

# European Journal of Business and Strategic Management (EJBSM)

## **INFLUENCE OF PARTICIPATIVE LEADERSHIP STYLE ON EMPLOYEE JOB SATISFACTION IN COMMERCIAL BANKS IN KENYA**

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A hand in a blue suit jacket is pointing at a glowing, circular button labeled 'Strategy' on a keyboard. The background is dark blue with abstract light patterns and a large, curved graphic element in red, white, and blue.

Strategy

## INFLUENCE OF PARTICIPATIVE LEADERSHIP STYLE ON EMPLOYEE JOB SATISFACTION IN COMMERCIAL BANKS IN KENYA

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### Abstract

**Purpose:** The study investigated the influence of participative leadership style on job satisfaction of employees within commercial banks in Kenya.

**Methodology:** It was guided by positivism philosophy and descriptive correlation research design. The targeted population comprised of 15,030 employees, who report to middle level managers in all the 43 commercial banks licensed to operate in Kenya. Using stratified random sampling technique, a sample size of 389 was determined. Primary data was collected through a self-administered structured questionnaire, and was analyzed using descriptive and inferential statistics. Out of 389 questionnaires administered, 370 were successfully completed and returned representing a response rate of 95%. The descriptive statistics used included mean, frequency distribution and standard deviations. Inferential statistics on the other hand included correlation, Chi-Square tests, one-way analysis of variance (ANOVA) and multiple linear regression analysis. The statistical tool used for data analysis was Statistical Package for Social Sciences (SPSS) Version 20. The results were presented in tables and figures.

**Findings:** The correlation analysis for the study showed that participative leadership style significantly influence employee job satisfaction,  $r(370) = .820, p < .05$ . Multiple linear regression analysis revealed that participative leadership style positively and significantly predicted employee job satisfaction,  $R^2 = .500, F(1, 364) = 181.811, p < .05; \beta = .673, p < .05$ . As a result, the study rejected the null hypothesis; participative leadership style has no significant influence on employee job satisfaction.

**Unique Contribution to Theory, Practice and Policy:** The study hence recommends the inclusion of all employees in the process of determining the influence of path-goal leadership style on employee job satisfaction.

**Keywords:** *Participative Leadership, Path-Goal Leadership Styles, Employee Job Satisfaction.*

## 1.0 BACKGROUND

Path-goal approach to leadership is derived from Vroom's (1964) expectancy theory. The theory makes a provision for the personal behaviour in a certain method based on the expectation that the behaviour creates certain results that are attractive to the given individual. Northouse (2013) posits that the development of path-goal theory was meant to encourage organizational leadership and inculcate their support of the followers in achievement of organization goals through creating an easy and clear path of achievement of the targeted objectives. It was also meant to make a clarification on the path that leadership should follow in achieving organization goals through the workers. It was further meant to remove roadblocks that prevent the leadership of organizations in achieving the set objectives through increasing the rewards as a motivation to attaining the set targets. Employee job satisfaction usually lean on the ability of the leadership to provide the clarity and leadership required to effectively achieve organization goals.

Mohammad, Nazari and Mehrdad (2013) attempted to establish the relationship between the leadership styles in use in organizations and the job satisfaction of employees in Abuja Nigeria. The study correlated application of path-goal theory by organizational leadership and the levels of job satisfaction. A positive relationship was established highlighting the important role played by leadership style in enhancing employee job satisfaction. Also, Akhigbe, Finelady and Felix (2014) conducted a study on the effects of achievement-oriented leadership style on job satisfaction of selected commercial banks in River State in Nigeria. From the results of the latter study, it was confirmed that achievement oriented leadership style positively and significantly enhance employee job satisfaction. This again highlights the fact that leadership style in application in an organization is important in determining job satisfaction.

Otieno, Waiganjo and Njeru (2015) applied path-goal theory to study the relationship between labour relations practices and employee performance in Kenya's horticultural sector. The findings indicated that organizations that had adopted employee engagement strategy had improved their performance. Jeruto (2015) stated that through the path-goal approach, various parameters of job satisfaction amongst employees are established. This is through belief in acceptance of the specified organization goals to be achieved, willingness to put effort to achieve the stated goals and the desire to be part of the team that achieves organization goals. Thus, a significant relationship exists within the organizational leadership in attainment of employee job satisfaction.

### **Problem Statement**

In Kenya, the banking sector is facing a number of performance related challenges characterized by low levels of employee job satisfaction, which is evidenced by high rates of staff turnover. According to the Kenya Bankers Association (2018), the sector has been operating within a tough regulatory framework, which has had negative impact on banks' profitability, endangered job security for employees, jeopardized employee performance, and threatened job satisfaction. The capping of interest rate at 4% by the 2016 Banking Amendments Act in Kenya led to increased competition in the market. This has witnessed more commercial banks turning to technologies such as mobile banking to lower operating costs and enhance the quality and efficiency of their operations. Adoption of such technologies has resulted in redundancy of more staffs, which affects the levels of job satisfaction of the remaining workforce (Kenya Bankers

Association, 2018). Despite all the remedies put in place, Kenyan commercial banks still encounter many challenges as a result of low level employee job satisfaction. A number of studies (Anitha, 2014; Famakin & Abisuga, 2016; Kagwiria, 2016) have been conducted to determine the influence of leadership styles on bank innovation and performance, but a few studies (Nyaberi & Kiriago, 2013) examined how innovation in banks affect employee job satisfaction.

A number of local scholars have studied the association of path-goal leadership style and employee job satisfaction (Lumbasi, K'Aol & Ouma, 2016; Otieno, Waiganjo & Njeru, 2015; Gitoho, 2015; Nyaberi & Kiriago, 2013). However, a few scholars have related the impact of path-goal leadership to commercial banks creating a knowledge gap in the sector. As a result of scarcity of local empirical studies, Kagwiria (2016) recommended the need for assessment of viability of use of path-goal leadership style as a solution to organization leadership crises like commercial banks. Apparently, knowledge gaps exist in relating the two attributes. This study sought to bridge the knowledge gap.

### **Research Purpose**

This study investigated the influence of participative leadership style on employee job satisfaction in commercial banks in Kenya.

## **2.0 SYNOPSIS LITERATURE REVIEW**

### **Theoretical Review**

#### **Path-Goal Leadership Theory**

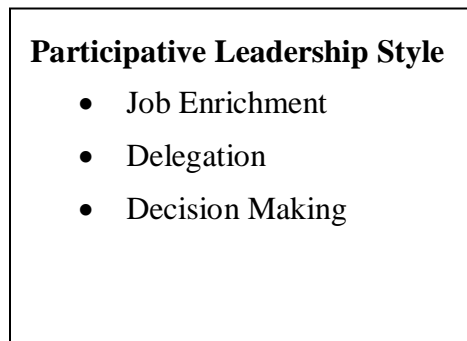
House and Mitchell (1974) stated that leader behavior refers to the expected code of conduct exhibited by people in power. The leaders provide the expected performance levels, and acceptable means through which those following the leader should use to attain the specified goals. There are four varieties of leadership behaviour and styles postulated: Directive, Supportive, Participative, and Achievement-oriented. Gustafsson and Hornay (2014) state that path-goal leadership styles are the leadership styles pathways model provides. A leader characterized as directive will give his followers detailed instructions on the tasks, the anticipated level of performance, time frames and stringent rules and regulations to observe.

A supportive leader is presented as warm, friendly, and available to his subordinates. He provides a work environment that facilitates the best out of the other employees, shows clear concern for the well-being of the subordinates, and is highly respectful to them. The leader seeks the opinions of the followers and puts them into consideration while making key decisions (Famakin & Abisuga, 2016). An Achievement oriented leader is more results focused. He challenges those following him to give the best of them in performance. He demonstrates his confidence to employees in their capacity to deliver on challenging duties and goals (Northouse, 2013). This means that leadership style need not be applied singularly but rather they could be interchanged depending on the circumstances.

## Conceptual Framework

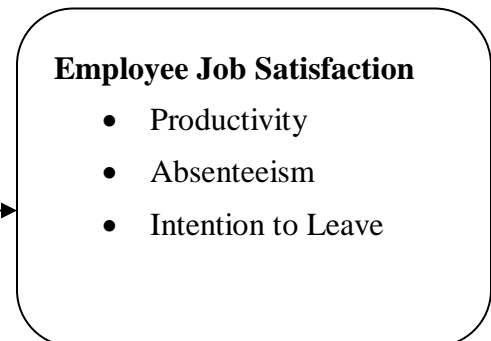
A conceptual framework is a tool for analysis that provides the context of how different variables under study interact (Abend, 2013).

### Independent Variable



**H<sub>01</sub>**

### Dependent Variable



**Figure 1: Conceptual Framework**

Source: Author (2018)

The conceptual framework for this study comprises of the independent variable as path-goal leadership styles. The dependent variable is job satisfaction amongst employees and the moderating variable is environmental contingency factors. The conceptual framework is shown in Figure 1.

## Empirical Literature

A leadership that can be said to be effective will deliberately seek satisfaction of employees at work, and defines what they expect of each employee if the organization is to be successful (Bolman & Deal, 2013). According to Khuong and Dang (2015), employee reporting high levels of motivation believed they are valued at work and that their work group depend on their performance to attain results. The elements of participative leadership style discussed in this section are; job enrichment, delegation of authority, decision making, creativity and intrinsic motivation.

### Job Enrichment

Participative leadership provides intrinsic motivation to employees by enriching the employees experience at work. The employee is given a higher level of independence at work, variety of choices to accomplish his assignments and develops a sense of empowerment. The employee feels important in an organization when they participate in decision making processes of the organization. This enhances their connection to the organization and inspires them to reach top performance (Yukl, 2013). Yukl further states that participative decision is highly valuable for the organization. It benefits the management, the employees and the organization. Employee's motivation at work is enhanced, innovativeness in the organization increases, and work life balance of the employees is enhanced.



Orpen (2016) studied how job enrichment influenced ones job satisfaction amongst clerical employees of the federal agency. The study created an environment for federal workers performance that was enriched and one that was not. The conditions were maintained for six months. The employees in the enriched conditions identified their jobs as so and that improved their job satisfaction, involvement and motivation. Absenteeism was reduced in enriched job conditions but there was no noted increase in employee's performance. Enrichment of the job can improve employee's attitudes towards work, but will not necessary result to greater productivity. Magaji (2015) studied how job enrichment influenced job satisfaction in non-academic staff of private universities in Nigeria. The study established that job enrichment contributes to job satisfaction.

### **Delegation of Authority**

Participative leadership style highly regards delegation of duties and responsibilities. It also involves people in decision making (Dubrin, 2017). Employees feel more satisfied in the work place if they are involved in making key decisions that affect them. When employees feel recognized by the management, their pride and ownership of organizational processes grow (Harter, Schmidt & Hayes, 2012).

Casson and Farmer (2014) investigated the association of participative style and employee satisfaction in the hospitality industry. They concluded that while participative style does not in itself affect employee satisfaction, adopting this style alone is not enough in leading towards employee satisfaction. Bibu and Mos (2012) did a research on the effects of participative leadership at the institutional context and the results showed that it had a medium to high levels of predominance. Also according to Dolatabadi and Safa (2015) study showed that leaders who put their focus on their employees' participation influences employees to be more committed to delivery of quality services, had employees embrace the organizational values more and made role clarity with employees better.

Monyazi (2012) established similar facts. He studied job satisfaction amongst teachers in Botswana. Participatory leadership was the most preferred leadership style by the respondents and it positively impacted their job satisfaction. Tariq, Ramzan, and Riaz (2013) conducted a study on the impact of employee turnover on the efficiency of the organization. The study concluded that employee turnover significantly affect organizational efficiency.

### **Decision Making**

Decisions made in organizations can greatly affect the stability of the organization and the security of employees (Shafritz, 2010). Involving employees in decision making ensures that their relationship with the organizations leadership greatly improves (Robbins, 2014). Leaders grow more respected, and the employees are more embracing of the leadership's direction. This kind of leadership enhances trust between the management and employees. In the contrary, leaders who make decisions by themselves risk losing the support of their employees (Jit, 2013).

Bell and Majoli (2014) carried out a study on the various effects of participative leadership on the organization commitment of employees. The study was a comparative analysis of two gender groups among the cadre of bank clerks in Malawi. The sample size comprised of 70 bank clerks. Questionnaire was used to collect data in regards to participative leadership. In this study,

participative leadership was given a measurement as a unitary concept with organization commitment addressed in four ways. Firstly, as a concept related to the acceptance of organization values and goals. Secondly, it was measured as a measurement of employee's loyalty to the organization. Thirdly, it was measured as the level of preparedness to put extra effort for the benefit of the organization. Finally, it was measured as the combination of the above three components.

The findings indicated that there were different effects of participative leadership among the two gender groups of bank clerks. Participative leadership was found to have a positive and significant effect for the commitment values among the female bank clerks only. It also had a positive and significant effect on the effort of the female bank clerks. Finally, participative leadership had a positive and significant relationship on the entire organizational commitment of the two genders of bank clerks.

Banjarnahor (2016) study was on the relationship between participative leadership style and job satisfaction of employees and their affective commitment in schools in Sumatra, Indonesia. The target population comprised of 348 principals from Junior High Schools in the city of Medan. The sample size comprised of 164 principals selected randomly from various schools. Pearson Product Moment coefficient was applied in measurement of validity. For the measurement of reliability, the formula of Cronbach Alpha was used. The questionnaire that was used to collect data was developed based on the various indicators or sub-variables of the independent and dependent variables. The instrument was pilot tested on 30 principals from various schools in city of Medan. Both Inferential and descriptive statistical analysis was used for data analysis. The findings revealed that participative leadership style has significant effect on job satisfaction and it further influence affective and continuous commitment among principals in Junior High Schools in city of Medan.

According to Harper (2012) employee job satisfaction is positively dependent on participative leadership. Somech (2015), Sosik and Avolio (2011) concluded that participative leadership style significantly enhanced employee job satisfaction. Poor decision making and their execution is a risk inherent in participative leadership (Ojokuku, 2012). The scholars stated that assumption by participative leaders that all employees are equally committed to the outcomes and that their ability to participate is equal is problematic. The process of participation is slow and demands a lot of human and monetary resource at times.

### **3.0 RESEARCH METHODOLOGY**

Positivism was the research philosophy adopted to guide this study. Positivism is used to support the testing of hypotheses and this is the key reason the philosophy was preferred. The study adopted descriptive correlational research design to analyze and provide responses to the research questions. The research design was preferred because it allows description and comparison of characteristics of populations based on data collected from samples through questionnaires. The population of the study consisted of 15,030 employees. A sample size of 386 was drawn using stratified random sampling. Data was collected using self-administered questionnaires. The data was then analyzed using descriptive statistics of frequency and percentage distribution, mean, and standard deviation. Additionally, inferential data analysis

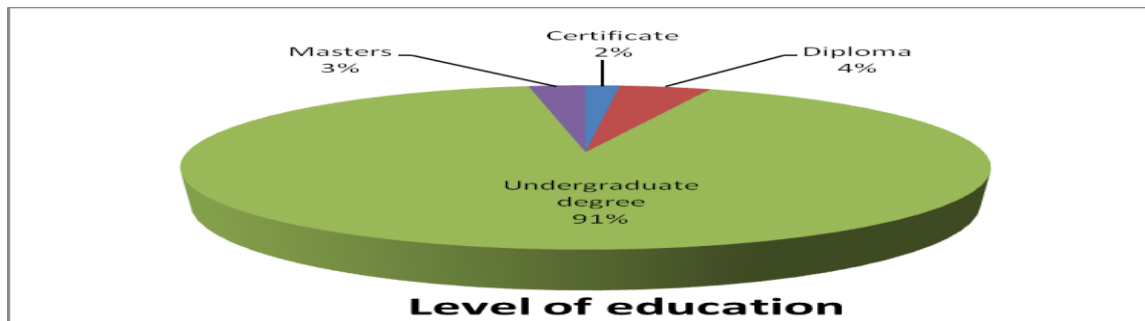
methods were used. These include: factor analysis, Pearson's correlation, ANOVA, and multiple linear regression that were used to test the hypotheses.

## 4.0 RESEARCH FINDINGS

### 4.1 Demographic Information

The study sought to determine the level of education of respondents from Kenya commercial banks. The results indicate that overwhelming majority (91%) of respondents had a first degree level of education. The results are indicated in Figure 2.

#### 4.1.1 Level of Education



**Figure 2: Level of Education**

### 4.2 Influence of Participative Leadership Style on Employee Job Satisfaction

The research question of the study was to assess how participative leadership style influences employee job satisfaction in commercial banks in Kenya. The study sought information on job enrichment, delegation and decision making, which were used as measures for participative leadership style. The study conducted analysis whereby factor scores were generated and used as input into correlation and multiple linear regression analysis. In this section the study presents results for factor analysis, descriptive analysis, correlation analysis and regression analysis.

#### 4.2.1 Factor Analysis for Participative Leadership Style

Factor analysis is a statistical tool for examining the weight of the un-observable constructs in a study. Factor analysis was conducted before the analysis of the results to describe variability among the variables and check for any correlated variables with the aim of reducing data that was found redundant. Factor analysis was tested in all the variables in this section. Through factor analysis, the adequacy of the sample used was determined. The analysis was conducted on the items of participative leadership style to check for any correlated parameters with the aim of reducing redundant data. Factor analysis was conducted on the six parameters for participative leadership style. The study results showed that Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy value associated with participative leadership style was 0.738, while for Bartlett's test, the value was  $\chi^2(15, N = 370) = 378.611, p < .05$ . The result is shown in table 1.

The findings implied that the sampling for participative leadership style was adequate as given by the KMO measure of sampling adequacy value which was greater than 0.6.



**Table 1: KMO Bartlett's Test for Participative Leadership Style**

<b>KMO and Bartlett's Test</b>			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.738
Bartlett's Test of Sphericity	Approx. Square	Chi-	378.611
	df		15
	Sig.		.000

Table 2 shows the Eigenvalues associated with each linear component (factor) of participative leadership style before extraction, after extraction, and after rotation. Before extraction, the factor analysis identified six linear components within the data set as they represent the parameters that measure participative leadership style. The Eigenvalues associated with each factor represent the variance explained by that particular linear component and it is denoted as percentage of variance explained. The study results show that out of six factors, two factors were extracted with the cumulative percentage of variance of 58.323% in the study data set with the first factor accounting for 41.189% variance in the study data. Factor analysis extracts all factors with Eigenvalues greater than or equal to 1.0. This means that the cumulative variability explained by the extracted factors was 58.323%.

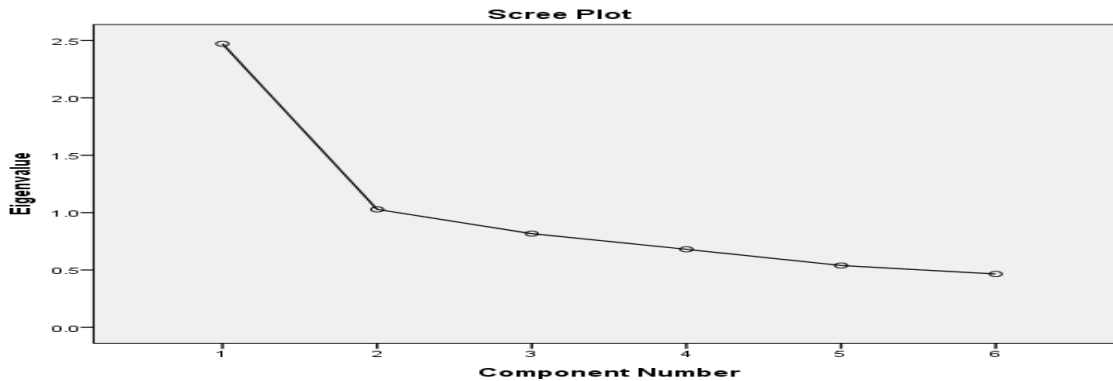
**Table 2: Total variance of Participative Leadership Style**

<b>Total Variance Explained</b>							
<b>Component</b>	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	2.471	41.189	41.189	2.471	41.189	41.189	2.065
2	1.028	17.134	58.323	1.028	17.134	58.323	1.973
3	.817	13.609	71.931				
4	.680	11.339	83.270				
5	.539	8.983	92.253				
6	.465	7.747	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

The Scree Plot is usually a visual presentation of the variance explained. It indicates the factors that are retained as well as those that are dropped. The Scree Plot in Figure 3 indicates the Eigenvalues and variable components which are used to determine the retained factors during the process of analysis. In the Scree Plot, the point of consideration is where the graph begins to flatten. In this graph, the curve flattens between component 2 and 3. The implication is that only factor 1 was retained since it was greater than 1.



**Figure 3: Scree plot for participative leadership style**

**Table 3: Component Matrix for Participative Leadership Style**

Constructs for Participative Leadership Style	Component 1
My team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments	.641
My team leader/supervisor delegates duties and tasks amongst the team members according to the capacity of each team member	.623
My team leader/supervisor involves me in decision making on how the tasks and duties should be performed effectively	.618
My productivity on the job has improved because my team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments	.730
I am rarely absent from work because my team leader/supervisor delegates duties and tasks amongst the team members according to the capacity of each team member	.675
I do not intend to leave the organization because my team leader/supervisor involves me in decision making on how the tasks and duties should be performed effectively	.649
Extraction Method: Principal Component Analysis.	
a. 2 components extracted.	

Factor loadings for the constructs under the participative leadership style were examined. From the results of Table 3, the six components of the variable were indicated in the component matrix. They highly contributed to the variability of participative leadership style. As shown by the results the component extracted ranged from 0.618 - 0.730. The high values implied that all the six factors were extracted to determine participative leadership style of employees in commercial banks. The deduction is that participative leadership style in terms of the managers seeking suggestions, delegation of duties and involvement in decision making is significant in employee job satisfaction.

#### 4.2.2 Descriptive Statistics for Participative Leadership

Descriptive statistical analysis conducted by the study included frequency distribution, mean and standard deviation.

##### 4.2.2.1 Frequency Distribution Results

The results in Table 4 indicate that 34% of the respondents stated that sometimes the team leader/supervisor asked for suggestions from team members or subordinates concerning how to carryout assignments.

**Table 4: Frequency Distribution for Participative Leadership Style**

		0	1	2	3	4
		Not at all	Rarely	Sometimes	Often	Always
<b>Participative Leadership</b>						
My team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments	f	14	60	126	86	84
	%	3.8%	16.2%	34.1%	23.2%	22.7%
My team leader/supervisor delegates duties and tasks amongst the team members according to the capacity of each team member	f	6	54	98	150	62
	%	1.6%	14.6%	26.5%	40.5%	16.8%
My team leader/supervisor involves me in decision making on how the tasks and duties should be performed effectively	f	4	32	68	116	150
	%	1.1%	8.6%	18.4%	31.4%	40.5%
<b>Influence of Participative Leadership on Employee Job Satisfaction</b>						
My productivity on the job has improved because my team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments	f	0	32	84	108	144
	%	0.0%	8.7%	22.8%	29.3%	39.1%
I am rarely absent from work because my team leader/supervisor delegates duties and tasks amongst the team members according to the capacity of each team member	f	4	38	110	164	54
	%	.5%	10.3%	29.9%	44.6%	14.7%
I do not intend to leave the organization because my team leader/supervisor involves me in decision making on how the tasks and duties should be performed effectively	f	24	72	80	82	110
	%	6.5%	19.6%	21.7%	22.3%	29.9%

In addition, 41% of the respondents stated that often the team leader/supervisor delegate duties and tasks amongst the team members according to the capacity of each team member while 41% of the respondents argued that the team leader/supervisor involves them in decision making on how the tasks and duties should be performed effectively. On whether participative leadership style influences the job satisfaction, 39% of the respondents stated that their productivity on the job has improved because the team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments. In addition, 45% of the respondents were

rarely absent from work because the team leader/supervisor often delegates duties and tasks amongst the team members according to the capacity of each team member. In addition, 30% of the respondents do not intend to leave the organization because the team leader/supervisor involves them in decision making on how the tasks and duties should be performed effectively.

#### 4.2.2.2 Mean and Standard Deviation for Participative Leadership

The study aimed at examining how the participative leadership style influences employee job satisfaction among middle level managers in the Kenyan banking industry.

**Table 5: Mean and Standard Deviation for Participative Leadership Style**

<b>Participative Leadership</b>	<b>N</b>	<b>M</b>	<b>SD</b>
My team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments	370	2.45	1.122
My team leader/supervisor delegates duties and tasks amongst the team members according to the capacity of each team member	370	2.56	.988
My team leader/supervisor involves me in decision making on how the tasks and duties should be performed effectively	370	3.02	1.019
<b>Influence of Participative Leadership on Employee Job Satisfaction</b>			
My productivity on the job has improved because my team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments	368	2.99	.986
I am rarely absent from work because my team leader/supervisor delegates duties and tasks amongst the team members according to the capacity of each team member	368	2.63	.878
I do not intend to leave the organization because my team leader/supervisor involves me in decision making on how the tasks and duties should be performed effectively	368	2.49	1.280

Means and standard deviations were adopted in providing objective measures of comparison of the data. The Likert scale ranging from 1 – 5 where 1 = strongly disagree to 5 = strongly agree was used in the questionnaire whereby the respondents were required to respond to statements by indicating their opinions. The study results are presented in Table 5. The findings from the analysis reveal that on average, the supervisor delegates duties and tasks amongst the team members according to the capacity of each team member ( $M = 2.56$ ,  $SD = .988$ ). The findings also show that that productivity on the job has improved because supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments ( $M = 2.99$ ,  $SD = 0.986$ ).

#### 4.2.3 Correlating Participative Leadership and Job Satisfaction

Correlation refers to a quantitative estimation of the oscillation of two variables with each other. The increase or decrease of two variables in parallel leads to a positive correlation. However, in case one variable increases and the other decreases, then the correlation is negative. In this study, correlation analysis was undertaken to measure the strength of the linear association between the independent and dependent variables. Usually, the Pearson Correlation Coefficient,  $r$  values

range from +1 to -1, that is coefficient  $r$  may portray either a positive or negative relationship. Table 6 presents the correlation coefficients between study variables. The results show a positive significant correlation coefficient between participative leadership style and employee job satisfaction,  $r(370) = .820, p < .05$ .

**Table 6: Correlation Test for Participative Leadership Style**

<b>Participative Leadership and Job Satisfaction</b>			Participative Leadership Style	Employee Satisfaction	Job
Participative Leadership Style	Leadership	Pearson Correlation	1	.820**	
		Sig. (2-tailed)		.000	
		N	370	370	
Employee Satisfaction	Job	Pearson Correlation	.820**	1	
		Sig. (2-tailed)	.000		
		N	370	370	

\*. Correlation is significant at the 0.05 level (2-tailed).

#### 4.2.4 Chi-Square Test on Participative Leadership Influence and Job Satisfaction

Chi-square test is a statistical technique for testing association between categorical variables. Chi-square test was used to check the strength of the association between participative leadership style and job satisfaction of employees of commercial banks. The results in Table 7 indicate that there was a strong association between participative leadership style and employee job satisfaction,  $X^2(16, N=370) = 92.958, p < .05$ .

**Table 7: Chi-square Test for Participative Leadership Style**

<b>Tests</b>	<b>Directive Leadership Style</b>
Pearson Chi-Square	92.958
Df	16
Sig. (2-tailed)	.000

\*Correlation is significant at the 0.05 level (2-tailed).

#### 4.2.5 One-Way ANOVA on Participative Leadership Style

In order to make a comparison of the difference of the means of two groups, one-way analysis of variance is imperative.



**Table 8: Analysis of Variance for Participative Leadership Style**

Test Parameter			Sum of Squares	Df	Mean Square	F	Sig.
<b>Employee Job Satisfaction and Work Experience of Middle Level Managers</b>							
Period of service organization	Between groups		29.827	18	1.657	2.023	.008
	Within groups		287.470	351	.819		
	Total		317.297	369			
<b>Employee Job Satisfaction and Gender of Middle Level Managers</b>							
Gender	Between groups		10.220	18	.568	2.429	.001
	Within groups		82.061	351	.234		
	Total		92.281	369			
<b>Employee Job Satisfaction and Level of Education of Middle Level Managers</b>							
Level of Education	Between groups		6.681	18	.371	4.196	.000
	Within groups		31.049	351	.088		
	Total		37.730	369			

\* Correlation is significant at the 0.05 level (2-tailed)

A one-way ANOVA was carried out to observe if there was significant difference between the mean for employee job satisfaction with the demographic variables of position, work experience, and highest level of education of the middle level managers. This was a means to determine if there was significant variability in the rating between groups and within groups. The results showed significant differences between the mean for participative leadership style and employee job satisfaction across the middle level managers' period of service in organization,  $F(18, 351) = 2.023$ ,  $p < 0.05$ , gender  $F(18, 351) = 2.429$ ,  $p < 0.05$  and highest level of education,  $F(18, 351) = 4.196$ ,  $p < 0.05$ . The study results are shown in table 8.

#### 4.2.6 Regression Analysis and Hypotheses Testing

Regression analysis is a statistical method conducted to establish the existing relationship among or between variables in the study. Regression analysis was carried out with an aim of establishing the relationship between the participative leadership style and employee job satisfaction. The regression model helps to show whether the independent variable (predictor variable) causes significant changes in the dependent variable. The model also shows the magnitude and direction of the relationship between the parameters of the study. Several assumptions are made by multiple linear regressions.

##### 4.2.6.1 Assumptions for Regression Analysis

Prior to carrying out the regression analysis and testing the hypothesis for participative leadership style and employee job satisfaction, assumptions for regression analysis were

examined. In this case, the tests conducted included: linearity test, autocorrelation test, multicollinearity test, homoscedasticity test and normality test.

#### 4.2.6.1.1 Testing for Linearity

**Table 9: Linearity Test for Participative Leadership Style**

				Sum of Squares	df	Mean Square	F	Sig.
(Combined)				101.955	44	2.317	5.926	0.000
Employee job satisfaction Participative leadership	Between Groups	Linearity	83.095	1	83.095	212.624	0.000	
		Deviation from Linearity	18.86	43	0.239	1.122	0.204	
		Within Groups	54.322	139	0.391			
Total				156.277	366			

$P \leq 0.05$

To establish the linearity of the relationship between participative leadership style and employee job performance, linearity test was conducted.

From the study findings, it is clearly shown that the deviation from linearity was insignificant given a  $p$ -value of .204, which is greater than the set  $p$ -value of 0.05. The findings of the study reveal that there was a linear relationship between participative leadership style and employee job satisfaction at the Kenyan commercial banks. The results are presented in Table 9.

#### 4.2.6.1.2 Testing for Autocorrelation

Autocorrelation through Durbin-Watson test was conducted to verify the possibility of the correlation of the error terms with each other. The intention was to ensure that possible biases arising from respondent's related apathy in answering the questions had no effect on the results. The values of Durbin-Watson test ranges from 0 to 4 as shown in Table 10, with values close to 0 indicating a strong positive autocorrelation. Durbin-Watson test that are close to 2 indicate no first-order autocorrelation. In this study, the Durbin-Watson test had a value of 1.964, which was close to 2. This implied that there was no first order autocorrelation in the residuals.

**Table 10: Autocorrelation Test for Participative Leadership Style**

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.707 <sup>a</sup>	.500	.497	
2	.715 <sup>b</sup>	.511	.506	1.964

#### 4.2.6.1.2 Test for Multicollinearity

Multicollinearity was performed on the data by examining VIF (Variance Inflation Factor) and assessing the tolerance (1/VIF). Independent variables are considered collinear if the value of VIF exceeds 3 (Schwarz, Schwarz & Black, 2014). Table 11 presents VIF values were 1.6 implying that multicollinearity is not a problem in the data.

**Table 11: Multicollinearity Test for Participative Leadership Style**

Model	Collinearity Statistics	
	Tolerance	VIF
Participative leadership	.634	1.577
ECFXPL	.634	1.577

**4.2.6.1.3 Testing for Homoscedasticity**

Heteroscedasticity occurs when the variance of the errors varies across observations resulting in unbiased OLS estimator and therefore becomes inefficient (Long & Ervin, 2000). The study used Breusch-Pagan and Koenker test to estimate heteroscedasticity. Breusch-Pagan and Koenker tests the null hypothesis that the variances of the error terms are constant. The test rejects the null hypothesis when the significant value is less than 5% (Daryanto, 2013). Table 12 displays the results of Breusch-Pagan and Koenker test. The results present significant values more than 0.05 indicating that heteroscedasticity was not a problem.

**Table 12: Homoscedasticity Test for Participative Leadership Style**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	55.081	4	.453	.234	.567
	Residual	16.433	1	.423	.254	.611
	Total	71.514	5			

**4.2.6.1.5 Testing for Normality**

To check the normality of the data set for participative leadership style and employee job satisfaction, descriptive values such as skewness and kurtosis were generated. The scores revealed the presence of both positive and negative skewness, even though there was no case of excessive skewness in the data, since the values were within the range of -2 to +2. The values for kurtosis were within the range of -7 to +7, and therefore did not portray excessive kurtosis. Thus, based on the results in Table 13, assumption of normality-distributed data was not strictly violated in the study.

**Table 13: Normality Test for Participative Leadership Style**

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
<b>Participative Leadership</b>				
My team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments	-.139	.179	-.807	.355
My team leader/supervisor delegates duties and tasks amongst the team members according to the capacity of each team member	-.363	.179	-.512	.355
My team leader/supervisor involves me in decision making on how the tasks and duties should be performed effectively	-.781	.179	-.253	.355
<b>Influence of Participative Leadership on Employee Job Satisfaction</b>				
My productivity on the job has improved because my team leader/supervisor asks for suggestions from team members or subordinates concerning how to carryout assignments	-.531	.179	-.866	.356
I am rarely absent from work because my team leader/supervisor delegates duties and tasks amongst the team members according to the capacity of each team member	-.314	.179	-.330	.356
I do not intend to leave the organization because my team leader/supervisor involves me in decision making on how the tasks and duties should be performed effectively	-.312	.179	-.092	.356

#### 4.2.6.2 Regression Analysis and Hypothesis Testing

Multiple linear regression analysis is conducted to examine whether one or more independent/predictor variables cause changes in the dependent variable. A multiple regression analysis was conducted to demonstrate the relationship between the independent variable (participative leadership style) and the dependent variable (employee job satisfaction). Based on a multiple linear regression model, the study sought to determine the influence of participative leadership style on employee job satisfaction among the middle level managers in Kenyan commercial banks. Therefore, the hypothesis tested was:

**H<sub>03</sub>:** Participative leadership style has no significant influence on employee job satisfaction among middle level managers in commercial banks in Kenya.

##### 4.2.6.2.1 Regression Model Summary

The results from regression model summary explain the variations in dependent variable as a result of independent variable. The results in Table 14 show that participative leadership style caused a variation of 50% in employee job satisfaction among the middle level managers of commercial banks in Kenya,  $R^2 = .500$ . This means that when participative leadership style is

applied in commercial banks in Kenya, 50% variations in employee job satisfaction among the middle level managers in commercial banks in Kenya could be observed.

**Table 14: Regression Model Summary for Participative Leadership Style**

Model R	R	Adjusted Square	Std. Error of Estimate	Change Statistics					
				R Square	of theR	Change	SquareF	df1	df2
1	.707 <sup>a</sup>	.500	.497	.67604998	.500	181.811	1	364	.000
2	.715 <sup>b</sup>	.511	.506	.67017460	.011	4.205	1	362	.042

#### 4.2.6.2.2 Analysis of Variance (ANOVA)

The study findings in Table 15 establish that the relationship between participative leadership style and employee job satisfaction was statistically significant,  $F(1, 364) = 181.811$ ,  $p < .05$ . This means that participative leadership style was a good predictor of employee job satisfaction among middle level managers in the commercial banks in Kenya. Based on the significance of the F-statistic, the null hypothesis, participative leadership style has no significant influence on employee job satisfaction among middle level managers in commercial banks in Kenya, was rejected.

**Table 15: ANOVA Test for Participative Leadership Style**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	83.095	1	83.095	181.811	.000 <sup>b</sup>
	Residual	83.182	364	.457		
	Total	166.277	366			

#### 4.2.6.2.3 Regression Coefficients

Multiple linear regression was conducted to assess the direction and extent to which participative leadership style influences employee job satisfaction. The study findings confirmed that participative leadership style significantly predicted employee job satisfaction among middle level managers in the commercial banks in Kenya,  $\beta = .673$ ,  $t(370) = 13.484$ ,  $p < .05$ . This meant that a unit change in participative leadership style would lead to an increase in employee job satisfaction among the middle level managers in the banking industry by 0.673 units. Therefore, the study concluded that participative leadership style significantly predicts employee job satisfaction among middle level managers in the commercial banks of Kenya. Table 16 presents the study results.



**Table 16: Regression Coefficients for Participative Leadership Style**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.100	.050		2.000	.047
	Participative leadership	.673	.050	.707	13.484	.000
2	(Constant)	.101	.049		2.039	.043
	Participative leadership	.596	.062	.626	9.592	.000
	ECFXPL	.130	.063	.134	2.051	.042

#### 4.2.6.2.4 Conclusion of Regression Analysis and Hypothesis Testing

The results of multiple linear regression analysis established that participative leadership style positively and significantly predicted employee job satisfaction among middle level managers in the Kenyan commercial banks,  $R^2 = .500$ ,  $F(1, 364) = 181.811$ ,  $p < .05$ ;  $\beta = .673$ ,  $p < .05$ . This meant that 50% of the proportion in employee job satisfaction among the middle level managers was explained by participative leadership style. The regression model was also found to be statistically significant in predicting the relationship between participative leadership style and employee job satisfaction. The regression coefficient showed that every unit change in participative leadership style caused .673 units change in employee job satisfaction. In examining the significance of the estimates the  $p$ -value of the regression coefficient ( $\beta$ ) was  $p < .05$ . As a result, the study rejected the null hypothesis; participative leadership style has no significant influence on employee job satisfaction. This led to the conclusion that participative leadership style significantly influences employee job satisfaction among middle level managers in the Kenyan commercial banks.

Based on the findings of the study, the model equation for character dimension was:

$$Y = \beta_0 + \beta_i X_i + \epsilon_i$$

$$Y = .100 + .673 \text{ Participative leadership style} + .050$$

## 5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

The study investigated the influence of participative leadership style on employee job satisfaction among middle level managers in commercial banks in Kenya. The results from multiple linear regression analysis revealed that participative leadership style positively and significantly predicted employee job satisfaction among middle level managers at commercial banks in Kenya,  $R^2 = .500$ ,  $F(1, 364) = 181.811$ ,  $p < .05$ ;  $\beta = .673$ ,  $p < .05$ . The null hypothesis that participative leadership style has no significant influence on employee job satisfaction was rejected. This led to the conclusion that participative leadership style significantly influences employee job satisfaction among middle level managers in the Kenyan commercial banks.

### Recommendations

The study found that there was significant influence of participative leadership style on job satisfaction of middle level managers in commercial banks in Kenya. This shows that

involvement of employees, especially middle level managers in organization's decision making process is essential in enhancing job satisfaction in commercial banks in Kenya. Team leaders should be asking for suggestions from team members concerning how to carry out assignments before directing them on how to do the assignments.

The target population for this study was middle level managers. Even though middle level managers are more involved in supervising the execution of orders from top management, lower level employees would have provided more crucial information about their job satisfaction levels as they are the very people that execute the decisions made by top management. The study hence recommends the inclusion of all employees in the process of determining the influence of path-goal leadership style on employee job satisfaction.

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