

### Chief Editor

Dr. A. Singaraj, M.A., M.Phil., Ph.D.

### Editor

Mrs.M.Josephin Immaculate Ruba

### EDITORIAL ADVISORS

1. Prof. Dr.Said I.Shalaby, MD,Ph.D.  
Professor & Vice President  
Tropical Medicine,  
Hepatology & Gastroenterology, NRC,  
Academy of Scientific Research and Technology,  
Cairo, Egypt.
2. Dr. Mussie T. Tessema,  
Associate Professor,  
Department of Business Administration,  
Winona State University, MN,  
United States of America,
3. Dr. Mengsteab Tesfayohannes,  
Associate Professor,  
Department of Management,  
Sigmund Weis School of Business,  
Susquehanna University,  
Selinsgrove, PENN,  
United States of America,
4. Dr. Ahmed Sebihi  
Associate Professor  
Islamic Culture and Social Sciences (ICSS),  
Department of General Education (DGE),  
Gulf Medical University (GMU),  
UAE.
5. Dr. Anne Maduka,  
Assistant Professor,  
Department of Economics,  
Anambra State University,  
Igbariam Campus,  
Nigeria.
6. Dr. D.K. Awasthi, M.Sc., Ph.D.  
Associate Professor  
Department of Chemistry,  
Sri J.N.P.G. College,  
Charbagh, Lucknow,  
Uttar Pradesh. India
7. Dr. Tirtharaj Bhoi, M.A, Ph.D,  
Assistant Professor,  
School of Social Science,  
University of Jammu,  
Jammu, Jammu & Kashmir, India.
8. Dr. Pradeep Kumar Choudhury,  
Assistant Professor,  
Institute for Studies in Industrial Development,  
An ICSSR Research Institute,  
New Delhi- 110070, India.
9. Dr. Gyanendra Awasthi, M.Sc., Ph.D., NET  
Associate Professor & HOD  
Department of Biochemistry,  
Dolphin (PG) Institute of Biomedical & Natural  
Sciences,  
Dehradun, Uttarakhand, India.
10. Dr. C. Satapathy,  
Director,  
Amity Humanity Foundation,  
Amity Business School, Bhubaneswar,  
Orissa, India.



ISSN (Online): 2455-7838

SJIF Impact Factor (2017): 5.705

EPRA International Journal of

# Research & Development (IJRD)

Monthly Peer Reviewed & Indexed  
International Online Journal

Volume:2, Issue:12, December 2017



Published By :  
EPRA Journals

CC License





## A EMPIRICAL STUDY ON JOB SATISFACTION OF EMPLOYEES TOWARDS LEADERSHIP STYLE OF BANK MANAGER'S IN COIMBATORE DISTRICT

P.Vijay<sup>1</sup>

<sup>1</sup>Assistant Professor, Department of Commerce CA, Kongunadu Arts and Science College, GN Mills, Coimbatore-29, Tamil Nadu, India

N. Divya<sup>2</sup>

<sup>2</sup>M.phil Scholar, Bharthiar University, Coimbatore, Tamil Nadu, India

### ABSTRACT

*Leadership is always fascinating subject in any communal business and it plays a great role in organizational development. It is the factor that helps individual and group of their organization for the goal achievements and it is the process which influences and supports the employees or others to work enthusiastically in banks. The banking institutes are playing a vital role in the prosperity and progress of the country in the way of providing quality service to the people. The quality service has been provided by the delighted employees in banks through leadership style of manager. The manager has a role as leader to execute the gracious work in bank. The employee job satisfaction is main important factors that have been regarded as essential for banks success. The objective of the study is to determine the effect of transformational and transactional leadership on job satisfaction of employees working in banking sector of Coimbatore district. It was an attempt to determine the impact of perceived leadership style on employee's job satisfaction towards their institutions of banking industry in India. It is helps to the banking institutes, in order to understand the different leadership styles and their consequences. So that, the leaders will be able to better understand the employees' expectations and increase their job satisfaction in banking institutions.*

**KEYWORDS:** Leadership, Prosperity, Transactional, Transformational

### 1. INTRODUCTION

The human resource is most valuable and indispensable factor in an organizations and it needed one to run the business organizations smoothly, effectively and efficiently in every situation. The well-qualified and capable personnel are important in context of achieving goals and objectives of organization. The success of an organization depends on the hard working, loyal employees' and with concerned managers. In this modern era, where world has become a global village, firms are considered to be competitive on the basis of competence of their man

power resources. The management of employees is largely dependent on the quality of leadership in organizations, and which makes the people to work together. If leaders want to produce a positive influence on individuals, groups and organizations, then leadership should be broadened from old rigid autocratic style to friendly and contemporary style. At present organizations are more concerned about understanding, developing and improving their leaderships to meet their competitive role in this business world. In the way, transformational leadership has provided tremendous changes in Indian

organizations. It is a modern approach towards leadership and it is a system of changing and transforming people. The modern leaders have adopted an attitude that support employees, provide them a vision, cultivate hope, encourage them to think innovatively, individualized consideration and broaden the communication. All these factors are the main characteristics of transformational leadership style leading to boost up organizational strengths and increasing the level of job satisfaction and organizational commitment to the workforce. The success of organizations highly depends on its workforce.

The Job satisfaction helps to create positive attitudes in employees, boosts up their morals, improves the performance and creates pleasant relationship with their co-workers. Employees who are satisfied with their jobs tend to be more creative and innovative that help businesses to grow, flourish and bring positive changes according to market situations and thus making organizations able to compete at international level. The present study focused to analyze the Perception and Satisfaction of Employees towards Leadership Styles of Bank Managers in Commercial Banks. In order to obtain the primary objectives of the study the researcher analyzed perception, towards leadership styles and also made an attempt to know how for leadership styles influence the job satisfaction of employees and their commitment towards their work.

## 2. STATEMENT OF THE PROBLEM

A good leadership has been increasing a good relationship between manager and bank employees of commercial banks in India. The banking institutes in the country are currently facing unique challenges as well as continual environmental change, as they attempt to meet the human resource demands from various industries. The strong leadership, complemented by effective administration of resources is therefore necessary to support change. Hence, there is a lack of knowledge on the preferred leadership styles of banking employee's in the public/private banking sector. In response, this study aims to assess the perception and satisfaction of bank employees in banking sector regarding leadership styles of leaders in their banking institutes. This paper is a contribution to examine the impact of leadership styles on job satisfaction of employees.

## 3. REVIEW OF LITERATURE

The earlier studies are **Shrivastava & Purang (2009)** had conducted a study on "Employee Perceptions of Job Satisfaction: Comparative Study on Indian Banks". It was examined the job satisfaction level of a public sector and private sector bank employees in India. The sample consisted of 340 bank employees from both sectors. The Job Diagnostic Survey was used to ascertain the level of job

satisfaction and it had used T-test. The study found that private sector bank employees perceived greater satisfaction with pay, social, and growth aspects of job as compared to public sector bank employees. **Chipunza, et.al (2011)** studied investigated about the leadership styles and commitment of employee's and the study entitled as, "Leadership style, employee motivation and commitment: Empirical evidence from a consolidated retail bank operating in a depressed economy". In this primary data had collected from 7 managers and 104 non-managerial employees. The Correlation analysis had been used to know the relationship between employees' commitment and motivational effects in a bank. The study concluded that the transformational leadership had a highest significant positive relationship with affective commitment and motivation in the context of a depressed economic environment.

## 4. OBJECTIVES OF THE STUDY

The objective of the study is to understand leadership styles followed by bank managers and to analyze the effect of leadership styles on bank employees' job satisfaction level in commercial banks. It helps to understand the job satisfaction level of employees' towards the different leadership styles.

## 5. METHODOLOGY

The present study is an exploratory and descriptive research in order to explore the leadership styles followed in commercial banks in Coimbatore district and vastly growing district in terms of business in Tamil Nadu. The population size of bank employees working in all branches of commercial banks were 3,204 in Coimbatore District. The researcher has been chosen randomly 5 per cent sample size of 160 respondents for the study. The random sampling technique has been adopted and the study was conducted from April 2015 to August 2017. The study contains primary data and it was collected from the respondents through structured questionnaire. In order to accomplish the objectives of the study various statistical tools have been adopted. The tools were used to the present study like simple percentage, ANOVA test, and regression analysis.

## 6. SIGNIFICANCE OF THE STUDY

The leadership style differs from various commercial banks and it would pave the ways to identify the leadership styles. The role of leaders in both banking sectors have been changed in recent years, and it progressively more complex and demanding one. The present study is helps to understand the job satisfaction of bank employees, which is improving the efficiency in banking institutions.

## 7. LEADERSHIP IN COIMBATORE INSTITUTIONS

Leadership is a process of influencing other individuals to perform in such a manner so as to

achieve a preconceived goal. Traditionally, banking institutions were viewed in terms of traits the effective leader possesses, relationship and influence of the leader has with their followers. Additionally, the various human traits helps to differentiate the leader from non-leaders in banking institution and organizations. Leadership is a very challenging, unrelenting job with enormous pressures, grave responsibilities and the natural talents of good leaders. Their responsibilities are leading, influencing, dynamiting towards goals, and inspiring others around them to perceive and achieve that vision under their influence. In banking sector, the leadership is indispensable and it engenders in subordinates a sense of team spirit, sense of guidance and spirit of motivation. The bank managers as a leader persuade his subordinates to connect in such activities as vital for the accomplishment of objectives of banking institutions. The various leadership styles are influencing the employees to endeavor for goal

attainment in organization. They are autocratic style, participative or democratic style, and delegate style, transformational and transactional style. The choice of appropriate style depends on its suitability of the environment. The banking institutions have been using transactional and transformational leadership styles for job satisfaction of bank employees' and goal attainment in India.

### 7.1 Transactional Leadership

The Transactional leadership style starts with the idea that team members agree to obey their leader when they accept a job. The transactional leadership usually involves the organization paying team members in return for their effort and compliance. For one, this leadership style clarifies everyone's roles and responsibilities. The fig-1 shows the transformational and transactional leadership and its factors as under,

**Fig-1 Factors of Transformational and Transactional Leadership Styles**



Source: [www.emeraldinsight.com](http://www.emeraldinsight.com)

The downside of this leadership style is that team members can do little to improve their job satisfaction. It can feel stifling, and it can lead to high staff turnover. Transactional leadership is really a type of management, not a true leadership style, because the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work. However, it can be effective in other situations.

### 7.2 Transformational Leadership

The transformational leadership is often the best leadership style to use in business situations. It is inspiring because they expect the best from everyone on their team as well as themselves. This leads to high productivity and engagement from everyone in their team.

### 7.3 Bank Employees' Job Satisfaction

Job satisfaction is the general attitude of an individual to employees' career and represents certain aspects of its work, including a reward system, working conditions and colleagues. It gives a result of staff perceptions to the job at ease, which is helpful to

employees' in work environment and it is also a positive emotional state or outcomes of individual job experience evaluation. Among determinants of job satisfaction, leadership is viewed as an important predictor and plays a central role and it affects productivity of employees in a culturally diversified environment.

## 8. ANALYSIS AND INTERPRETATION

The present study focused to analyze the job satisfaction of employees towards leadership styles of bank managers in commercial banks. In order to obtain the primary objectives of the study the researcher analyzed perception, towards leadership styles and also made an attempt to know how for leadership styles influence the job satisfaction of employees towards their work.

### 8.1 Socio-Demographic Factors

The socio demographic factor of bank employees' which includes an attitude, behavior and social background of the employees predominantly play a vital role on shaping their career. Here, the

demographical variables like age, gender, marital status, educational qualification, year of experience, and including monthly income of employees in banking sector are used to this study. The simple percentage analysis is used for the present study. The below Table-

1 has shown the demographic factors wise classification of the respondents. Here, the age of the bank employees are taken as demographic variables from banking institutions.

**Table 1 - Demographic Variables**

Particulars	Age Group	Frequency	Percentage
Age	Below 30 years	56	35
	30 - 40 years	80	50
	40 - 50 years	18	11.2
	Above 50 years	6	3.8
Gender	Male	116	72.5
	Female	44	27.5
Education	Under Graduate	49	30.6
	Post Graduate	107	66.9
	Diploma	4	2.5
Monthly income	Below RS.20,000	33	20.6
	RS.20,000 - RS.40,000	91	56.9
	RS.40,000 - RS.60,000	27	16.9
	Above RS.60,000	9	5.6
Experience	Less Than 5 Years	61	38.1
	5 - 10 Years	68	42.5
	10 - 15 Years	19	11.9
	More Than 15 Years	12	7.5
	<b>Total</b>	<b>160</b>	<b>100</b>
Marital status	Married	103	64.4
	Unmarried	57	35.6
	<b>Total</b>	<b>160</b>	<b>100</b>

The below table-1 depicts that 50 per cent of the respondents belonged to age group of 30-40 years. There 72.5 per cent of the respondents in banks are male and 27.5 per cent of respondents are female. The majority of employees working in banking sector are male. The educational qualification of an individual has a greater impact on decision making. The largest part of the employees in banking sector have completed post graduate degree and it help them to high grade in their working position. The bank employees have getting monthly income lies between Rs.20,000 to Rs. 40,000, because of their year of experience in banks is less than 10 years. The most number 42.5 per cent of employees

have 5-10 years experience in their work. The preponderance of the employees in banking sector are married. The demographic factor is providing more changes in employees' job satisfaction due to leadership styles of bank managers' in banking institutions.

## **8.2 Job Satisfaction of Employees' Towards Leadership Styles**

The satisfaction of the employees on leadership styles of their manager, leads the good relationship between their working environments. When the employees' relationship is good, there is a satisfaction between personal and work life.

$H_0$ : There is no significant difference between satisfaction among employee towards leadership styles.

**Table 3 - ANOVA - Satisfaction of Employee towards Leadership Styles**

Leadership		Sum of Squares	df	Mean Square	f	Sig.
Transformational	Between Groups	2060.17	5	412.035	12.329	.000
	Within Groups	5146.80	154	33.421		
	Total	7206.97	159			
Transactional	Between Groups	531.93	5	106.386	2.819	.018
	Within Groups	5811.81	154	37.739		
	Total	6343.74	159			
Laissez-faire	Between Groups	357.03	5	71.407	5.528	.000
	Within Groups	1989.36	154	12.918		
	Total	2346.40	159			

Note: 5 % significant level

The above table 3 reveals the satisfaction level of employee towards leadership styles. The ANOVA result indicates that the probability value of satisfaction towards transformational (0.000), transactional (0.018), and laissez-faire (0.000) leadership is less than the 5 per cent significant level. So the null hypothesis is rejected. It shows, a significant difference between satisfaction level of employees towards transformational, transactional, and laissez-faire leadership styles according to their motivation, rewards and the way of handling their problem.

**8.3 Effect of Leadership Styles on Job Satisfaction**

Job satisfaction is an emotional reaction of an employees’ towards work, on the basic of comparing

the actual results and expected ones. Job satisfaction is a means to attract and retain qualified employees. There are several factors affecting job satisfaction includes nature of work, supervision, pay, promotion, rewards, fringe benefits, co-workers, balance between personal and professional life. The regression model was generated so as to examine the degree to which leadership styles like transformational, transactional and laissez- faire leadership can explain the dependent variable (Job Satisfaction). This was done since there was more than one predictor variable impacting on the dependent variable of job satisfaction in banks.

**Ho:** Leadership styles have direct, positive effect on job satisfaction.

**Table 4 - Regression Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.525	.276	.262	4.24564

Predictors: (Constant), Transformational, Transactional, Laissez-faire

The above table-4 provides that the predictor variables can explains at least 27.6 percent of the variance in job satisfaction level of bank employees (R square= 0.276). It implies that the competence of transformational, transactional and laissez-faire

leadership style leads to 27.6 per cent effective one to job satisfaction of employees’ of banks. It shows that the leadership styles of managers have 27.6 per cent of variation in employees’ job satisfaction in banks.

**Table 5 - ANOVA (b)**

Model		Sum of Squares	df	Mean Square	f	Sig.
1	Regression	1072.518	3	357.506	19.833	.000
	Residual	2811.976	156	18.025		
	Total	3884.494	159			

a. Predictors: (Constant), Transformational, Transactional, Laissez-faire

b. Dependent Variable: job satisfaction

The above table-5 provides that the significant change of job satisfaction based on their leadership styles of transformational, transactional and laissez-

faire leadership in banks. It shows the leadership styles of managers would give job satisfaction to employees' in banks.

**Table 6 - Coefficients (a)**

	Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	7.264	2.240		3.243	.001
	Transformational Leader	.368	.061	.501	6.060	.000
	Transactional	.027	.081	.035	.336	.738
	Laissez-faire	.026	.114	.020	.231	.817

a. Dependent Variable: job satisfaction

The above table - 6 results indicated that transformational leadership (Beta = 50 per cent, at 5 per cent Significant level), it was a better predictor of job satisfaction as compared to transactional leadership (Beta is 35 per cent, Significant at 5 per cent level) and Laissez-faire (Beta is 20 per cent, Significant at 5 per cent). It means that the transformational leadership directs to 50 per cent positive changes in employees' Job satisfaction while transactional leadership contributes to 35 per cent changes in bank employees' job satisfaction. The transformational leader leads to job satisfaction of employees in commercial banks. Hence, the null hypothesis is accepted and the manager leadership style has a effect on employees job satisfaction.

## 9. FINDINGS

The researcher has found out many findings from the analysis of the study. This paper has been used percentage analysis, regression analysis, and ANOVA test for the analysis. It provides the employees' perception and job satisfaction towards leadership and the effectiveness of leadership styles in banking sector.

1. Transformational leadership has an exemplary quality that the manager has inspired by himself and other staff members to get well recognition from the customers.
2. The unique quality of transactional leadership unique quality is to see each and every staff member of the team and his or her ability and skill to complete the job. As a team leader, a manager has extracted sufficient work from his employee so as to achieve economic objectives.
3. There is a significant difference between job satisfaction levels among employees' towards leadership styles.
4. The transformational, transactional and laissez-faire leadership have direct and positive effect on job satisfaction of employees'. It means that the all the three leadership styles of managers

are also influence the job satisfaction of employees' in banks, in achieving satisfaction of employees.

## 10. SUGGESTIONS

1. The transformational leadership style attracts employees and gives more job satisfaction and makes them to commit themselves in their work. When the employees get more satisfaction on their work they would concentrate more by dedicating themselves and contributing more to the customers. Hence, the transformational leaders should give more importance to his employees in decision making process that would help to render appropriate services to the customers.
2. All the three leadership styles taken for the study, the transformational leadership style has given employees more self-respect and self-esteem, hence that type of leadership style shall be implemented in banks than other leadership styles.

## 11. CONCLUSION

Leadership quality is an important aspect in any business organizations. There are various leadership concepts followed by different leaders in the modern service sector. The transformational leadership enables the organization to deals with challenges and overcome, in order to achieve competence, effectiveness and excellence in performance. The present study shows that the bank managers with an effective leadership style could create more job satisfaction to the bank employees. The transformational leadership had a positive effect on the significant subscales of job satisfaction. The transactional leadership also had a positive effect on the significant subscales of job satisfaction. The combination of the transformational and transactional leadership styles would bring more satisfaction and enhance employee performance. The appropriate combination based on the nature of the organization of the leadership style would help to achieve the

organizational goals together with the individual targets or objectives of the employees in banking sector. Hence, the transformational leadership style is being used in Indian banking sector and it would develop the banking institution as well as the economic development of the economy.

## REFERENCES

1. Avolio, Waldman and Yammarino (1991). *Leading in the 1990's: the Four I's of Transformational Leadership*. *Journal of European Industrial Training*, Vol. 15(4), pp.1-8.
2. Avolio (1999). *Full Range Leadership Development: Building the Vital Forces in Organizations*. Thousand Oaks California: Sage.
3. Bass, B. M. (1990). *Bass and Stoghill's Handbook of Leadership*. Free Press, New York.
4. Heller, H. W. (1993). *The Relationship Between Teacher Job Satisfaction and Principal Leadership Style*. *Journal of School Leadership*. Vol. 3 (1), pp. 74-86.
5. Medley, F. and Larochelle, D., (1995). *Transformational Leadership and Job Satisfaction*. *Nursing Management*, Vol. 26, pp.64-65.
6. Arunima Shrivastava and Pooja Purang(2009). *Employee Perceptions of Job Satisfaction: Comparative Study on Indian Banks*. *Asian Academy of Management Journal*, Vol. 14 (2), pp. 65-78.
7. Crispen Chipunza, Michael O. Samuel, and Tendai Mariri (2011). *Leadership Style, Employee Motivation and Commitment: Empirical Evidence from a Consolidated Retail Bank Operating in a Depressed Economy*. *African Journal of Business Management*, Vol. 5 (20), ISSN 1993-8233.