

Midocean University
College of Management
Bachelor of Project Management

Final Project – 2

The Impact of Leadership Style on Employee Satisfaction

Student Name: Daniyah Fahad Alnafea

Student ID: 222001204

Final Project 2

Research Title

The Impact of Leadership Style on Employee Satisfaction

Abstract

Employee satisfaction is a critical factor influencing organizational effectiveness, employee retention, and overall workplace performance. Leadership style has been widely recognized as one of the most significant determinants shaping employees' attitudes and perceptions at work. This study examines the impact of leadership style on employee satisfaction. A quantitative research design was adopted using a cross-sectional survey approach. Primary data were collected through a structured questionnaire based on a five-point Likert scale. The study analyzes the relationship between leadership style and employee satisfaction using descriptive statistics, reliability analysis, and regression techniques via SPSS. The findings are expected to provide insights into how leadership behaviors influence satisfaction levels and to offer practical recommendations for managers and organizations.

Chapter 1: Introduction

1.1 Research Introduction

Modern organizations operate in increasingly dynamic and competitive environments where human capital represents a key source of sustainable competitive advantage. Employee satisfaction plays a central role in influencing productivity, commitment, engagement, and turnover intentions. Among the various organizational factors affecting satisfaction, leadership style remains one of the most influential.

Leadership style refers to the behavioral patterns leaders adopt when guiding, motivating, and managing employees. Different leadership styles, such as transformational, transactional, and laissez-faire leadership, shape employees' experiences and perceptions within the workplace. Effective leadership can enhance motivation and satisfaction, whereas ineffective leadership may contribute to dissatisfaction and disengagement.

This study investigates the impact of leadership style on employee satisfaction, aiming to identify the nature and strength of the relationship between these variables.

1.2 Research Problem

Despite the growing emphasis on leadership development, many organizations continue to face challenges related to low employee satisfaction, reduced engagement, and high turnover. Previous research suggests that leadership practices significantly influence employee satisfaction; however, findings vary across contexts and industries. Therefore, further empirical investigation is required to clarify how leadership style affects employee satisfaction.

1.3 Research Significance

Theoretical Significance

This study contributes to leadership and organizational behavior literature by empirically examining the relationship between leadership style and employee satisfaction.

Practical Significance

The results provide guidance for managers in adopting leadership behaviors that foster higher employee satisfaction, engagement, and retention.

1.4 Research Questions

1. Does leadership style significantly influence employee satisfaction?
2. What is the nature of the relationship between leadership style and employee satisfaction?

1.5 Research Objectives

1. To examine the impact of leadership style on employee satisfaction.
2. To analyze the relationship between leadership style and employee satisfaction.

1.6 Research Hypotheses

H1: Leadership style has a significant positive impact on employee satisfaction.

H2: Transformational leadership is positively associated with employee satisfaction.

H3: Transactional leadership has a moderate impact on employee satisfaction.

1.7 Research Model

Independent Variable (IV): Leadership Style

Dependent Variable (DV): Employee Satisfaction

Leadership Style → Employee Satisfaction

1.8 Scope of the Study

This study focuses on employees working within organizational settings. It examines employees' perceptions of leadership style and their satisfaction levels.

1.9 Project Structure

Chapter 1 presents the introduction, research problem, objectives, questions, hypotheses, and scope. Chapter 2 reviews the relevant literature. Chapter 3 outlines the research methodology. Chapter 4 presents statistical analysis and findings. Chapter 5 provides discussion, conclusions, limitations, and recommendations.

Chapter 2: Literature Review

2.1 Leadership Style

Leadership style represents the approach leaders use to influence, motivate, and direct employees. Transformational leadership emphasizes inspiration, vision, and employee development. Transactional leadership focuses on structured tasks, rewards, and performance monitoring. Laissez-faire leadership reflects minimal leader involvement.

2.2 Employee Satisfaction

Employee satisfaction refers to employees' overall evaluation of their job experiences, including work conditions, managerial relationships, and organizational support. High satisfaction levels are associated with improved performance, loyalty, and reduced turnover.

2.3 Leadership Style and Employee Satisfaction

Extensive research indicates that leadership style significantly influences employee satisfaction. Transformational leadership has been consistently linked with higher satisfaction due to its motivational and supportive nature. Transactional leadership demonstrates mixed effects depending on reward systems and organizational culture. Conversely, laissez-faire leadership is often associated with lower satisfaction levels.

Chapter 3: Research Methodology

3.1 Introduction

This chapter describes the methodology adopted to answer the research questions and test the hypotheses.

3.2 Operational Definitions of Variables

Leadership Style (Independent Variable): Measured through employees' responses to questionnaire items assessing leadership behaviors and managerial practices.

Employee Satisfaction (Dependent Variable): Measured through employees' evaluations of their job satisfaction using Likert-scale items.

3.3 Research Design (Research Onion)

- **Research Philosophy:** Positivist
- **Research Approach:** Deductive
- **Research Strategy:** Survey
- **Research Choice:** Quantitative
- **Time Horizon:** Cross-sectional
- **Data Collection & Analysis:** Questionnaire & Statistical Analysis

3.4 Research Population and Sample

Research Population

The research population consists of employees working within the selected organizational context.

Research Sample

A convenience sampling technique was applied to select respondents.

Sampling Technique

Non-probability – Convenience Sampling

3.5 Data Collection Method

Primary data were collected using a structured questionnaire distributed to employees.

3.6 Types of Data

- **Primary Data:** Questionnaire responses
- **Secondary Data:** Academic books, journals, and prior studies

3.7 Data Analysis Methods

Data were analyzed using SPSS (Version 28), including descriptive statistics, reliability analysis (Cronbach's Alpha), and regression analysis.

Chapter 4: Statistical Analysis & Findings

4.1 Introduction

This chapter presents statistical analysis and interpretation of results.

4.2 Sample Profile

Descriptive statistics were used to analyze respondents' demographic characteristics.

4.3 Reliability Analysis

Cronbach's Alpha was applied to ensure internal consistency of the measurement scales.

4.4 Descriptive Statistics

Descriptive analysis was conducted for all research variables.

4.5 Hypothesis Testing

Regression analysis was conducted to test the study hypotheses.

4.6 Discussion of Findings

The results were interpreted in relation to prior studies and leadership theories.

4.7 Conclusion

Summary of key statistical findings.

Chapter 5: Discussion, Conclusion & Recommendations

5.1 Discussion

The findings indicate that leadership style plays a significant role in shaping employee satisfaction. Supportive and motivational leadership behaviors contribute positively to employees' workplace experiences.

5.2 Conclusion

The study concludes that leadership style significantly influences employee satisfaction.

5.3 Research Limitations

- Limited sample size
- Cross-sectional design
- Reliance on self-reported data

5.4 Recommendations

- Encourage transformational leadership practices
 - Enhance leader–employee communication
 - Invest in leadership development programs
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Appendix: Questionnaire

Scale: 1 = Strongly Disagree → 5 = Strongly Agree

Leadership Style

1. My manager motivates employees effectively.
2. My manager communicates expectations clearly.
3. My manager provides support when needed.
4. My manager recognizes employee achievements.
5. My manager encourages professional growth.

Employee Satisfaction

6. I am satisfied with my job.
 7. I feel valued at work.
 8. I am satisfied with my work environment.
 9. I am satisfied with management practices.
 10. I would recommend this organization as a good place to work.
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Table of Research Instruments

Variable	Number of Items	Source
Leadership Style (IV)	5	Developed by Researcher
Employee Satisfaction (DV)	5	Developed by Researcher

References

- Bass, B. M. (1985). *Leadership and performance beyond expectations*. Free Press.
- Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership. *Journal of Applied Psychology*.
- Robbins, S. P., & Judge, T. A. (2017). *Organizational Behavior*. Pearson.