

The Influence of Leadership Styles on Staffs' Job Satisfaction and Organizational Commitment: The Case Study of Construction Companies

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Abstract

The study aims to present a structural model for investigating the influence of leadership styles for staffs' job satisfaction and organizational commitment in the project-oriented companies by reviewing the literature for the research in the field of leadership and organizational commitment. The suggested model in this research is based on the present relations among the research variables and previous researchers' findings and tested by the use of the structural equation models. The sample population includes all staffs of Mapna Company in Tehran. In order to gather data, the field study is conducted on 128 subjects in the sample population. The resulting data is analyzed by the use of SPSS and AMOS. The findings of the study show that the leadership styles (supportive, participative, and directive) significantly influence the staffs' job satisfaction and commitment to the organization.

Key words: leadership style, job satisfaction, organizational commitment, project-oriented companies, structural equation

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Introduction

In recent years, the organizational commitment and job satisfaction has attracted many researchers in the field of human resources. That is because these variables can be considered as the most important factors in determining performance and the efficiency of organization. Some of the present studies confirm the fact that there is a strong relation between organizational commitment and job satisfaction. In the case the staffs do not satisfy with their own job and workplace, they commit their organization less and try to find another job and quit their job in the organization. If such opportunities do not exist, they probably ignore their responsibility in the organization both emotionally and mentally (Lok and Crawford, 2004). Therefore, organizational commitment and job satisfaction are key features to evaluate the staffs' intention for quitting the organization or cooperating with it. In the previous studies, many different factors were suggested as effective in job satisfaction and organizational commitment. For example, the researchers found that leadership and organization culture noticeably influenced job satisfaction and organizational commitment (Lok and Crawford, 2001). The effective leadership is necessary for each construction project and the leadership behavior is considered as an important variable effective for the success of the project management. In practice, many construction projects face many problems for which the main reason is closely related to the project managers. Some of these managers may have abilities or features that are in line with the job they are doing. In addition, they probably use ineffective leadership styles in facing the staffs while they are doing the construction projects. Staffs' effective performance and desirable job achievement are always good but they do not always have such a performance. People usually answer correctly to one specific style of leadership. The best style can lead them to the state of being efficient in work place. The construction industry is considered as one of the most important industrial parts in the developing countries like Iran (Limsila and Ogunlana, 2008). The use of a desirable leadership style by the project managers is vital for the growth and survival of this industry. In order to achieve the staffs' best performance level, the project managers should choose the desirable leadership style and use it. Moreover, they should be able to distinguish the staffs' individual needs and goals in life. Doing research on leadership in the field of managing construction projects has been of great importance since it can be highly effective in terms of job performance and the output of project. Using one desirable leadership style can form the staffs' performance effectively and facilitate doing the construction project (Nguyen et al., 2004). In addition, the application of one desirable leadership style can cause the staffs' satisfaction. Those staffs, who are satisfied with their own job, work harder than others do. The present study attempts to investigate the leadership behavior of managers in construction projects. Furthermore, it attempts to test the relation between A) triple leadership styles and job satisfaction B) the staffs' job satisfaction and commitment. In order to achieve to the aims of the research, a conceptual model is determined that involves the structural relations between triple leadership styles (supportive, participative and directive), organizational commitment and job satisfaction and it is tested by the use of the structural equation model approach. The article concerns with a review of theoretical principles of the leadership styles, and provides a framework for making a relation between leadership styles and organizational commitment. Then, the research methodology is discussed and finally, findings, applied concepts, and research limitations are presented.

Theoretical principles of research

Leadership

As Daft (2005) noted "leadership is a kind of penetrative procedure by which one individual act can cause to change others' behavior or views. Such a penetration should be legal and changes should be in line with individuals' goals." The researchers determined and developed many different aspects of the leadership behavior some of which include democratic approach versus the dominant one, responsibility-oriented versus individual-

oriented approach and contingency approaches. Now, the most effective contingency leadership approach is the path-goal theory, which is developed by Robert House (Robins, 2005). Based on this theory, the staffs are inspired by the leader to the extent that their performance is influenced by the leaders' behavior by clarifying behaviors (paths) that lead to the determined rewards (goals). Of course, it is supposed that receiving rewards is dependent on having effective performance. In addition, a leader may act differently in different situations. These researchers intend to find out which method of leadership can be more successful in terms of member cooperation and providence of the organizational goals. The mentioned theory is based on the assumption that the leaders are responsible for directing followers and staffs in order to achieve their goals. A leader should not deprive the staffs of any guidance or support in order to be sure that the members' aims are in line with the general aims of group or organization. Based on path-goal theory, the leaders' behavior is acceptable by the staffs to the extent that they assume him as a resource who provides satisfaction for them in present and future. The leaders' behavior can be a reinforcement and can cause tendency in a way that 1) good performance can cause the staffs' satisfaction 2) instructions, supports and rewards will seem necessary for the good performance (Derue et al., 2011). The path-goal theory involves four kinds of behaviors: 1)directive leadership (it assigns the programs, gives instructions, and directs the staffs concerning the job that should be done) 2)supportive leadership (the leader has a friendly relation with the staffs and attempts to provide their needs 3)participative leadership (the leader consults with the staffs and attempts to be aware of their views and ideas before making decisions 4)achievement-oriented leadership (such a leader assigns hard and inaccessible goals and asks the staffs to provide those goals in the best possible way). In the path-goal theory, it is assumed a leader can follow any or all of these behaviors simultaneously regarding the present conditions and situations (Yiing and Bin Ahmad, 2009). The result of the basic researches confirmed the basis of the mentioned theoretical logic; that is, in the case the leader attempts to compensate shortcuts (whether in job or for staffs), the staffs and organization members' performance and job satisfaction will increase. However, in the case, the jobs are determined and the affairs are clarified and the leader spends his time explaining the responsibilities, his act will not be appreciated since the staffs consider such an explanation unnecessary or somewhat disrespectful. The point that should be noticed here is that none of mentioned leadership styles is ideal for any situation (Swid, 2014). The study of leadership behavior in the form of path-goal theory has been studied in many different fields such as marketing strategies in small and middle companies, managers of companies, steel industry, machine-manufacturing industry and market-oriented companies. The bottom line is that in different communities regarding individualism or collectivism, the cultural and tribal variety, different kinds of leadership styles are used (Chan and Mak, 2014).

Organizational commitment

The third view among vocational views is the organizational commitment. That is, the state in which staffs in particular introduce their aims and wish to stay as members of that organization. Therefore, the high level of job dependence means an individual refers himself by a specific job and knows its job as a way to introduce himself but in an organizational commitment, it is an organization which defines an individual. In fact, the result of studies showed that the organizational commitment rather than job satisfaction was used to predict and justify the individual behavior and it was easier to predicate the level of absence and staffs' shift by the organizational commitment (Brunetto and Farr-Wharton, 2006). Allen and Meyer (1999) presented a triple model for the organizational commitment that involved following elements:

- 1) Affective commitment: it can be defined as feeling of commitment to an organization by accepting the organizational values and also a tendency to be remembered in a specific organization.
- 2) Normative commitment: it can be defined as a responsibility for supporting an organization and its activities and it shows commitment and necessity to remain in an organization; that is, people know their activities in an organization and support the organization as a commitment on their shoulders.
- 3) Continuance commitment: it is resulted from an understanding of the lost costs in an organization. The lost costs involve all costs for an activity or project that cannot be recycled. Therefore, if one has the continuance commitment, s/he can be sensitive to increase such costs. Those who presented such a model believed that it was better to consider affective, normative and continuance commitment as the components of commitment rather than its specific kinds. Since in the case they were considered as different kinds of commitment the member of the organization, felt less committed to remain in the organization (Allen and Meyer, 1999).

Job satisfaction

Staffs' Job satisfaction is considered as one of the most important behavioral issues in the human field of an organization by which many other organizational variables can be determined. Job satisfaction is defined in many different ways. In some of these definitions, this concept is defined as a kind of " staffs' affective and aptitude reaction" to the job. In simple words, it can be said, "job satisfaction refers to the extent to which people like their job"; that is, some people enjoy doing their job, consider it as an important part of their life and some other hate doing their job, and do their job on the ground that they are forced to do it. Similarly, in other similar definitions, job satisfaction is considered as "the distinction between the amount and intensity of the individual needs and the extent to which those needs are met in the job." In other words, in this definition, job satisfaction is considered as a function that shows directly the extent to which the environment is consent with the structure of individual needs. Some researchers knew the job satisfaction as a multisided concept including internal and external aspects. The internal aspects of job satisfaction are related to the individual characteristics such as the ability for action and making relation with directors, which are referred as the qualitative aspect of a job. The external aspects of job satisfaction are dependent to the conditions of environment such as payment, promotion, or job safety (Lok and Crawford, 1999).

Research Assumptions

- First assumption (H1): supportive leadership style is related to the job satisfaction directly and significantly.
 - Second assumption (H2): directive leadership style is related to job satisfaction directly and significantly
 - Third assumption (H3): participative leadership styles is related to job satisfaction directly and significantly
 - Fourth assumption (H4): job satisfaction is related to the organizational commitment directly and significantly.
- Concerning the above-mentioned issues and based on the mentioned assumptions, conceptual model of the research can be presented as follow:

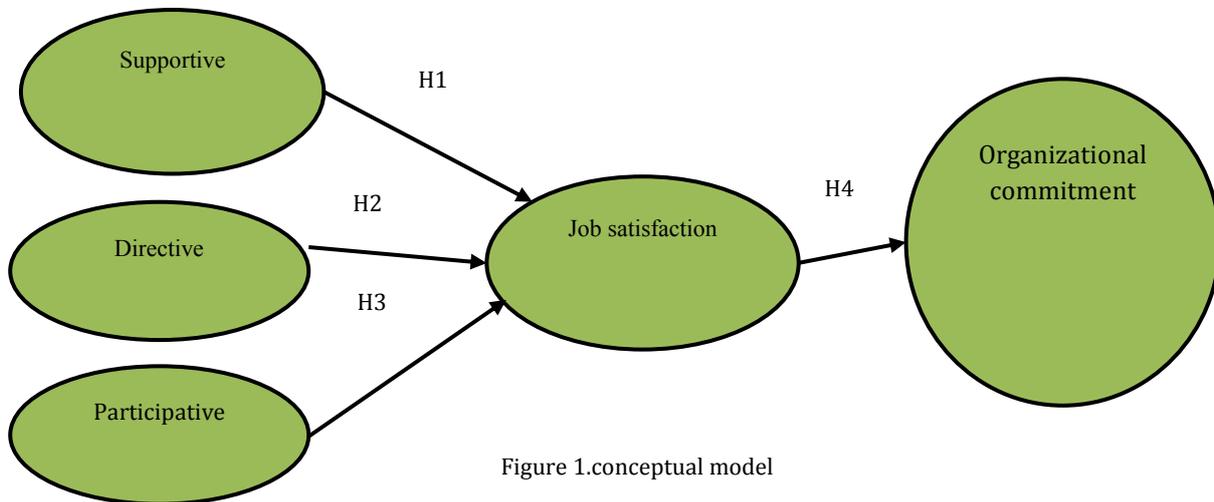


Figure 1. conceptual model

Research Methodology

The present study is a descriptive-survey-based one. The sample population of the research is all project staffs of Mapna Company in Tehran. The company is chosen based on the project-oriented criterion. After doing the primary researches on the small size of sample population including 30 staffs of Mapna company and calculating standard deviation, sample size is calculated as 128 subjects by the use of Cochran's formula with an error level of 5 percent and precision about 0/1. In this study, the convenience sampling is used. On this base, the staffs in Mapna Company are chosen accidentally. For gathering data, the researcher makes a questionnaire including questions of triple leadership styles (9 questions), job satisfaction (3 questions), and organizational commitment (3 questions). In the first section, it is asked the respondents to rank the extent to which the leader uses the leadership styles (including supportive, participative and directive) on five choice Likert's scale which ranges from 1 (very low) to 5 (very high). The related questions in this section are derived from Harris and Ogbonna's (2011) research. In the second section, some questions related to evaluate job satisfaction and organizational commitment are posed. Some questions related to this section are also derived from Yiing and Ben Ahmad's (2009) research. It is asked the respondents to rank the extent to which job satisfaction and organizational commitment used by the use of five choice Likert's scale ranging from 1(very low) to 5(very high). It is necessary to mention that the present study emphasizes only the affective organizational commitment regarding the fact that the literature review of the study emphasizes the affective commitment, and the area on which the present study focuses. The analysis of the data in this study is done in two stages. In the first stage, validity and reliability of the data are tested and then, the structural model of research will be tested in order to test assumptions and fitness model. In the first stage, the confirmatory factor analysis is used in order to investigate the validity of the questionnaires.

Research findings

The descriptively statistical results of the study showed that 85/5 and 14/5 percent of respondent are male and female, respectively. In addition, 66/1 percent of the respondents have B.A. degree and 33/9 percent have M.A or higher degree. Moreover, 46/4 percent of respondents' age ranges from 20 to 30 years old, 34/6 percent of respondents' age ranges from 31 to 40 years old and 19/0 percent of respondents' age is higher than 40 years old. Table. 1. Illustrates the mean, standard deviation, factor loading and Cronbach's alpha coefficient of the variables in the study. As it can be seen, all of the factor loadings are higher than the acceptable level (0.7) and it shows the appropriateness of validity of the evaluation means. Cronbach's alpha coefficient for all of the variables in the research is higher than 0.7 that demonstrates the research means have the necessary level of validity in this respect.

| Table.1. Descriptive statistics, function loading and Cronbach's alpha coefficient | | | | | |
|--------------------------------------------------------------------------------------|----------|------|--------------------|----------------|------------------|
| Factor | Question | Mean | Standard deviation | Factor loading | Cronbach's alpha |
| Supportive leadership styles | | | | | |
| The manager helps the staffs so that they do their responsibility with more tendency | Sup1 | 3.64 | 0.812 | 0.917 | (0.748) |
| He tries to provide the farewell for the personnel | Sup2 | 3.88 | 0.774 | 0.720 | |
| He equally behaves fairly with all staffs | Sup3 | 3.72 | 0.789 | 0.713 | |
| Participative leadership style | | | | | |
| Before making any decision, he listens to the staffs' ideas | Part 1 | 3.48 | 0.819 | 0.800 | (0.771) |
| Before acting, he consult with the staffs | Part2 | 3.13 | 0.897 | 0.789 | |
| He ask the staffs to present their own views | Part3 | 3.37 | 0.843 | 0.692 | |
| Directive leadership style | | | | | |
| He explains others his own responsibilities and commitments he has | Dir1 | 3.96 | 0.755 | 0.760 | (0.690) |
| He uses the determined operational standards | Dir2 | 3.23 | 0.936 | 0.741 | |
| He provides an organized plan for the responsibilities he does | Dir3 | 3.81 | 0.836 | 0.801 | |
| Job satisfaction | | | | | |
| I am satisfied with my responsibility | Sat 1 | 3.48 | 0.926 | 0.824 | (0.821) |
| I am satisfied with the promotion opportunities | Sat 2 | 3.62 | 0.810 | 0.817 | |
| I am satisfied with the amount of incomes | Sat 3 | 3.06 | 0.955 | 0.729 | |
| Organizational commitment | | | | | |
| I am happy talking with the people outside of the organization about organization | Com1 | 3.37 | 0.938 | 0.813 | (0.849) |
| I strongly feel committed towards this organization | Com2 | 3.54 | 0.823 | 0.826 | |
| The organization gives me identity and meaning to my life | Com3 | 3.33 | 0.933 | 0.738 | |

Furthermore, regarding the correlation coefficient presented in table 2, it can be understood that the present correlation among variables are less than the suggested amount 0.85; that is, it shows the validity of the evaluation means in the study. It is necessary to mention that the significance of the correlation among variables is tested at the level of $P \leq 0.001$. Regarding the results of the Pearson's correlation test, all the relations among research variables are positive and significant. That shows the direct relation among independent variables (supportive, participative, and directive leadership style) and dependent variables (job satisfaction and organizational commitment).

| Table.2. Correlational coefficient among research variables | | | | | |
|-------------------------------------------------------------|------------------|---------------------|-----------------|------------------|---------------------------|
| Correlation between variables | Supportive style | Participative style | Directive style | Job satisfaction | Organizational commitment |
| Supportive style | 1 | 0.529* | 0.621* | 0.552* | 0.437* |
| Participative style | 0.529* | 1 | 0.650* | 0.685* | 0.764* |
| Directive style | 0.621* | 0.650* | 1 | 0.605* | 0.516* |
| Job satisfaction | 0.552* | 0.685* | 0.605* | 1 | 0.663* |
| Organizational commitment | 0.437* | 0.764* | 0.516 | 0.663* | 1 |

Note:*the significant level $P \leq 0.001$

In order to achieve the aims of the study, the structural equation model (SEM) is used. In this study, the amount of variable is 42.869 with the freedom degree 18 whose ratio is 2.382 in the desirable range. The fitness scales (GFI=0.964, NFI=0.962, CFI=0.977, TLI=0.954, AGFI=0.909, AIC=96.869) are in the acceptable level and are significant in the level 5 percent. The amount of RMSEA also is 0.073 that is less than the desirable level (less than 0.08). In fact, the results from SEM show the total fitness of the suggested model of the study. Figure 2 and 3 show that standard and non-standard regression coefficient of the structural model of research.

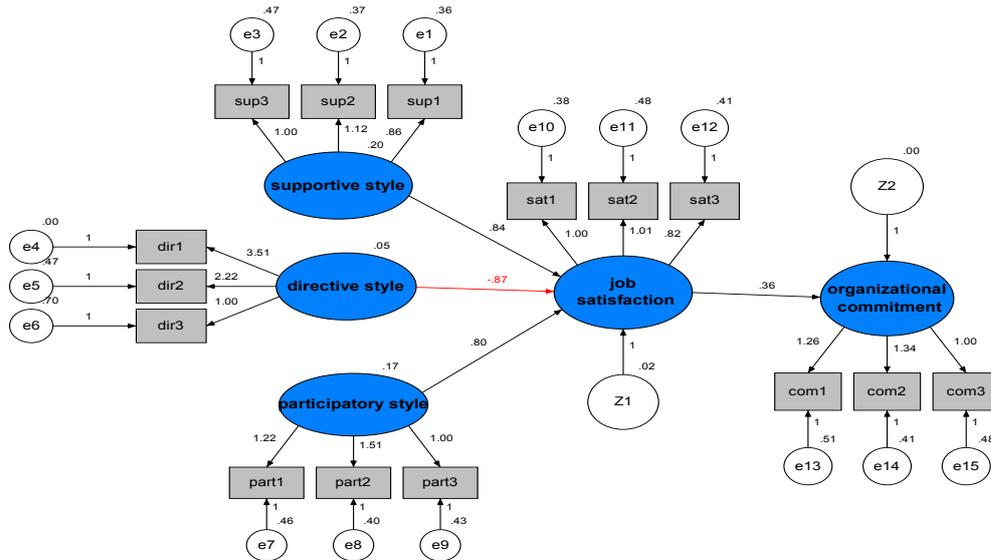


Figure 2: The standard and non-standard regression coefficient of the suggested model of research

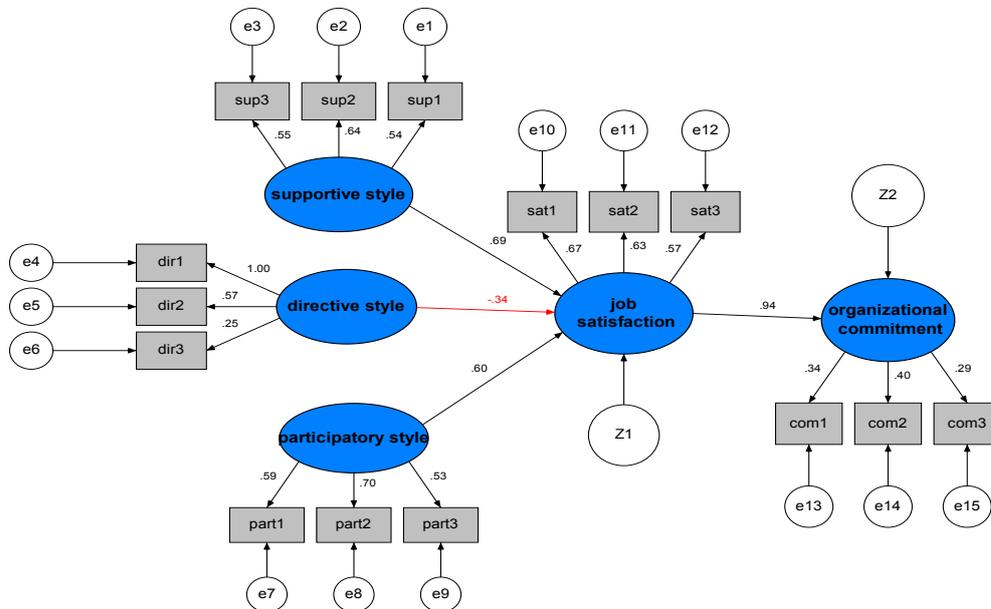


Figure 3: The standard regression coefficient of the suggested model of research

The results from testing research assumptions come in table 3 in brief. As it can be observed, all of the suggested relations are confirmed. In fact, the leadership styles including supportive, participative and directive influence significantly staffs' job satisfaction (the first, second and third assumption). However, the directive leadership style negatively influences staffs' job satisfaction. Moreover, the staffs' satisfaction of their job highly influences the extent to which they are committed to the organization (the fourth assumption).

| Table.3. The abbreviated list of results of analysis of research data by the use of maximum estimation | | | | | | | | |
|--------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------|-------------|----------------------|----------------|----------------|----|-----------|
| Assumptions | Independent variable | Dependent variable | Coefficient | Standard coefficient | Standard error | Critical ratio | P | Result |
| First (H1) | Supportive leadership style | Job satisfaction | 0/836 | 0/687 | 0/137 | 6/099 | ** | confirmed |
| Second (H2) | Directive leadership style | Job satisfaction | -0/867 | -0/337 | 0/244 | -3/557 | ** | Confirmed |
| Third (H3) | Participative leadership style | Job satisfaction | 0/799 | 0/596 | 0.104 | 5/874 | ** | confirmed |
| Fourth (H4) | Job satisfaction | Organizational commitment | 0/365 | 0/941 | 0/087 | 4/070 | ** | confirmed |

Discussion, conclusion and suggestions

The present study aimed to investigate the influence of the triple leadership styles on the staffs' job satisfaction and organizational commitment in the project-oriented companies by the use of structural model. The result of the study showed that the supportive, directive, and participative leadership styles were the most effective factors in the staffs' job satisfaction in Mapna Company, respectively. However, the influence of the directive leadership style on the staffs' job satisfaction was negative. These findings were in line with the findings by other researchers such as Opelbam and et al. (2004), Yousef (2000), Kim (2002) and Yiing and ben Ahmd (2009) on the ground that the leadership styles used by the managers can be influential on the staffs' performance and job satisfaction in the work place. In addition, the results of this study showed that job satisfaction also influenced directly the staffs' organizational commitment. In addition, these findings were in line with the findings of studies by Lok and Crawford (2004), Lok and Crawford (2001) on the ground that the staffs' job satisfaction influence would be in line with their commitment to the organization. By reviewing the research literature of the present study on information technology, it can be understood that this is the first study whose focus is to investigate the influence of triple leadership styles based on path-goal theory on the organizational commitment by studying the role of job satisfaction in project-oriented companies. The findings of the study help the project-oriented companies to understand the benefits of using the desirable leadership styles that are better in consent with the job environment and cause to decrease the staffs' dissatisfaction by the use of these styles and increase their commitment to the organization. Regarding the findings of the study, some suggestions can be given to the managers and directors of Mapna Company. The directors should understand the influence of the leadership styles used by them on their staffs' commitment in an organization and notice that their success depends on the common values and principles that exist inside of the organization. Therefore, in order to increase the influence, the directors should change their leadership style in order to synergize the organizational values. In general, it is suggested that the leader of an organization uses contingency approach in order to use the leadership styles and behaviors. This study is done in Tehran can be as an example in this respect. This can decrease the possibility for generalizing the study to similar cases. Doing similar studies at more generalized level can compensate these limitations and increase the chance of generalization. Furthermore, regarding the size of the chosen sample, it is suggested that the similar study can be conducted for the larger samples and in other project-oriented companies.

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