a goal to strive for and be fulfilled when it is achieved.

Bennis (1992), who has done extensive research on leadership in America corporations, defines it as “ the capacity to create a social architecture that will generate intellectual capital, ideas and know-how – the ability to enroll others to do what needs to be done”. Leaders must therefore be able to stimulate their subordinates to develop intellectually and encourage them to contribute their ideas by tapping on some fundamental cultural value that are meaningful to them.

Leadership therefore has to do with the sharing of common values, so that employees are inspired, empowered and committed to a vision and a mission. There is a moving way from compliance and controlling employees to obtaining their commitment and contribution to the goals of the organization by appealing to their self-confidence, feelings, growth and development needs.

Related to leading is motivation, which is the internal drive and willingness of the subordinate to achieve the goals of the organization. Managers in their leadership roles can motivate their workforce by creating nurturing environment where work is seen as rich and fulfilling, thus encouraging those they supervise to contribute ideas and put their best efforts forward to enhance productivity. Effective managers, in summary, are leaders who can get their subordinates to willingly undertake a desired course of action.

2.2 Review of Leadership Approaches

The term leadership has long excited interest among scholars and laypersons. The term connotes images of powerful dynamic persons who command people and shape the course of the nation.

The subject has been studied in different ways, depending on the understanding of the researcher conception of leadership. Leadership research can be classified into four approaches (Yukl, 1998). The approaches are as follows:

2.2.1 Power- Influence Approach

This approach attempts to explain leadership effectiveness in terms of the amount of power possessed by the leader, the types of power and how much power is exercised.

The major questions addressed by research in this approach is the source of power for individuals and the way characteristics of individual and the situation

interact in determining how much power a leader will have (French & Raven, 1965). Another dimension is the way power is gained or lost by leaders in a reciprocal influence process (Kepnis, Schmidst and Wilkinson, 1980).

2.2.2 Trait Approach

The trait approach emphasizes the personal attributes of leaders. It is based on the assumption that effective leader have different interest, abilities and personal characteristics as compared to less effective leaders. In the studies done in leader traits, (Jackson, 1953; Rosen, 1969; Wyndom and Cook, 1964) the general approach was to compare leaders with non-leaders with respect to physical character, personality and ability or correlate measures of trait and leadership effectiveness.

2.2.3 Behavioral Approach

The behavioral approach emphasizes what leaders and managers actually do on the job. The major focus of behavioral approach is leadership function and leadership behaviors. The leadership function is associated with task related functions and group maintenance, whereas leadership behaviors are on task-orientation and people orientation.

The major models used in behavioral approaches are McGregor, (1960); Ohio State Studies (Halpin and Winer, 1957), Michigan Leadership Studies (Katz and Kahn, 1952), Managerial Grid (Blake and Moun-ton, 1964), Likert System of Management Leadership (Likert, 1961) and Continuum of Leadership Behavior (Tannenbaum and Schmidst, 1958).

2.2.4 Situational Approach

The Situational Approach or Contingency Approach emphasizes the importance of situational factors such as the leader's authority and discretion, the nature of the work performed by the leader's unit, subordinates ability and

motivation, the nature of external environment, and the role of requirements imposed on a manager by subordinates peers, superiors and outsiders (Yukl, 1998).

The major assumption in this approach is that different behavior patterns will be effective in different situations, and that the same behavior is not optimal in all situations.

The major models in this approach to leadership are, Fiedler's Situational Model (Fiedler, 1964, 1967); Path-Goal Theory (House, 1971), Life-cycle (Hersey and Blanchard, 1984) and Vroom-Yetton Model (Vroom and Yetton, 1973).

In this research, however, I am interested to explain about the concept of Path Goal theory by House and how it relates to job satisfaction Then I will try to adapt the Leadership Style that proposed by Sinha (1980), from India; namely autocratic, nurturant-task and participative to job satisfaction.

2.3 Concepts of Path Goal Theory of Leadership

The **Path-Goal Theory** of leadership is a contingency theory that addresses a leader's interaction with individual followers. The theory suggests that a leader adopts a particular behavior towards the follower, if the behavior increases the attractiveness of goals and increases followers' confidence in achieving them. Path Goal Theory also suggest that effective leader help followers achieve task goals and make followers' efforts satisfying and rewarding. With this model, the leader is very active in coaching, guiding, encouraging, motivating, and rewarding followers for their efforts and achievements (House and Mitchell, 1974)

Four types of leader behavior are usually included in this model: supportive, directive, participative, and achievement-oriented.

2.3.1 Supportive leadership behavior

This behavior patterns refers to the leaders' role in showing concern for the comfort and well-being of followers; demonstrating a considerate, kind, and understanding attitude in dealing with subordinates; being friendly and informative, and encouraging open two-way communication and subordinate development. Familiar terms with supportive leadership are consideration, relationship-orientation, or concern for people leadership.

2.3.2 Directive leadership behavior

This pattern refers to the leader's behaviors in assigning subordinates to specific tasks, explaining the methods to be used in completing the tasks, clarifying expectations regarding quantity and quality of subordinate performance, setting goals for followers, planning and coordinating subordinates' work, and specifying rules and procedures to be followed. This behavior pattern has also been known as or is closely related to initiating structure, autocratic, instrumental leadership, or task oriented leadership.

2.3.3 Participative leadership behavior

The leader who uses this approach involves followers in the decision-making processes. Participative leader behaviors may include holding one-on-one meetings with individuals or groups of subordinates to gather input for decisions; it may involve a group decision-making effort initiated by the leader; or it may involve a group particular problem to a follower to resolve. Each of these options represents different degrees or types of participative leader behavior. Participative leadership is sometimes referred to a consultative, democratic or delegatory leadership.

2.3.4 *Achievement oriented leader*

Achievement-oriented leader behaviors includes setting challenging goals, encouraging followers to perform at high levels, showing confidence in their ability to do so.

The models states that these four leader behavior will results in improved follower attitudes and expectations, such as satisfaction with work, acceptance of the leader, and follower beliefs that their effort will lead to effective performance and rewards (see Figure 2.1)

Path Goal Theory predicts that situational factors will influence the effectiveness of the four types of leader behavior as follows:

1. Directive leadership or autocratic behavior will increase subordinate satisfaction and performance when subordinates are engaged in unstructured or ambiguous tasks.
2. Supportive leader behavior will increase the satisfaction of followers engaged in frustrating, stressful and dissatisfying tasks.
3. Participative leader behavior will increase follower satisfaction and motivation when tasks are ambiguous, non repetitive and challenging. Participative leadership will also increase satisfaction of non-authoritarian subordinates who have a high need for independence when tasks are clearly specified in advance.
4. Achievement-oriented leader behavior will increase follower effort and confidence in goal achievement when tasks are ambiguous, non repetitive and challenging.

Leader Behavior

Predicted Motivational Effects

Directive/Autocratic	Reduces role ambiguity; increases follower beliefs that effort will result in good performance and performance will be rewarded
Supportive	Increases self-confidence, increases the personal value of job-related effort
Participative	Reduces ambiguity, clarifies expectations increases consistency of subordinate and organizational goals, increases involvement with and commitment to organizational goals.
Achievement Oriented	Increases subordinate confidence and the directed effort

Figure 2.1: Predicted Effects of Path-Goal Leader Behaviors

Source: Howell, Jon P.; Costley Dan L. (2001). *Understanding Behaviors of Effective Leaders*. New Jersey: Prentice Hall.

2.4 Leadership Recommendations of Path-Goal Theory

The main recommendations of Path-Goal Theory is that the leader should consider the follower characteristics and task and organizational factors and choose a leader behavior that is appropriate for the situation. If the leader demonstrates the appropriate behavior, followers will be highly satisfied and accepting of the leader. They will put forth considerable effort and will utilize the effective work methods to achieve their task-related goals. These effects should result in low levels of follower grievances and turnover and high levels of overall performance.

2.5 Research on Leadership Behavior and Job Satisfaction

This section will specifically review pertinent studies carried out on the relationship between the leadership dimensions of leader directive behavior, supportive or nurturant, participative behavior with subordinate job satisfaction.

2.5.1 *Leader Supportive Behavior and Job Satisfaction*

Generally, leader supportive behavior is found to be positively related to subordinate job satisfaction. In a study of 29 aircraft commanders, Halphin and Winer (1957), found a correlation of 0.64 between supportive behavior as measured by the LBDQ and an index of crew satisfaction. This index is based on an evaluation by the crewmembers of their satisfaction with the leadership of the aircrew commander. In a later investigation of 89 aircraft commanders, Halphin found a correlation of 0.75 between supportive behavior and crew satisfaction with their commander.

Seeman (1979), who studied the impact of leadership behavior on job satisfaction in schools, reported a positive relationship between the supportive behavior of school superintendents and the job satisfaction of elementary school teachers.

In a study of two companies, House, Filley and Damodar (1971) found supervisory supportiveness in both companies to be related significantly to satisfaction with company, job and freedom of action.

However, in a study utilizing data on 1,225 managers in 27 organizations, Stogdill (1974) found that, although supportive managers were more likely to have

satisfied subordinates, these results were not universal. Furthermore, the results concerning the relationship and subordinate performance were even more inconsistent. Even in one company where leader supportive behavior seemed to have the most positive results, there was little consistent evidence that it resulted in higher productivity.

In view of the somewhat inconsistent findings, this study therefore constitutes an attempt to shed more light on the relationship between leader supportive behavior and subordinate satisfaction variables in banking organizations.

2.5.2 Leader Autocratic Behavior and Job Satisfaction

Compared to leader supportive behavior, the effect of leader autocratic behavior on subordinate job satisfaction is even more inconclusive. For a sample of police officers, Brief et.al (1981) reported strong positive correlation between perception of supervisory directive behavior structure and a variety of experienced psychological states and affective responses including job satisfaction, organizational commitment, and favorability of attitudes.

House, Filley and Kerr (1971)) studied three companies to test the Fleishman and Harris (1963) hypothesis that leader autocratic behavior acts as a mediator of the relationship between supportive behavior and job satisfaction. They found that autocratic behavior was positively and significantly related to satisfaction with company in all the three hypothesis. Leader autocratic behavior was positively rather negatively related to employee satisfaction.

In their study of two companies, House, Filley and Damodar (1971) found autocratic behavior of leadership to be significantly related to satisfaction with company, job, and family attitudes toward company and job.

Stodgill (1974) also obtained inconsistent results on the effects of leader autocratic behavior on subordinate behavior. For example, it rarely had any relationship at all to indices of production output. In the light of this inconsistency, Stodgill (1974) concluded, “ the researcher who wishes to speak with assurance in regard to his hypothesis should not study more than one organization.”

2.5.3 *Leader Participative Behavior and Job Satisfaction*

Tannenbaum and Schmidt (1958) surveyed organized workers and member of woman’s club. The members’ participation was facilitated by leaders who encouraged consultation and participation in activities. The members’ loyalty to the organization was also strengthened by participation in activities. Likewise, in a study of technicians and laboratory testers at the Tennessee Valley Authority, Pathchen (1970) found that participative management led to increased individual integration into the organizations. Individuals became more involved in the work project when they were engaged in participative decision-making.

2.6 Task moderators of relationship between leadership behavior and subordinate job satisfaction

This section will review some of the studies pertaining to the moderating effect of task characteristics on the relationship between leadership behavior and subordinate job satisfaction. The review is limited to the variables, which are of interest in this study. They are task variety, task autonomy and task structure.

The characteristics of tasks performed by subordinates have important implications for leadership behavior and subordinate job satisfaction. Different task characteristics necessitate different requirements and performance from

subordinates. Subordinates may therefore need or expect different leadership behavior from their immediate superior in their performance of jobs that are characteristically different. When this need or requirement is not met, subordinates may face difficulty in performing their job, which may result in dissatisfaction with their immediate superior and dissatisfaction with their job. For the purpose of this study only the moderating effects of the task characteristics of autonomy, variety and structure on the relationship between leadership behavior and subordinate job satisfaction will be studied.

2.6.1 Task variety

Turner and Lawrence (1965) defined task variety as “ the degree to which a job requires employees to perform a wide range of operations in their work and/or the degree to which employees must use a variety of equipment and procedures in their work. “ When a task is varied, subordinates may expect or require their immediate superior to provide greater direction.”

Stinson and Johnson (1975) in a study involving military officers, civil service personnel and project engineers who were all college graduates and working part time on a Master’s Degree, however, found that under conditions of high task repetitiveness (low task variety) leader autocratic behavior was positively related to subordinate job than under low task repetitiveness. Stinson and Johnson (1975) attributed the difference to the high level of education of the respondents who were able to clarify their own path-goal relationships thus making instrumental leadership behavior redundant as far as they are concerned. Leader supportive behavior was also found to be positively related to subordinate job satisfaction under high task repetitiveness.

In two studies, the first consisting of 110 employees in a medium-sized bank and the second consisting of 205 employees of a medium sized manufacturing company, Schriesheim and DeNisi (1991) found that the task variety acted as a significant positive moderator in the relationship between instrumental leadership behavior and satisfaction with supervision in both studies.

Kerr and Jermer (1974) studied the effect of task variety on the relationship between instrumental, supportive and participative leadership behavior and subordinate personal outcomes (job satisfaction and organization commitment) for a sample consisting of 127 bank officers and 26 clerks in a large Mid-western banking organization. They found that under high task variety, participative leader behavior was significantly related to subordinate job satisfaction. Under low task variety, supportive leader behavior was found to be significant predictor of job satisfaction. They further concluded, the finding that leader participativeness and task variability was highly significant predictors of both subordinate job satisfaction and organizational commitment.

2.6.2 Task Autonomy

Hackman and Oldman (1975) defined autonomy as “ the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedure to be used in carrying out.”

In Path Goal theory, House and Mitchell (1974) hypothesized that task autonomy will have a positive moderating effect on the relationship between leader autocratic behavior and subordinate job satisfaction that the relationship will be stronger under high task autonomy than under low task autonomy. The hypothesis was based on the expectation that for autonomous tasks, the role demands are likely

to be more ambiguous than for nonautonomous tasks. Thus, under autonomous tasks, leader structure will serve to reduce role ambiguity, clarify path-goal relationships, and thereby increase satisfaction.

He further hypothesized that task autonomy will have a negative moderating effect on the relationship between leader supportive and subordinate satisfaction. This hypothesis was based on the assumption that under high job autonomy, the role demands are more likely to be satisfying and, consequently, leader behavior will be less relevant to the needs of subordinates than under low job autonomy. Using the task –autonomy scales developed by Wigdor (1969), House (1971) tested the above hypotheses using a sample of 192 respondents. He found that the average correlation and four of the individual correlation between autocratic behavior and satisfaction increase monotonically with increases in job autonomy, and that the correlation between extrinsic job satisfaction and autocratic behavior is significantly higher for groups with high autonomy than for groups with low or medium autonomy. The relationship between leader supportive behavior and subordinates satisfaction, he found that while none of the correlation between leader supportive behavior and subordinate satisfaction in the group with low job autonomy are significantly higher than those in the groups with medium or high autonomy, both the average correlation and three of the individual correlation decrease monotonically in the predicted direction.

In another study involving 122 employees of a chemical manufacturing plant, House (1971) found that job autonomy had a negative moderating effect on the relationship between leader supportive behavior and satisfaction only with respect to intrinsic job satisfaction. House attributed this to the fact that the latter study consisted primarily of blue-collar workers, who were probably quite dependent on

their superiors, even when they scored in the upper third of the job-autonomy scale. The finding that consideration has a significant and positive relationship to satisfaction for groups with both low and high autonomy was consistent with the interpretation that all respondents were probably dependent on their superiors for satisfaction, regardless of their response to the job-autonomy scale. This study, therefore, provided ambiguous results with respect to the influence of task autonomy.

2.6.3 Task Structure

Fiedler (1987) defined task structure as “degree to which the task is clearly spelled out as to goal, methods, and standards of performance.” A task is highly structured when there is a detailed description of the finished product or service, there are standard operating procedures that guarantee successful completion of the task and it is easy for the leader to determine how well the work have been performed.

According to Fiedler’s Contingency Theory, a leader has stronger position power when a task is highly structured than when the task is unstructured. If leader-member relations were also good, the leaders with low LPC (Least Preferred CoWorker) scores would be more effective.

According to Path Goal Theory, task structure will have a negative moderating effect on the relationship between instrumental leader behavior and the intrinsic and extrinsic satisfaction of subordinates. This are based on the assumption that instrumentalities, expectancies and path goal relationships are unclear in highly, unstructured tasks. Because of this lack of clarity, autocratic behavior is needed to help subordinates clarify the contingencies they have to face to complete the task.