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The Effects of Leader Behavior on Job Satisfaction: A Research on Technology Fast50 Turkey Companies

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Abstract

Advances in technology, intense competition, and changes in the form and function of the organizations in the last decades have elevated the importance of innovation, and the worker’s creativity as a survival mechanism for corporations in the marketplace. The personal characteristics of employees, and organizational climate have a significant effect on innovation and worker’s creativity. High job satisfaction is a key factor for innovative work environment, and also correlates with positive attitude and high performance at workplace. One of the most important positive job attitudes is job satisfaction. Researches show that leadership is an important variable that enable high job satisfaction. In this study, we focus on the effect of leader’s behavior on job satisfaction. Empowerment, accountability, standing back, humility, authenticity, courage, and forgiveness are used in this study as important dimensions of contemporary leadership theories. Not only overall job satisfaction but also creativity facet of job satisfaction was considered. Survey method was used to collect data from Technology Fast50 Turkey companies. Multidimensional measure for leadership, developed by Van Dierendonck, Nuijten (2011), and short form of Minnesota Job Satisfaction Questionnaire (MSQ) developed by Weiss, Davis, et al. (1967) were used as assessment tools in the survey. Results show there is a significant and positive effect of empowerment, accountability, standing back, humility, authenticity and courage on both overall job satisfaction and creativity facet of job satisfaction.

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1. Introduction

Technological changes after 1950s transformed the traditional organizations of the previous century. Innovation, and creativity have become significant source of competitive advantage for technology companies (Garcia-Morales et.al., 2008). The job satisfaction is key to aligning the creativity of the employee with the interest of the human capital driven organizations.

Job satisfaction is associated with organizational variables such as organizational citizenship behavior, turnover, and absenteeism; and is effected by organizational culture, climate and leadership style. The role of leadership on positive employee
attitudes such as satisfaction in innovative organizations has also been researched in the last decade (Luthans, 2002; Hebert, 2003; Adler et al., 2008; Amadeo, 2008; Garcia-Morales et al., 2008; Madlock, 2008; Long et al., 2010; Bushra et al., 2011). These studies conclude that leadership has a significant effect on job satisfaction.

Leaders’ behavior can effect job satisfaction by showing humility, authenticity and courage; forgiving employees for their mistakes; standing back and giving credit to others; making them responsible for the outcomes that are under their control; developing their potential, and empowering them.

In this study we are focusing on the effect of leader behavior on job satisfaction at fast-growing technology companies from a developing country, Turkey.

2. Literature Review And Hypotheses

2.1. Leader Behavior

In this study we are focusing on the seven dimensions (empowerment, accountability, standing back, humility, authenticity, courage, forgiveness) used by contemporary leadership styles.

Empowerment is about sharing power and authority to make decisions. Empowering leader helps followers solve problems on their own instead of prescribing solutions, encourages the followers to use their talents and to come up with new ideas, offers opportunities to learn new skills and develop themselves (Konczak et al., 2000; Van Dierendonck, 2011). Empowering leader behavior enables the organization to replace hierarchical structures with semi-autonomous or self-managing work teams and improve flexibility, efficiency and creativity of an organization (Arnold et al., 2000, p.249).

Accountability is about holding individuals and teams responsible for the work they carry out, for the outcomes that are under their control, and for the specific ways they handle tasks (Van Dierendonck & Nuijten, 2011; Page & Wong 2000).

Standing back is about a leader who keeps herself in the background while giving credit to others, without chasing recognition or rewards for the things she does for others (Van Dierendonck & Nuijten, 2011).

Humility in leadership starts with the acceptance of the fact that everybody can be wrong and can make mistakes. Leaders acknowledge their limitations and ask for help of others to overcome those limitations. Humility is about the leader’s ability to admit her/his own mistakes and shortcomings, and to accept criticism with the intention to learn from it (Dennis & Bocarneo, 2005). Authenticity is about self-expression, and accurately representing leader’s intentions and feelings regardless of the professional roles (Luthans & Avolio, 2003).

Courage is about a leader’s willingness to take risks to bring solutions consistent with her own values and convictions, even in cases where there is uncertainty about upper management support. Within the organizational context, courage is about challenging conventional models of working behaviors and drives innovation and creativity (Bass, 1985; Burns, 1978).

Forgiveness is about forgetting what went wrong in the past, accepting others’ mistakes, and staying objective towards a follower even after an offensive behavior by the follower. The follower is more likely to feel accepted, worry less about making mistakes, and being rejected. Forgiveness is about helping the followers to achieve their best in what they do (Van Dierendonck & Nuijten, 2011).

2.2. Job Satisfaction

The job satisfaction is defined as the reaction of an employee against her occupation or organization (Hackman & Oldham, 1975). “Job satisfaction is a pleasurable or positive emotional state resulting from an appraisal of one's job or job experiences” (Locke, 1976).

We are focusing on overall job satisfaction, but the concept can be extended to consider the components for job satisfaction including the creativity facet of job satisfaction. In this study below hypotheses were developed:

H1: Leader behavior has significant and positive effect on overall job satisfaction.
H2: Leader behavior has significant and positive effect on creativity facet of job satisfaction.
3. Methodology

3.1. Research Goal

The objective of this study is to identify the effects of leader behavior on job satisfaction in fast-growing technology companies in Turkey.

3.2. Sample and Data Collection

An online questionnaire was used to collect data from Technology Fast50 Turkey companies. The Technology Fast50 is a program executed by Deloitte Company, and it goes back to 1995 where it was first introduced in Silicon Valley. Today, the program continues at over 37 regions around the world. It was launched in Turkey in 2006 and over these years Turkey has had success within the EMEA (Europe, Middle East and Africa) region where Turkish Fast50 winners were also ranked among the EMEA Fast500 companies (Deloitte, 2014, p.5).

The questionnaire uses two different assessment tools. The first one is a multidimensional leadership measure developed by Van Dierendonck, Nuijten in 2011. This assessment tool originally aims to measure servant leadership style and contains eight different dimensions that refer to different leader behavior. These dimensions are also related to different leadership styles including transformational, ethic, authentic, empowering, and shared. In order to measure job satisfaction, short form of Minnesota Job Satisfaction Questionnaire (MSQ) developed by Weiss, Davis, et al. (1967) was used as assessment tool in the online questionnaire.

We sent an email containing a link to the online questionnaire to the employees of Fast50 companies of Turkey and received 269 completed questionnaires. Then we used SPSS statistics tool to analyze the data and tested our hypotheses through regression analyses.

3.3. Analyses and Results

The demographics of the respondent set shows that:

- Gender: %63 male and %37 female.
- Age: %49 for 18 to 29 years old, %46 for 30 to 44 years old, %5 for older than 44, concentrating %7 of participants in the younger than 35 year old limit.
- Academic degree: %6 for high school, %7 for college, %69 for bachelor’s degree, %19 has a graduate degree.

Sample of the study is mostly male, young and have a bachelor’s degree.

In terms of employers’ background:

- Sector: %51 for software, %2 for hardware, %23 for telecommunication and service providers, %13 for system integrators, and %11 for other sectors.
- Size: %67 large (more than 250 employees), %10 medium (50 to 249 employees), %23 small or micro (less than 50 employees).

<table>
<thead>
<tr>
<th>Scale</th>
<th>N</th>
<th>N of Items</th>
<th>Cronbach’s Alpha</th>
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<td>Accountability</td>
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<td>3</td>
<td>.716</td>
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<td>Courage</td>
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<td>.741</td>
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<tr>
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<tr>
<td>Satisfaction</td>
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<td>20</td>
<td>.954</td>
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</tbody>
</table>

Reliability analyses were performed, and the Cronbach’s alpha was calculated for every variable. As shown in Table 1, value of Cronbach’s alpha is greater than 0.7 for every variable, and acceptable according to Hair et al. (1998).
Table 2 shows the regression results for the effect of leader behavior on overall job satisfaction.

Regression analyses suggest that;
- All leader behaviors, except forgiveness, have significant effect on overall job satisfaction. (p< 0.05)
- Empowerment, humility, and standing back have highly positive effect on overall job satisfaction (Beta>0.50).
- Although authentic behavior has a high effect on overall job satisfaction, explained variance is lower than 0.30.

Table 3 shows the regression results for the effect of leader behavior on creativity facet of job satisfaction.

Creativity facet of job satisfaction is also considered in the analysis. Regression analyses suggest that;
- All leader behaviors except forgiveness have significant and positive effect on creativity facet of job satisfaction.
- Leader behaviors can only explain less than 21% of the change in creativity facet of job satisfaction.
- It is possible to claim that leader behaviors effect creativity facet of job satisfaction, but this effect alone is not enough to explain the changes on creativity facet of job satisfaction.

4. Conclusion

Regression analyses suggest there is significant and positive effect of certain leader behaviors, namely empowerment, accountability, standing back, humility, authenticity and courage, on both overall job satisfaction and creativity facet of job satisfaction. Empowerment, humility and standing back have higher effect on job satisfaction. The effect of forgiveness on job satisfaction is not significant. On the other hand, leader behaviors cannot explain more than 20% of change on creativity facet of job satisfaction although there is a significant effect of leader behaviors, except forgiveness, on creativity facet of job satisfaction.

The contribution of this study is to start an academic discussion about the relationship between leadership behavior and job satisfaction in fast growing technology companies in Turkey. The framework of this study could be used to expand the investigation into other cultures, and industries in emerging economies.

References


