

## **Effect of Leadership on the Employee Satisfaction and Attitude in the Automobile Distributing Firms**

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### **Abstract**

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Leadership in the contemporary world is about leading the ever-changing business environment with sheer resilience, courage, honesty, and integrity. This paper examines the relationship between leadership style, role, and functioning of the organization effectively and scientifically as well as explores the relationship between leadership style and employees' satisfaction with their job. The research paper is based on primary data based on a survey of managerial-level and middle-level employees of automobile industries through a structured questionnaire. All the collected data were analyzed using descriptive and inferential statistics with the assistance of SPSS version 20. Results revealed that the leadership style has a significant influence on the smooth functioning of the business firms as it affects the employees' satisfaction. Leaders demonstrate a democratic leadership style that makes workers happy at work and fosters favorable attitudes toward both the organization and their work.

*Keywords:* effective leadership, smooth operation, managerial role, job satisfaction, positive attitude

## Introduction

An organization achieves success through the strides of an effective leader influencing and inspiring the behavior of employees. Leaders' styles and approaches influence employees so that they attempt their jobs, targets, and goals willingly and strongly towards achievement under requirements (Poudel & Pradhan, 2016). Leadership traits that define the leadership style and approach that can organize employees' efforts for the achievement of a common purpose through effective operations. Effective leadership is crucial at all levels of an organization from the executive level to the front-line staff (Brown, 2018; Davis et al., 2021) because of their clear vision regarding organizational objectives and strategies to be implemented.

Organizations with effective leaders are more likely to achieve their goals, experience a high level of employee engagement, and retain talented staff (Adams et al., 2021). Effective leaders understand the human worth of each member of their team and place a high value on teamwork and camaraderie. They foster a supportive and encouraging work atmosphere where team members collaborate to achieve a common objective and employees feel appreciated and supported. Furthermore, effective leaders emphasize collaborative participation in decision-making. More specifically, effective leaders have more to do with the interpersonal aspects of the jobs, for effective management functions, i.e., planning, organizing, and controlling (Singh, 2018). They are needed to develop comprehensive strategies, establish effective organizational structures, and supervise daily operations (Uysal, 2021), goal setting, and goal achievement (Krause, 2003; Stogdill, 1950).

In addition, the secondary objectives focus on developing a mission for the competitive growth of the organization as well as visualizing and creating a workable realistic strategy for the achievement of the goals. Furthermore, effective leadership focus on innovation catapults growth and faces challenges in the form of resistance to change (Poudel & Pradhan, 2016). This study, thus, examines the effect of leadership on employee satisfaction and business operation in automobile distributors. Further, this study identifies the leadership approach of involvement, productivity motives, motivation orientation, growth orientation, and customer satisfaction in automobile distributors.

## **Review of Literature**

Leaders engage in persuasive behavior as a means of gaining follower's compliance toward some desired goal attainment (Choudhury, 2013). They become effective not only by task and people orientations but also by the interaction between them (Tope, 2001). Working with others, acting as a coach, mentor, motivator, and/or role model, making difficult decisions, and comprehending organizational dynamics are just a few of the unique abilities required to succeed in leadership roles. Effective leaders have competencies in organizing, leading, monitoring, and collaborating with others (Avolio et al., 2005).

A company's structure with centralization, and formalization dimensions, as well as the behavior of its leaders whether it can be transformational or transactional, can have a significant impact on job alienation i.e., powerlessness, meaninglessness, and self-estrangement (Sarros et al., 2002). To prevent followers from misinterpreting a leader's behavior, leaders should be aware of their motivations, comprehend how those motivations influence the leadership style chosen for a particular leader-follower interaction, and reveal to followers the motivation behind the behavior.

Merrill-Sandsis and Miller (1988) focused on identifying those leadership styles that affect the organization in their growth and the growth of employees also in corporate and different institutes. These might relieve some of the unconcealed discrimination against employees in the workplace, but they have little effect on the assumptions that drive leaders' behavior and create the structures, systems, and processes that reinforce and reproduce equity which ultimately influences the employees' satisfaction and attitude (Krause, 2003). Taking references from these studies, this study investigates the effect of leadership on employee satisfaction and business operation in automobile distributors.

## **Method**

The recallable information for this study was collected using structured questionnaires. Structured questionnaires were divided into two parts; the first part deals with the leadership style in his management and the second part deals with the profile and the opinions of the respondents regarding the leadership style. Out of various organizations, twenty-five managerial-level employees and fifty middle-level employees of two organizations were selected using purposive sampling. Respondents were selected as per their departmental hierarchy level. The questionnaire was designed

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to know middle-level employees' opinions on focusing on the leadership style for the smooth functioning of the organization. Questions were prepared in the English language considering simplicity which helped respondents understand the sense of the questions easily. A separate questionnaire was presented to the managers and middle-level employees to examine their satisfaction and attitude caused by the leadership style of their managers. Job satisfaction, career growth satisfaction, motivation for purpose, positive attitude towards the job, involvement in the decision-making process, and enhanced productivity were the major variables used to measure the satisfaction of employees. The collected data were entered into the database and evaluated through various statistical tools using computer software.

### Results and Discussion

The first set of separate questionnaires was prepared to find out the leadership functions applied in their organization for smooth functioning.

**Table 1**

*Demographic profile of the leader respondents*

Variables	Category	Frequency	Valid Percent
Gender	Male	18	72
	Female	7	28
Age	35-40	8	32
	40-45	12	48
	45-50	5	20
Qualification	Above Master	4	16
	Master Degree	19	76
	Bachelor Degree	2	8

In this survey, information was collected from 25 respondents. Among the respondents, 72% were male and 28% were female managers. Likewise, the difference between the maximum and minimum age of respondents was 15 years. The minimum age of respondents is 35 years and the maximum age of respondents is 50 years. Furthermore, out of 25 respondents, 16% held above Master's degree education, 76% were Master's degree holders and 2% were Bachelor's degree holders.

**Table 2***Descriptive statistic analysis.*

	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction	25	1	2	1.52	.510
Involvement	25	1	2	1.52	.510
Productivity	25	1	2	1.56	.507
Motivation	25	1	2	1.52	.510
Career Growth	25	1	2	1.40	.500
Positive Attitude	25	2	2	2.00	.000

Table 2 shows the result of descriptive statistics on this survey. The questions contain about leadership roles in day-to-day operations for smooth functioning. The mean and standard deviation are 1.52 and 0.510 for the satisfaction of employees with their job. Employees' average response to the leadership role is indicated by the mean of 1.52, and the degree of variance or dispersion in these responses around the mean is indicated by the standard deviation of .510. Thus, while individual responses vary somewhat, average employees appear to have a generally good view of their leadership role.

The mean and the standard deviation of involvement in decision-making are 1.52 and .510 respectively and so on. The standard deviation of the positive attitude of employees about their leadership role is "0", which means there is no variability among the values that all the values in the data set are the same, and thus have no deviation from the average.

**Table 3***Reliability statistics*

Cronbach's Alpha	N of Items
.716	6

Table 3 provides evidence of the reliability statistics of the data. It presents the output of Cronbach's Alfa of six variables i.e. satisfaction, Involvement in decision-making, Enhancing productivity, Motivation for employees, career growth, and positive attitude. The value of Cronbach's alfa is more than .70 which means the value indicates greater internal consistency reliability among the six variables.

**Table 4***Demographic profile of the mid-level respondent*

Variables	Category	Frequency	Valid Percent
Gender	Male	39	78
	Female	11	22
Age	25-30	18	36
	30-35	26	52
	35-40	6	12
Qualification	Master Degree	16	32
	Bachelor Degree	22	44
Department	Bachelor Running	12	24
	Marketing	11	22
	Finance	8	16
	Human Resources	7	14
	Sales	24	48

In this survey, information was collected from 50 respondents (middle-level employees). Among the respondents, 78% were male and the remaining 22% were female employees. Likewise, the difference between the maximum and minimum age of respondents was 15 years. The minimum age of respondents was 25 years and the maximum age of respondents was 40 years. Furthermore, out of the total respondents, 32% were master's degree holders, 44% were Bachelor's degree holders, and 24% were pursuing Bachelor's degrees. Similarly, the respondents were from different functional departments: 22% were from the marketing department, 16% were from the finance department, 14% were from the Human resources department, and 48% were from the sales department.

**Table 5***Reliability statistics*

Cronbach's Alpha	N of Items
.734	6

Table 5 provides evidence of the reliability statistics of the data. It presents the output of Cronbach's Alfa of six variables i.e. satisfaction, Involvement in decision-making, Enhancing productivity, Motivation for employees, career growth, and positive

attitude. The value of Cronbach's Alfa was observed to be .734 which is greater than .70, fulfilling the evidence of sufficient condition for reliability.

**Table 6**

*Test of association between variables*

	Satisfacti on	Involveme nt	Producti vity	Motivati on	Gro wth	Attitu des
Satisfaction	1					
Involvement in decision- making	.412**	1				
Enhanced productivity	0.071	-0.173	1			
Motivated to the purpose	.852**	.408**	0.207	1		
Career growth	.418**	.389**	0.137	.474**	1	
Positive attitudes	.319*	0.236	.314*	.400**	.346 *	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed).

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

Table 6 shows the correlation between satisfaction and leadership styles. Some of the variables have positive relations whereas some have negative relations. Some of the variables like involvement in decision making and satisfaction, motivation and satisfaction, etc correlate significantly at the 0.01 level and some like satisfaction and positive attitude, productivity and positive attitude etc are significant at the 0.05 level. Productivity has a negative correlation with involvement in decision making whereas it has a positive correlation. There could be a causal relationship between productivity and decision-making involvement, organizational dynamics, or ineffective communication routes, leading to a negative association.

## Discussion

This study used descriptive statistics to calculate the mean and standard deviation. It showed that the leaders involve their employees in decision-making procedures and conduct training and development programs for the career growth of the employees. The analysis of mean and standard deviation showed that leaders are relationship-oriented and formulate a democratic style of leadership. This corroborates a study by Assar and Peter (2016) who revealed that the transformational leadership style has the greatest effects and significant relationship on all outcome variables.

Likewise, the next set of questionnaires was prepared for the 50 middle-level employees to know their responses about their leadership style in their workplace. A reliability test was conducted for the analysis of the data collected from the questionnaires and discussion. Cronbach alpha of six variables is .734 which is greater than .7 which means data are error-free and ensure consistent measurement across time. Alfa was found to be .691 and it was accepted as it was said, that if the values are above .65, they will be accepted. It was assumed that the factors of the variables were sufficiently valid and reliable.

Correlation is calculated to know the relationship between dependent variables (job satisfaction, productivity, job involvement, positive attitude, motivation, and organizational commitment) and independent variables (organization). It was found that all the variables were correlated with each other except productivity. However, productivity has a causal relationship with other variables however there was mutual dependence between the variables, and these correlate with each other due to pure chance. There was a correlation between dependent and independent variables.

While calculating R Square it is found to be .469 which indicates that the independent variables in the regression model account for roughly 46.9% of the variance in the dependent variable. 53.1% of the variance remains unexplained or can be attributed to non-model-related factors. The P-P plot clarifies that the data set fits a particular model. The cumulative distribution functions against dependent and independent variables are similar, so the data appears to be nearest to the straight line.



## **Conclusion**

This study shows the significant influence of leadership style on the smooth functioning of the organization. The relationship behavior and democratic style of leader create job satisfaction and motivation for the employees which leads to high productivity in a systematic manner as well as career growth of employees. A positive attitude is at a high level through the effective motivational factors regarding leaders' behavior. Leaders are role models of the better performance of the employees. Leaders permeate all levels of an organization to ensure the smooth functioning of the individual teams, on their together. Productivity and involvement in decision-making have negative relations because of a causal relationship between each variable. This outcome, the leader has to involve their subordinate in the decision-making process effectively. A finding of R square shows that 46.9% of the variability in the dependent variable can be explained by the independent variables. The leader should focus on other variables like organizational citizenship behavior, effective communication, training and development, etc which can reinforce their subordinate for better performance. In addition, the leader should interact with his/ her team members frequently as well and a leader should monitor his team members regularly because changing business environment may have negative consequences for the smooth functioning of the organization. This paper shows that the leaders of automobile distributing firms show a democratic leadership style that provides satisfaction to the employees in their workplace and creates positive attitudes towards their job and organization too.

## **Implication**

Applying the effective leadership role the manager should play a vital role and take care of the employees in various managerial aspects. Managers should involve their subordinates in the decision-making process and emphasize their ideas and innovations as well as managers conduct various training and development programs whenever required on the behalf to uplift the performance, positive attitude, and career growth of their subordinates. So, the employees appreciate their manager's way of formulating tasks. Employees accept their manager as a role model. If all the employees are satisfied with their leadership role then as a result there will be high productivity, low absenteeism, organizational citizenship behavior, low employee turnover, and work-life balance. A leader's success and failure depend on the subordinate's performance. Therefore there will be smooth functioning of the organization if the leadership role is effective.

## Appendix A

### Assessing your leadership style

Statement	A L T	F T	O T	S T	A N T
<ul style="list-style-type: none"> <li>• I always retain the final decision-making authority within my department or Team.</li> <li>• I always try to include one or more employees in determining what to do and how to do it. However, I maintain the final decision-making authority.</li> <li>• In my management, employees always vote whenever a major decision has to be made.</li> <li>• I do not consider suggestions made by my employees as I do not have the time for them.</li> <li>• I ask for the employee's ideas and input into upcoming plans and projects.</li> <li>• I organize the training and development programs whenever necessary to uplift the overall organizational performance and employee careers.</li> <li>•</li> </ul>	✓				

Sources: [www.stellarleadership.com](http://www.stellarleadership.com)

Where,

A L T = Almost always True

F T = Frequently True

O T = Occasionally True

S T = Seldom True

A N T = Almost Never True

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## Appendix B

### Questionnaire for measuring middle-level employees' response

Statement	H D	D	M	S	H S
<ul style="list-style-type: none"> <li>• I am satisfied with my leadership role</li> <li>• My leader is providing an opportunity to participate in the decision-making process.</li> <li>• Due to the leadership role, there is a high turnover in productivity.</li> <li>• Leadership role motivate me in my workplace.</li> <li>• There are high possibilities for career growth in my profession.</li> <li>• I view my responsibilities and organization system positively.</li> </ul>				✓	

*Sources: Likert scale questionnaire*

Where,

H D = Highly Dissatisfied

D = Dissatisfied

M = Moderate

S = Satisfied

H S = Highly Satisfied

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The author declares no potential conflicts of interest concerning the research, authorship, and/or publication of this article.

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