

THE EFFECTS OF LEADERSHIP STYLE ON EMPLOYEES JOB SATISFACTION IN MINISTRY OF REVENUE

**A RESEARCH SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF JIMMA
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Declaration

I, the undersigned, declare that this study entitled “The effect of leadership style on employee job satisfaction in Ministry of Revenue” is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

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Certificate

This is to certify that this study, “The effect of leadership style on employee job satisfaction in Ministry of Revenue”, undertaken by LWAM GONCHE for the partial fulfillment of the Requirements for the award of Degree of Master of business Management at Addis Ababa ABH compass, is an original work and not submitted earlier for any degree either at this University or any other University.

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**JIMMA UNIVERSITY FACULTY OF BUSINESS AND ECONOMICS
MASTERS OF ARTS IN BUSINESS ADMINISTRATION**

**The effect of leadership style on employee job satisfaction in
Ministry of Revenue**

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List of Abbreviation

MOR = Ministry of Revenue

SPSS = Statistical Package for Social Science

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Abstract

The purpose of this study was to assess the effects of leadership style on employee job satisfaction in Ministry of Revenue Addis Ababa area based on path goal leadership theory. The study employed explanatory research design and both quantitative and qualitative research methods employed. Primary and secondary sources of data were used in the study. In addition the study employed a stratified random sampling method to collect data from professional employees of Ministry of Revenue found in branches under the four districts of Addis Ababa and head office. The total population of the study was 2451, from this, 344 questionnaires were distributed and 315 (91.56%) usable questionnaires were obtained valid and used for further analysis. The collected data was analyzed using SPSS software version 22. In addition, to analyze the collected data descriptive statistics (frequencies, means & standard deviations), and multiple regression analysis were used. The finding of this study indicated that job satisfaction of MOR employees is significantly affected by the two types of leadership style (transformational and transactional) in addition, it was found that transformational leadership style has a significant effect on job satisfaction of MOR employees than transactional. It is also indicated that currently the most dominant type of leadership is transformational leadership style. Accordingly the researcher forwarded the following recommendation. Ministry of revenue Addis Ababa leaders are to adopt the transformational leadership style, if they want to improve and increase job satisfaction and which will lead to increase organizational outcomes.

Key words: leadership style, job satisfaction

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Every organization strives to be the strongest company in its industry. This competitive edge is dependent upon the availability of resources and their most effective usage. Organization assets may fall in various categories, like physical, financial and human resources. Human resource is considered to be the most vital and useful asset, as other assets can be exploited with the proper use of human resources (Lee & Ahmad 2009).

Employee satisfaction is essential to the success of any business. High rate of employee contentedness is directly related to a lower turnover rate and productivity. Thus, keeping employees" satisfied with their careers should be a major priority for every employer (Landy, 1989).

Employee satisfaction is a measure of how happy workers are with their job and working environment keeping morale high among workers will be more likely to produce more. There are many factors in improving or maintaining high employee satisfaction, which wise employers would do well to implement (Emery and Barker 2007).

Among determinants of job satisfaction, leadership is viewed as an important predictor and plays a central role (Bass, 1990). (Wilderom, Berg & Peter 2004) believes leadership style has a direct effect on the relations between superiors and subordinates, thus affecting performance, job satisfaction and commitment and the organization's total coherence.

A leadership style is defined as a pattern of style leaders prefer to use (Chiok, 2001). While, (Mosadeghrad, 2003) views leadership style as a series of attitudes, characteristics and skills used by a manager in different situations in accordance with individual and organizational values. Managers use different styles in different situations with different subordinates to motivate them to perform at their utmost potential (Kreitner, 2008).

Leadership theories have proposed several leadership styles. This study is based up on the path goal leadership theory. Path goal leadership theory is the most sophisticated and contingent

leadership theory. It categorizes leadership style in to four; that is. Directive, supportive, participative, and achievement oriented (Mosadeghrad and Yarmohammadian, 2006).

Therefore, among different factor that affect job satisfaction this study was aimed to identify the leadership style effect on employee job satisfaction in Ethiopian Ministry of Revenue. In addition the current satisfaction level of MOR employees with the leadership style of the organization will be analyzed.

1.2 Statement of the Problem

The achievement of organizational objectives largely depends on managers and their leadership style. The use of a particular leadership style by manager affects both job satisfaction and productivity of the employees (Chiok, 2001).

In today organizations There are different types of leadership style according to (Fiedler,1967) leaders are either human relations-oriented or task-oriented, His theory states that task oriented leaders are more effective in extreme situations, such as those found in mergers and acquisitions work and manufacturing, while human-relations oriented leaders are more effective in middle-ground situations.

From researcher's observation and informal interview held with the employees illustrate the existence of problems connected to superiors like unreasonable employee release, delaying promoted employee, excessive supervisory commands, little interest in feelings of subordinates, communication and decision making problems. However, the source available in the Ministry of Revenue shows that the MOR has not yet undertaken a survey or any assessment related to leadership style.

On the other hand, though different researches are conducted on different issues in the MOR to the best of researcher's knowledge there is no specific empirical evidence that comment on the leadership style of managers on employee satisfaction in MOR. Therefore doing this study might help to know which leadership style affects the employees job satisfaction in ministry of revenue in Addis Ababa city.

1.3 Research questions

The study addresses the following research questions:-

- To what extent do transformational and transactional leadership styles relate with job satisfaction dimensions (inner and outer)?
- To what extent do transformational and transactional leadership affects overall job satisfaction?

1.4 Objectives of the study

1.4.1 General Objectives

The general objective of the study is to assess the effect of leadership style on employee job satisfaction in MOR employees.

1.4.2 Specific Objectives

Specifically the objective of the study includes the following

- To assess transformational and transactional leadership style and its effect on overall job satisfaction.
- To determine the effect of transformational and transactional leadership on (inner and outer) job satisfaction.

1.5 Significance of study

The outcomes of this research have great significance especially for MOR in the following ways. First, it may identify the style of leadership being exhibited at branch level which in turn is critically important in crafting strategy with the style of leadership for its implementation in mind. Second Knowing the existing situation will be in turn significant as it helps to point out any weakness and strength of the issue under study and gives practical picture of the efforts that have been made to improve. Third, this study may add to literature with regard to determining the effect and relationship of the various leadership styles and employee job satisfaction. Last but not least, this research may be used as a spring board for other researches to be conducted on leadership related issues in Ethiopia in general and MOR in particular.

1.6 Scope of the Study

Generally this vital element, Job satisfaction, can be affected by various organizational and non-organizational factors. Among a number of variables affecting job satisfaction this study focused on leadership style effect on job satisfaction and focus on professional employees of MOR Located in Addis Ababa Ethiopia. In this study the independent variable of the study is leadership style i.e. transactional and transformational leadership style and job satisfaction as dependent variable.

1.7 Limitation of the study

In conducting this study, the researcher faced some constraints in administering the data collection process and also doing the analysis. Some of the curb was all the distributed survey questionnaires is not return; some the respondents not fill their responses to the entire items question or they were not give a genuine response. Regarding the limitations, the researcher at most effort do her best to overcome these challenges by explaining the purpose of the research to the respondents and also by assuring the confidentiality of the response.

1.8 Organization of the Study

The study was organized in five chapters. The first chapter was constitutes introduction part. The second chapter was about review of related literature and conceptual framework. The third chapter was present research methodology. And the fourth chapter was data analysis and interpretation. Finally the last chapter was present discussion, recommendation and conclusion.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 The concept of job satisfaction

Spector (1997) refers to job satisfaction in terms of how people think about their job and different aspects of their job. Ellickson and Logsdon (2002) support this view by defining job satisfaction as the extent to which employees like their work. Defining job satisfaction is sentimental or emotional towards various aspects of an employees work.

The most widely accepted explanation of job satisfaction was presented by Locke (1976), who defined job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (Locke, 1976, p.1304). Additionally, job satisfaction has emotional, cognitive, and styleal components. The emotional component refers to feelings regarding the job, such as boredom, anxiety, or excitement. The cognitive component of job satisfaction refers to beliefs regarding one's job, for example, feeling that one's job is mentally demanding and challenging. Finally, the styleal component includes people's action in relation to their work, which may include being tardy, staying late, or pretending to be ill in order to avoid work (Bernstein & Nash, 2008). Most definitions cover the affective feeling an employee has towards their job. This could be the job in general or their attitudes towards specific aspects of it, such as: their colleagues pay or working conditions (Lane, 2010).(Vecchio,2000) defined job satisfaction as one’s feelings and thinking towards his/her work. As in the case of other attitudes, one’s attitude towards job is greatly influenced by the experience, especially stressful experiences. Similarly, an employee’s expectations about the job and communications from others can play an important role, a person’s level of job satisfaction.

Job satisfaction is important for reducing turnover rate and increase motivation. Prior studies identified that there are different instruments for managing job satisfaction like pay, recognition and work environment (Mathauer et al, 2006). Job satisfaction is very important not only for employees but also for the success of the organization (Lim, 2008) because if an employee is not satisfied with his job then he will not be loyal with the organization (Reed et al, 1994). According to Galup, Klein, & Jiang (2008), successful organizations normally have satisfied employees while poor job satisfaction can cripple an organization.

2.2 Theories and models of job satisfaction

Job satisfaction theories have a strong overlap with theories explaining human motivation. The most common and prominent theories in this area include: Maslow's needs hierarchy theory; Herzberg's motivator-hygiene theory; the Job Characteristics Model; and the dispositional approach. These theories are described and discussed below

2.2.1. Two-factor theory (motivator-hygiene theory)

Frederick Herzberg's (1957) two-factor theory attempts to explain satisfaction and motivation in the workplace. This theory states that satisfaction and dissatisfaction are driven by motivation and hygiene factors, respectively. Hygiene factors are features of the job such as policies and practices, remuneration, benefits and Work condition, Hygiene factors need to be tacked first and the motivator can follow the following are hygiene factors (extrinsic), Effective senior management, Effective supervisor, Good relationship with co-workers, Satisfaction with salary, Job security, Working condition, Satisfaction with benefits. According to Herzberg motivators include job content such as responsibility, achievement, self-esteem, growth and autonomy. This satisfies high order needs and can result in job satisfaction (Hoskinson, Porter,& Wrench, p. 133).According to Herzberg (1967) as quoted in Ukaegbu (2000), intrinsic elements of the job are related to the actual content of work, such as recognition, achievement and responsibility. These were referred to as 'motivational' factors and are significant elements in job satisfaction. Whereas extrinsic factors as elements associated with the work environment, such as working conditions, salary, class size, staff assessment and supervisory practices, and benefits

2.2.2 Hierarchy of needs

Although commonly known in the human motivation literature, Maslow's needs hierarchy theory was one of the first theories to examine the important contributors to job satisfaction. The theory suggests that human needs form a five-level hierarchy (Figure 1) consisting of physiological needs, safety, belongingness/love, esteem, and self-actualization. Maslow's hierarchy of needs postulates that there are essential needs that need to be met first (such as, physiological needs and safety), before more complex needs can be met (such as, belonging and esteem) (Stephen p.robins, 1998).

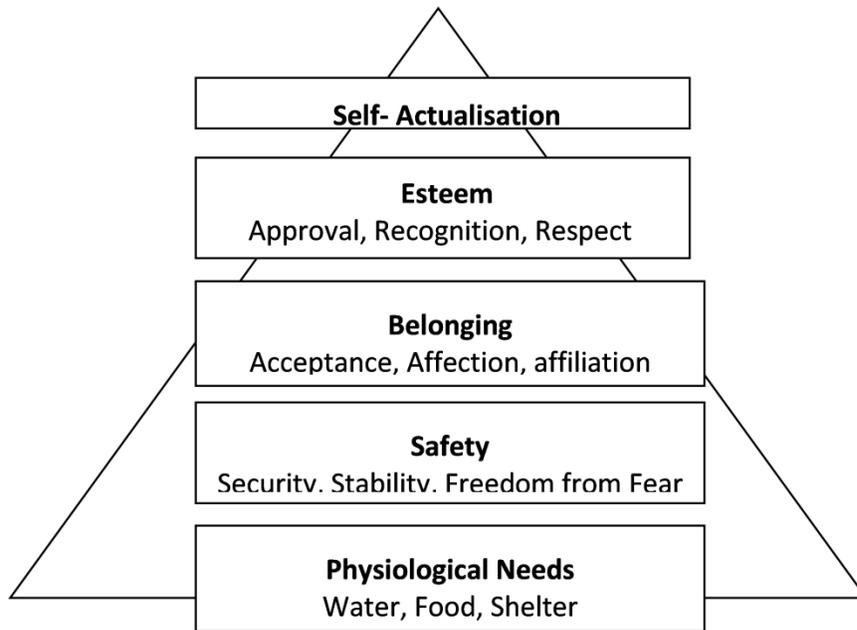


Figure 1: Maslow’s Five-level hierarchy (1943)

Maslow’s needs hierarchy was developed to explain human motivation in general. However, its main tenants are applicable to the work setting, and have been used to explain job satisfaction. Therefore, organizations looking to improve employee job satisfaction should attempt to meet the basic needs of employees before progressing to address higher-order needs (Field, 2008).

2.2.3 The Expectancy Theory

Expectancy theory is about the mental processes regarding choice, or choosing. This expectancy theory, proposed by (Victor Vroom, 1964), focused on workers’ individual specific motivation in the organization. The theory indicated that, based on the strength of the workers’ expectancy of outcome and the attraction of the outcome after the workers acting, the workers decide to take their actions. Therefore, once workers believe that desired outcome will be obtained after hard work, and that they will receive a reward from their companies after the desired outcome is reached, workers will make full effort in their jobs to reach the goal of the organization (Vroom, 1964).

2.2.4 Equity Theory

This theory was developed by, John Stacey Adams, workplace and styleal psychologist, in 1963. According to Adams (1965) the focus of the theory is on the exchange relationship where individuals give something and expect something in return. What the individual gives is called

inputs. On the other side of the exchange, is what the individual receives, called outcomes. The third variable in addition to inputs and outcomes is called the reference person or group. This reference group can be a coworker, relative, neighbor, or group of coworkers. It may even be the person himself in another job or another social role.

2.2.5 Job Characteristics model

In relation to the job characteristics approach, research has revealed that the nature of an individual's job or the characteristics of the organization that the individual works for predominantly determines job satisfaction (Jex, 2002). According to (Hackman & Oldham 1980), a job characteristic is an aspect of a job that generates ideal conditions for high levels of motivation, satisfaction, and performance. Furthermore, (Hackman & Oldham, 1980) proposed five core job characteristics that all jobs should contain (skill variety, task identity, task significance, autonomy, and feedback). Hackman & Oldham (1980) also defined four personal and work outcomes (internal work motivation, growth satisfaction, general satisfaction, and work effectiveness). These characteristics have been added to the more popular dimensions of job satisfaction assessment the work itself, pay, promotional opportunities, supervision, and co-worker relations (Smith, Kendall, & Hulin, 1969).

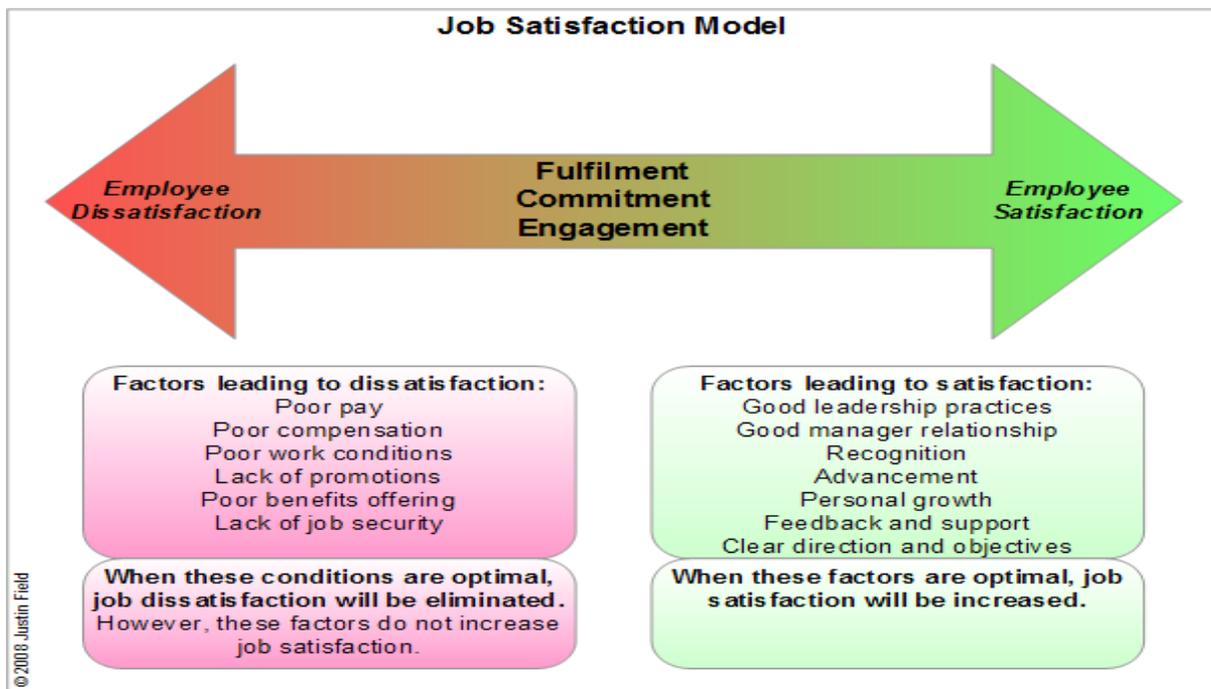


Figure 2: Job Satisfaction Model (Field, 2008)

2.2.6 Factors affecting Job Satisfaction

Several factors such as pay, promotion, autonomy, working conditions, coworkers, supervisory support etc. influence employee job satisfaction. Irvine et al, (1995) have highlighted the importance of work characteristics (routine, autonomy and feedback), how the work role is defined (role conflict and role ambiguity) and work environment (leadership, stress, advancement opportunities and participation) in relation to job satisfaction.

Job satisfaction consists of overall or general job satisfaction, as well as a variety of satisfaction facets (Cranny et al., 1992; Friday & Friday, 2003). It is influenced by various factors such as supervisors' displays of nonverbal immediacy, communication satisfaction, effects of gender and supervisors' communication style (Madlock, 2006 Richmond et al, 1980, Hilgerman, 1998).

Lee & Ahmad (2009) found that job satisfaction affects levels of job dissatisfaction, absenteeism, grievance expression, tardiness, low morale, high turnover, quality improvement and participation in decision-making.

Kalleberg, (1977) proposed that job satisfaction consists of two components. These are intrinsic (working assignment) and extrinsic (working condition). Working condition is the job environment which encompasses the relationship with management function, mentoring system, and others. Poor working conditions, inefficient work organization, inadequate staffing, and managerial practices will affect staff turnover and perceptions of the organization and work (Banaszak & Hines 1996). Therefore, the good working condition as a key factor for workers to develop a value, improve job performance and increase staff retention in organization. As for the work assignment, it refers to the duty given to employees so that they should implement their job with a commitment and productive (Kalleberg, 1977).

2.3 The concept of leadership

Leadership is a universal human phenomenon which is practiced in almost every institution. The term is defined by many scholars by looking at it from various Perspectives. According to (Fiedler) 1967 leadership is "Inter personal relationship in which power and influence are unevenly distributed so that one person is able to direct and control the actions and styles of others to a greater extent." according to (Stogdill) 1948 "Leadership is the process of influencing the activities of an organized group in its Efforts toward goal setting and goal achievement." (YukI & Fleet)1992 "Leadership is a process that includes influencing task objectives and

strategies, influencing commitment and compliance in task style to achieve these objectives, influencing group maintenance and identification, and influencing the culture of an organization.”

The globalization resulting in the growth and spread of multinational corporations (MNCs) calls for the need to study management practices in diverse social and cultural perspective (Budhwar, 2003). While, affecting the socio-cultural environment, such changes also significantly influence managerial philosophies (Chauhan, dhar&pothak 2005). Since organizations are social systems and human resources are the most important factors of the organizational efficiency and effectiveness. These changes and developments have implications both for the corporation and their leaders. Tordera, Gonzalez &peiro, (2008) considers leadership as an important construct for the positive work outcomes which ensures a satisfied and motivated workforce. While, Vecchio, justin&pearce (2008) believe that in the path-goal theory, leadership has been recommended as an antecedent to several workplace outcomes such as subordinate job satisfaction.

2.3.1 Leadership

Leadership is a subject that has generated equal interest among scholars and masses. The question of leaders’ effectiveness remained unanswered for a long time but scientific research carried out in twentieth century has tried to define and analyze leaders’ effectiveness (Howieson, 2008). Leadership is the process of influencing the activities of individuals or organized groups towards the achievement of certain goals and objectives. Jolson et al. (1993) described leadership as the capability to influence the performance of followers. Thus a leader must deal directly with people, develop rapport with them, persuade and inspire them to collaborate in the achievement of goals and vision. Leaders need to show courage, integrity, compassion, vision, contribution and ethical stance. Further, they should be able to judge as how people feel, what motivates them, and how to influence them in the achievement of organizational objectives. Daft (2005) defined leadership as an influence relationship among leaders and followers who intend real changes and outcomes thus reflecting shared purposes.

2.3.2 Leadership Theories

Doyle & Smith (1999) divided leadership theories into four categories: trait theory, style theory, contingency theory, and transformational theory. While Burmeister (2003) divided leadership theories into three eras: the trait era (late 1800s-1940s); the style era (1940s-1970s); and the

contingency era (1960s to present). The propagators of trait theory believe that leaders were born and not made and such an approach was called Great-man approach and leaders were believed to possess certain qualities that lead them to greatness (Daft, 2005). The inability of the Trait Approach to define specific traits differentiating between successful and unsuccessful leaders led researchers to investigate other variables such as style or actions of a leader (Hellriegel& Slocum, 2007 and Luthans, 2008). The contingency theory maintains that effective leaders need to modify their styles according to given situation (Burmeister, 2003).

2.3.4 Leadership Style

The achievement of organizational goals largely depends on managers and their leadership style. The use of a particular leadership style by manager affects both job satisfaction and productivity of the employees. A leadership style is defined as a pattern of style leaders prefer to use (Marie et. al, 2011). While, Mosadegh (2003b) views leadership style as a series of attitudes, characteristics and skills used by a manager in different situations in accordance with individual and organizational values. Managers use different styles in different situations with different subordinates to motivate them to perform at their utmost potential. Several studies have been conducted to examine the impact of leadership styles on organizational outcomes (Kreitner, 2008). Leadership theories have proposed several leadership styles such as: autocratic, bureaucratic, laissez-faire, charismatic, democratic, participative, situational, transactional, and transformational leadership. But there is consensus among researchers that a particular leadership style will yield result in a particular situation. In other words, a single leadership style is not ideal for every situation. And a leader may be more effective in a particular situation but may not emerge as effective a different situation (Mosad&Yarmohammadian, 2006).

Transformational leadership

Like charismatic leaders, transformational leaders inspire others. However, unlike the former leadership style, this style does not require the leader to be present to effect change, because the leader initiates transformation through the organization and motivates employees to perform.

Transformational leadership demands a high level of productivity and involvement from employees. While this style can go a long way in effecting real change, it may overuse some employees to the detriment of others. Transformational leaders also risk setting too-high, unrealistic expectations for team members.

Transactional leadership

Transactional leadership stems from the notion that employment and specific projects are a transaction: When an employee accepts a job, she agrees to “obey” the leader and complete the tasks and duties as assigned, and will be compensated in exchange for her efforts. Workers may be rewarded or punished based on their performance.

Roles are well-defined, and people who are ambitious and respond to rewards are likely to do well under this kind of leadership. Additionally, this leadership style establishes a clearly-defined structure that enables the organization to meet short-term goals. However, transactional leadership does not allow for much innovation or creativity in employees. It also establishes a rigid structure that may not respond well to change.

Laissez- Faire Leadership and Job Satisfaction

Little or no involvement by the leader could enhance autonomy and empowerment of followers to accomplish goals, thereby leading to their self-development and progress, which is supported by the job characteristics model of Oldham and Hackman. Followers, in this case, are afforded the opportunity to make decisions in order to shape their work environment to satisfy individual needs. Cilliers, Eden and Deventer (2008:255) also agree that laissez-faire leadership affords followers the possibility of self-management. They view the process of avoidance by the leader as an opportunity for followers to work unsupervised and become leaders in their own way, through self-development. Madlock (2008:65) argues that inadequate supervision, as in the case of the laissez-faire leader, could result in weak interpersonal relationships, resulting in low employee satisfaction and productivity levels which are supported by Herzberg’s Two-Factor Theory.

2.4 The Relation between Leadership Style and Job Satisfaction

Leadership is viewed as an important predictor of organizational effectiveness and employee job satisfaction. Studies have shown that different leader styles affect the work outcomes such as job satisfaction differently so Kahai et al., 1997 have reported higher level of job satisfaction under directive leadership style when task was highly structured and under supportive style when task was highly unstructured. While, Kim (2002) identified a positive relationship between

participative leadership style and employees' job satisfaction. There is a positive correlation between leadership and employee job satisfaction (Malik, 2011; Yousef, 2006; Berson and Linton, 2005; Seo et al., 2004; Nissa, 2003; Mosadeghrad, 2003a; Vance and Larson, 2002; ChiokFoongLoke, 2001; Dunham-Taylor, 2000; Stordeur et al., 2000; Hespanhol et al., 1999; Morrison et al., 1997; Lowe et al., 1996; Martin, 1990). Downey et al., 1975;

2.5 Empirical Review of Related Literature

Different studies have been made regarding the effect of leadership on job satisfaction. In this section studies have been reviewed from two dimensions. First studies reviewed from various perspectives and then based up on path goal leadership theory to illustrate the effects of leader style on job satisfaction.

The Hawthorne studies, which were conducted by Elton Mayo and Fritz Roethlisberger in the 1920s with the workers at the Hawthorne plant of the Western Electric Company, were part of an emphasis on socio-psychological aspects of human style in organizations. Hawthorne researchers hypothesized that choosing one's own coworkers, working as a group, being treated as special (as evidenced by working in a separate room), and having a sympathetic supervisor were reasons for increases in worker productivity. The Hawthorne studies found that monetary incentives and good working conditions are generally less important in improving employee productivity than meeting employees' need and desire to belong to a group and be included in decision making and work. The studies originally looked into whether workers were more responsive and worked more efficiently under certain environmental conditions, such as improved lighting. The results were surprising, as Mayo and Roethlisberger found that workers were more responsive to social factors such as the people they worked with on a team and the amount of interest their manager had in their work than the factors (lighting, etc.) the researchers had gone in to inspect. The Hawthorne studies helped to conclude that workers were highly responsive to additional attention from their managers and the feeling that their managers actually cared about, and were interested in, their work. The studies also concluded that although financial motives are important, social factors are equally important in defining the worker productivity.

Kennerly (1989) investigated the relationship among administrative leadership styles, organizational characteristics, and faculty job satisfaction in baccalaureate nursing programs of private liberal art colleges. The existence of organizational styles such as mutual trust, respect,

certain warmth, and rapport between the dean (chair) and the faculty member was a predictive factor in the development of nurse faculty job satisfaction.

Branick & Smith, (2002) also used the same instruments in their studies. The Leadership Practices Inventory was used to measure the leadership style of nursing managers and the Job in General scale was for general job satisfaction of nurses. Both studies indicated that the nurses' perceptions of the use of leadership styles are significantly correlated to their job satisfaction, productivity, and organizational commitment.

A study of thirty-two employees at Goodwill Industries of Greater Grand Rapids (GIGGR) in, a nonprofit organization in Grand Rapids, Michigan, lends support for the hypothesis that "soft" variables affect job satisfaction more than "hard" variables. The study found that the top two factors influencing job satisfaction were relationships with direct supervisors and relationships with coworkers, both of which influenced job satisfaction more than the job tasks themselves. The study also found that 72% of employees at GIGGR are satisfied, and that the remaining 18% rated themselves as neutral. No employees considered themselves unsatisfied (Allendale, 2004).

A Research Report by the Society for Human Resource Management (SHRM) in USA 2014 stated that among Top Five Contributors to US Employee Job Satisfaction in 2014 Respectful treatment of all employees at all levels was rated as "very important" by 72% of employees in 2014, making it the top contributor to overall employee job satisfaction. At 64%, trust between employees and senior management was the second most important contributor to job satisfaction. In addition these two new aspects changes in the leading five jobs satisfaction contributors. Because both of these components encourage stronger rapport between employees and upper management, it is not surprising that these factors were rated highly as organizations transitioned out of a period of uncertainty.

Based on path goal leadership theory Ahamd (2010) made a study which aimed at finding the relationship between leadership style, organizational support and job satisfaction among employees working in Iranian Tehran cement factory. In line with path goal theory of leadership the results of his co relational study showed that supportive leadership style increase employees job satisfaction.

The research conducted by voon, ngui and ayob (2011) also found the same result. On their study leadership is a process influence between leader and subordinates where a leader attempt to influence the style of subordinates to achieve organizational goals. 200 Malaysian working in public sector participated in the study. The result showed leadership has strong relationship with job satisfaction. The study conducted by Malik (2013) examined the impact of leadership style on employee job satisfaction who works in Pakistan. In that case employee job satisfaction depends up on the leadership style of managers and find out there was significant correlation between the four path goal leader style and the job in general. After the analysis, employee job satisfaction was found significantly correlated and affected by leadership style of managers.

Malik, Aziz and Hassen (2014) in their studies examined the effects of leadership style on employee job satisfaction among telecom sector employees using path goal leadership theory. The finding revealed significant relationship of subordinate's acceptance of leader with leadership style and situational factor. It was predicted that leadership style affects subordinate acceptance of leader which fosters job satisfaction. In addition there is significant relationship between linear combination of the four leadership style (directive, supportive, participative and achievement oriented) and acceptance of leader. A regression analysis revealed that 37% variance in leader style is attributed to job satisfaction.

Buket, akdol, sebrem and arikboga (2015) studied the effect of leadership style on employee job satisfaction, in turkey fast 50 technology companies. The research states one of the most important positive job attitudes is job satisfaction. According to the results leadership is an important variable that enable high job satisfaction. The finding of their study indicated that significant and positive effect of leadership on both overall job satisfaction and creativity facet of job satisfaction.

2.6 Conceptual Frame Work

Based on the research purposes and the framework presented in Figure 3, the following hypotheses are developed:

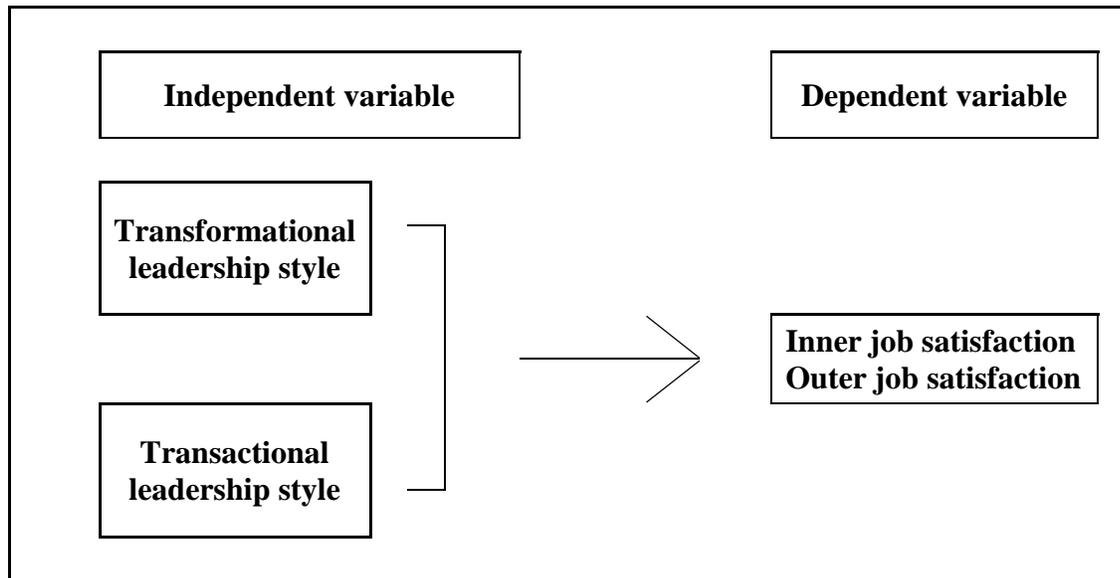


Figure 3: conceptual framework

Hypothesis

H 1: Transformational leadership style has significant on Employee overall job satisfaction.

H 2: Transactional leadership style has significant effect on Employee overall job satisfaction.\

H 3: Transformational and transactional leadership styles are positively related with outer job satisfaction

H 4: Transformational and transactional leadership styles are positively related to inner job satisfaction.

CHAPTER THREE

RESEARCH METHODS

This chapter explains description of the study area, research approach and design, population of the study, sample size, sampling technique, data type & source, instrument of data collection, procedure of data collection, method of data analysis & Ethical considerations to be applied.

3.1 Description of the study area

This study was carried out in ministry of revenue in Ethiopia. According to the ministry's annual report for the fiscal year 2018/19 It has a total of 15 branches are found across the country. Out of the total branches four are found in Addis Ababa. Therefore this research was carried out on four branches of Addis Ababa and head office in all professional level.

3.2 Research Approach and design

Among the various types of research designs, the researcher aims to conduct an explanatory study. Since, it allows examining effects of the independent variable leadership style on dependent variable job satisfaction.

3.2.1 Population of the study

As per the report generated from the organization Human resource data management system, ministry of revenue of Ethiopia four Addis Ababa branches have 2451 employees, and the study total population was the four Addis Ababa branches and head office.

3.2.2 Sample size and Sampling Techniques

The researcher employed proportional stratified random sampling technique to calculate the number of elements selected from each branches by applying Kothari (2004) formula

$$p_i = \frac{strata_i}{N} \quad i = n * p_i$$

Where **i** = number of items selected
from stratum **i** **p_i**= proportion of
population included in stratum **i** **n**=
total sample size

N= total population size

The total population of the study is 2451 which is permanent employees. The sample size is

determined using Taro Yemani's (1964) statistical formula due to its simplicity to apply and have 95% confidence level as follows:

$$n = \frac{N}{1 + n(e)^2}$$

Where:

n = sample size to be determined

N = population of interest

e = error

margin (0.05) 1 = constant value

$$n = \frac{2451}{1 + 2451(0.05)^2}$$

$$n = 343.87$$

Thus, 344 is the sample size.\

Accordingly using convenient sampling technique the above sample respondents were selected from each branches illustrated in the following table.

Table 3. 1: proportional stratified random sample size of respondents

No	Population description/stratum/	Population of branches	respondents Sample Proportion	(%) total
1	Federal large tax payers branch office	322	45	13
2	Federal middle tax payers branch office	366	51	15
3	Federal small tax payers branch office (west)	430	60	17
4	Federal small tax payers branch office (east)	449	64	19
5	Head office	884	124	36
Total		2451	344	100

Source MOR (ministry of revenue)

Accordingly, 45 respondents from Federal large tax payers branch office, from Federal middle tax payers branch office 51, 60 from Federal small tax payers branch office (west), 64 from Federal small tax payers branch office (east)& 124 from Head office was chosen. And questionnaire was distributed randomly.

3.2.3 Data sources and types

In conducting this study, the researcher uses primary data and secondary data. Primary data was collected through questionnaires filled by the existing employees. Relevant Secondary data was collected from different documents obtained from review of related literatures from, published journals, newsletters, internal records and relevant documents, from website (internet), human resource procedure and other available sources.

3.3 Instrument of Data Collection

The questionnaire contains three parts, section one, including background information; section two, leadership style and section three, job satisfaction. The questionnaire is set to examine each construct in the order of leadership style and job satisfaction with a 5-point Likert scale. The instrument consists of 2 variables, 3 dimensions, and 41 questions in total.

To measure leadership style, the most widely acknowledged instrument to measure leadership style is the Multifactor Leadership Questionnaire (MLQ). In this study, the type of leader and the influences he/she brings to one's job satisfaction will be measured. To measure job satisfaction, The Minnesota Satisfaction Questionnaire (MSQ) was adopted for this study.

Five point Likert scale such that scale 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree.

Table 3. 2: Component of questions related to leadership style

no	Dimension	Total Questions
1	Transactional Leadership	10
2	Transformational Leadership	19
	Total	29

Table 3. 3: Component of Questions related to the level of job satisfaction

S.no	Dimension	Total Questions
1	Job Satisfaction(inner & outer)	12
	Total	12

3.3.1 Validity and Reliability

Validity is concerned with how well the concept is defined by the measure(s) and accurately represents what it is supposed to. Therefore this study tried to address validity through the review of literature and adapting instruments used in previous research. The validity of the instrument was checked by the advisor to see whether it measures what it purported to measure. On the other hand Reliability is concerned with the internal consistency of the items. Hair et al. (2007) defined reliability as the extents to which a variable or a set of variable is consistent in what it is extended to measure. Prior to the actual data collection reliability test was conducted on selected staffs of the organization to check whether the data collection instrument was consistent and dependable Accordingly 35 questionnaires were distributed to employees of the organization and collected to measure the reliability of the instrument & the comments received from the respondents was incorporated in the questionnaire.

Accordingly, Cronbach's alpha was employed to test the reliability of the questionnaire and all of the questionnaire items were found to have a result higher than 0.6. This shows that the internal consistency of the items taken is good (Duffy, Duffy, and Kilbourne 2001).

Duffy et al. (2001) asserted, Cronbach's α measure the consistency with which participants answers items within a scale and further stated, a high α (greater than .60) indicates that the items within a scale are measuring the same Construct. SPSS version 22 used to produce the values for Cronbach's α . The results of the reliability analysis are presented in below table. Based on the results of the reliability analysis, one can conclude that the items are internal consistence.

Table 3. 4: Summary of scales & Cronbach’s alpha values

no	Variables of the Study	No. of Items	Alpha Value
1	Job satisfaction	12	.904
2	Transactional Leadership	10	.725
3	Transformational Leadership	19	.709

3.3.2 Data Collection Procedures

To collect data for the study first document & literatures was reviewed. Then the developed questionnaires were pilot tested. Before distributing the questionnaire to the respondents, the researcher obtained permission from HR manager of the organization and the questionnaires were distributed to the selected branches for 344 employees of the organization working in the four branches of Addis Ababa and head office. Afterward, the data collected was edited & carefully checked to eliminate improperly filled questionnaires and the data obtained was entered and analyzed on SPSS software. Finally, the results were presented using tables.

3.3.3 Methods of Data Analysis

The study uses Descriptive data analysis techniques on conducting the study (central tendency (mean), Frequency distribution and dispersion) through Statistical package for social science (SPSS) version 22. The study also uses correlation and multiple regression analysis on studying the relation between job satisfaction and Leadership and, on identifying the impact of leadership on Job satisfaction. Finally the results is presented by using table to bring easy and clear understanding on the findings

3.3.4 Model specification

The relationship between the dependent variable, job satisfaction and independent variable leadership style expressed as a linear combination of the independent variable plus an error term. Following greene (2003), the linear regression model is specified as:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where Y= Job

Satisfactio

n B0=

Constant

X1= leadership style

B1 is the coefficient of independent variable, X1 is column vectors for the independent variables while \mathcal{E} is a vector of errors of predication. The error is assumed to be normally distributed with an expected value of zero and a common variance.

3.3.5 Ethical consideration

The study was conducted by considering ethical responsibility. This includes using proper citation, providing Information to the respondents the purpose of the study and the use of the information as Well and reporting of the finding in amoral way. Information obtained kept in strict confidentiality by the researcher.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This research study attempted to examine the effect of leadership style on employee job satisfaction in ministry of revenue in Ethiopia Addis Ababa. A total of 344 questionnaires were distributed to employees and 315 (91.56%) usable questionnaires were obtained valid and used for further analysis.

The data collected were presented, analyzed and interpreted using SPSS software version 22. Given that all of the independent and dependent variables of the study consist of Likert scale data, and given that the aim of investigation was to test the effect of the independent variables (leadership style) on the dependent variable (Employee job satisfaction) the most appropriate statistical test testing the hypothesis of the study was measures of central tendency t (mean & standard deviation) and multiple linear regression analysis.

4.1.1 Demographic Background of Respondents

Descriptive statistics using frequencies was used to analyze the demographic characteristics of the respondents and hence the result of the analysis is described in detail hereunder:

Table 4. 1: Demographic Background of respondents

no	Background	Distribution	Frequency	Percentage
1	Gender	Female	194.0	61.6
		Male	121.0	38.4
2	Age	20-25	221	70.1
		26-30	11	3.4
		31-40	65	20.6
		41-50	12	3.9
		Above 50	6	2.0
3	Level of Education	Diploma	5	1.7
		1 st Degree	223	70.7
		Masters	74	23.4
		Above masters	13	4.2
4	Work Experience	Below 5 years	207	65.6
		6 to 10 years	42	13.2
		11 to 15 years	31	9.9
		Above 15	35	11.3
5	Marital status	Single	200	63.4
		Married	112	35.5
		Divorced	4	1.1

Source, survey result

As can be seen from the above table item number one Female respondents took the biggest share of the sample population considered under the study (n=194), which is 61.6% of the sample. Item number 2 shows that the age of the majority of respondents was found to be between 20-25 followed by those above 25 and 31-40 this indicates that most of the current employees of the ministry are less than the age of 40.

According to item number 3 of the above table, majority of the respondents are first degree holders (70.7%) followed by those possessing Master’s degree and most of the respondents have been working in the organization below 5 years (65.6 %) followed by those of service year between 6 to 10 years. Besides, majority of the respondent are single.

4.2 Data Analysis

Survey research data are analyzed with descriptive statistics, including means, standard deviation, correlations and regression analysis to assess the extent to which transformational and transactional leadership are associated with job satisfaction.

Pearson’s product-moment correlation coefficient will be used as correlation between the independent and dependent variables.

Table 4. 2: Descriptive statistics on Transformational Leadership

Transformational Leadership	Mean	Std. Deviation
Organization managers always establish a close relationship with employees	3.81	1.13
Organization managers always share the view and the idea of things and encourage employees to share with each other actively	3.76	1.158
I think that the organization manager has carefully thought about the problem and overcome it with action	3.05	1.396
Organization managers could understand and be considerate of employees’ feelings and emotions	3.52	1.236

The behavior of managers could be identified by employees	3.41	1.321
Organization managers always encourage employees to improve proficiency	3.21	1.385
Organization managers are not closed minded and are able to create a better environment for employees to show one's creativity	3.86	1.331
Organization managers always give a hand to employees who need aid	3.55	1.243
Organization managers always come up with ideas that can make employees work hard	3.36	1.242
Organization managers would uncover a talented person	3.42	1.316
Organization managers always care about the employees and their problems	3.23	1.321
Organization managers are upright and are able to redress the scales or solve problems	3.39	1.329
Organization managers respect employees' professional and self-direction, authorize enough power to employees, and decentralize the responsibility	3.45	1.298
Organization managers always participate in training and inspire employees to improve more	3.65	1.296
Organization managers always give more care to new employees	3.52	1.342
Organization managers are always responsible for the situation, not to blame others, to do things, and to admire the staff	3.41	1.291

Organization managers can respect the opinions of the employees, and the important things are discussed and communicated with the teachers	3.15	1.299
Organization managers will inspire employees to learn from each other and share successful experiences	3.75	1.342
Organization managers assume the employee's rights, benefits, and needs, and envisage the teacher and stand on the same line as the teacher	3.11	1.316
Organization managers always establish a close relationship with employees	3.52	1.318

Source, survey result

Table 4. 3: Descriptive statistics on Transactional Leadership

Transactional Leadership	Mean	Std. Deviation
As long as the organization is functioning properly, the organization's supervisors will be based on stability and will not change easily	3.81	1.13
Organization managers will propose exchange conditions or substantive rewards and hope that employees will work hard to achieve the goals	3.76	1.158
As long as the organization' managers can accept the current performance of the employee, there will be no special requirements for the employee	3.58	1.396
Organization managers always ask about the status of the matter in case something goes wrong	3.42	1.256
Organization managers do not allow employees to perform actions that are not permitted on the program	3.58	1.218

I think that the organization managers will keep an eye on the behaviors and mistakes that employees should not have	3.26	1.321
When the organization managers' job requirements or good performance are completed, the organization's supervisor will publicly praise	3.65	1.145
Organization managers will take the initiative to find the source of the problem and give instructions	3.41	1.301
Organization managers will give special treatment to employees who can fulfill the job requirements	3.55	1.323
Organization managers will give employees time to new school skills to adapt to changes in the environment	3.28	1.25

Source, survey result

4.4 Descriptive statistics on the two aspects of job satisfaction

Descriptive analysis using mean and standard deviation was conducted on two facets of job satisfaction (inner and outer). Respondents were asked to indicate their level of agreement with the questions relating to the two aspects of job satisfaction using likert scale which ranged from strongly agree to strongly disagree.

Table 4. 4: Descriptive Statistics for the two dimensions of job satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
Inner job satisfaction	315	1.00	4.00	1.3859	.65555
outer job satisfaction	315	1.00	5.00	3.1859	1.18814
Valid N (listwise)	315				

Source, survey result

According to Herzberg, (1957) the variables for inner factors are the primary causes of satisfaction; they are inner to the job because they relate directly to the real nature of the work people perform. By looking at the mean scores on the table it is observed that inner job satisfaction had moderate mean score (3.18). Therefore, regarding those factors employees of the MOR were moderately satisfied.

On the other hand, By looking at the mean score on the table below it is observed outer job satisfaction had low mean score (1.38). As a result employees of the MOR are not satisfied with the outer elements.

4.5 Correlation Analysis

Correlations used to see whether there is significant relations exist between independent variable and dependent variable. The tables below show a relationship between the two leadership styles which are transformational and transactional with overall job satisfaction.

Table 4. 5: Correlation between transformational leadership style and overall job satisfaction

	transformational Leadership style	Overall Job Satisfaction
transformational Leadership style	Pearson Correlation Sig. (2-tailed) N	1 .496 ^{**} .000 355
Overall Job Satisfaction	Pearson Correlation	.496 ^{**} 1

	Sig. (2-tailed)	.000	
	N	355	355

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

Source, survey result

According to table 4.5 Statistical results illustrate it is found that there is significant positive correlation between transformational leadership style and overall job satisfaction ($r=.496$ and $p=.000$).

Table 4. 6: Correlation between transactional leadership style and overall job satisfaction

		transactional Leadership style	Overall Job Satisfaction
transactional style	Leadership Pearson Correlation Sig. (2-tailed) N	1 355	.570 ^{**} .000 355
Overall Job Satisfaction	Pearson Correlation Sig. (2-tailed) N	.570 ^{**} .000 355	1 355

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

Source, survey result

Likewise as given in the table above Statistical results illustrate the relations between transactional leadership style and overall job satisfaction shows highly significant relationship ($r=.570$, $p=.000$).

Table 4. 7: Correlation between the two leadership style and inner job satisfaction

		transformational Leadership style	transactional Leadership style	inner job satisfaction
transformational Leadership style	Pearson Correlation	1	.600**	.374**
	Sig. (2-tailed)		0	0
	N	355	355	355
transacti onal Leadership style	Pearson Correlation	.600**	1	.463**
	Sig. (2-tailed)	0		0
	N	355	355	355

inner job satisfact ion	Pearson Correlation	.374**	.463**	1
	Sig. (2-tailed)	0	0	
	N	355	355	355

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

Source, survey result

As we observed Statistical results illustrate in the above correlation table it is found that the two leadership styles have significant relationship with inner job satisfaction ($r=.374$, $p=.000$) ($r=.463$, $p=.000$).

Table 4. 8: Correlation between the two leadership style and outer job satisfaction

		transformational Leadership style	transactional Leadership style	outer job satisfaction
transformational Leadership style	Pearson Correlation	1	.600**	.346**
	Sig. (2- tailed)		0	0
	N	355	355	355
transactional Leadership style	Pearson Correlation	.600**	1	.438**
	Sig. (2- tailed)	0		0
	N	355	355	355
outer job satisfaction	Pearson Correlation	.346**	.438**	1
	Sig. (2-	0	0	

	tailed)			
	N	355	355	355

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

Source, survey result

Statistical results illustrate in Table 4.8 Indicates that significant correlation of the two leadership style which is transformational and transactional oriented leaders with the outer job satisfaction.

4.5 Regression Analysis

Regression analysis was conducted to understand by how much the selected leadership behaviors explains the dependent variable (Job Satisfaction). The results are presented as follows

Table 4. 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.654 ^a	.427	.421	.59328

Table 4. 10: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	91.977	4	22.994	65.329	.000 ^b
	Residual	123.191	350	.352		
	Total	215.168	354			

a. Dependent Variable: Job Satisfaction

Table 4. 11: Result of multiple regression analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.603	.164		3.675	.000
1 transformational Leadership	.163	.063	.148	2.580	.000
1 transactional participative Leadership behavior	.244	.056	.252	4.400	.000

a. Dependent Variable: Job Satisfaction

Source, survey result

Transformational leadership style had a significant effect on job satisfaction in MOR ($\beta=.163$, $p=.000$). In addition, the beta coefficient of transformational behavior in the above table indicates that there is a positive & direct relationship between such type of style & job satisfaction which means as the style increases job satisfaction also increases. Also the regression table above shows that transactional leadership style also had a significant effect on job satisfaction in MOR ($\beta=.244$, $p=.000$).

Discussions

As can be seen from the study Female respondents took the biggest share of the sample population considered under the study ($n=194$), which is 61.6% of the sample. According to the study the age of the majority of respondents was found to be between 20-25 followed by those above 25 and 31-40 this indicates that most of the current employees of the ministry are less than

the age of 40. According to the study, majority of the respondents are first degree holders (70.7%) followed by those possessing Master's degree and most of the respondents have been working in the organization below 5 years (65.6 %) followed by those of service year between 6 to 10 years. Besides, majority of the respondent are single.

As we seen in the correlation, Statistical results shows that, there is a significant and positive correlation between transformational leadership style and overall job satisfaction ($r=.496$ and $p=.000$). And also as the Statistical results illustrate the relations between transactional leadership style and overall job satisfaction shows highly significant relationship ($r=.570$, $p=.000$). Transactional leadership style also has a positive & significant effect on job satisfaction in MOR ($\beta=.244$, $p=.000$) i.e. as this style increases job satisfaction also increases.

Statistical results illustrate in Table 4.9 Indicates that significant correlation of the two leadership style which is transformational and transactional oriented leaders with the outer job satisfaction.

H 1: Transformational leadership style has significant on Employee overall job satisfaction is accepted.

As we observed Statistical results illustrate in the correlation table it is found that the two leadership styles have significant relationship with inner job satisfaction ($r=.374$, $p=.000$) ($r=.463$, $p=.000$).

H 2: Transactional leadership style has significant effect on Employee overall job satisfaction is accepted.

The regression table shows as transformational leadership style had a significant effect on job satisfaction in MOR ($\beta=.163$, $p=.000$). In addition, the beta coefficient of transformational behavior in the above table indicates that there is a positive & direct relationship between such type of style & job satisfaction which means as the style increases job satisfaction also increases.

H 3: Transformational and transactional leadership styles are positively related with outer job satisfaction is accepted.

Also the regression table above shows that transactional leadership style also had a significant effect on job satisfaction in MOR ($\beta=.244$, $p=.000$).

H 4: Transformational and transactional leadership styles are positively related to inner job satisfaction is accepted.

CHAPTER FIVE

SUMMARY, CONCLUSION & RECOMMENDATION

This study attempted to examine the effect of leadership style on employee job satisfaction in ministry of revenue Addis Ababa. This chapter presents summary of findings, the conclusion of the study based on the research findings and recommendation for the ministry of revenue on areas that need improvement.

5.1 Summary of the Findings

In this paper we aimed to determine the employees' perception of the ministry of revenue of Addis Ababa leadership styles and its impact on employees' job satisfaction.

As can be seen from the study Female respondents took the biggest share of the sample population considered under the study (n=194), which is 61.6% of the sample. According to the study the age of the majority of respondents was found to be between 20-25 followed by those above 25 and 31-40 this indicates that most of the current employees of the ministry are less than the age of 40. According to the study, majority of the respondents are first degree holders (70.7%) followed by those possessing Master's degree and most of the respondents have been working in the organization below 5 years (65.6 %) followed by those of service year between 6 to 10 years. Besides, majority of the respondent are single.

As we seen in the correlation, Statistical results shows that, there is a significant and positive correlation between transformational leadership style and overall job satisfaction ($r=.496$ and $p=.000$). And also as the Statistical results illustrate the relations between transactional leadership style and overall job satisfaction shows highly significant relationship ($r=.570$, $p=.000$). Transactional leadership style also has a positive & significant effect on job satisfaction in MOR ($\beta=.244$, $p=.000$) i.e. as this style increases job satisfaction also increases.

Statistical results illustrate in Table 4.9 Indicates that significant correlation of the two leadership style which is transformational and transactional oriented leaders with the outer job satisfaction. As we observed Statistical results illustrate in the correlation table it is found that the two leadership styles have significant relationship with inner job satisfaction ($r=.374$, $p=.000$) ($r=.463$, $p=.000$).

The regression table shows as transformational leadership style had a significant effect on job satisfaction in MOR ($\beta=.163$, $p=.000$). In addition, the beta coefficient of transformational behavior in the above table indicates that there is a positive & direct relationship between such type of style & job satisfaction which means as the style increases job satisfaction also increases. Also the regression table above shows that transactional leadership style also had a significant effect on job satisfaction in MOR ($\beta=.244$, $p=.000$).

5.2 Conclusion

Based on the findings of the study Leadership is described as the relationship between those who aspire to lead and those who choose to follow, as well as the process of influencing group activities toward goal setting and goal achievement.

A successful leader not only satisfies the needs of followers effectively by exchanging rewards, but also sets an example for their followers and promotes dramatic changes and influence on individuals, groups, and organizations. Moreover, the overall effectiveness of an organization rests on both the leadership and employee job satisfaction.

The above statistical results conclude that there are significant strong relationship between the leadership style (i.e. Transformational and Transactional) and job satisfaction. More importantly, there are significant impacts of the leadership style on job satisfaction.

The findings of this study can provide useful feedbacks for the organization leaders to understand their leadership as perceived by the employee, and how the perception affects their job satisfaction level.

5.3 Recommendation

- Employees are the most important asset in an organization. Therefore, organizations need to have capable leaders to lead and motivate their employees in their daily operation and achieve the organizational goals. Based on the findings, The recommendation for the ministry of revenue Addis Ababa leaders is to adopt the transformational leadership style,

if they want to improve and increase job satisfaction and which will lead to increase organizational outcomes.

- Besides that, supervisors should take actions to improve their workers such as providing strong leadership and mentoring for staff members, building working conditions that are conducive and provide challenging and stimulating work assignments Based on the results concluded within the present study, leaders should focus on being Inspirationally motivating by looking toward the future with optimism, articulating a vision of future, displaying confident behavior as well as providing autonomy for ones work. These characteristics were found to be related to job satisfaction

- The leaders in ministry of revenue should provide more guidance & support to subordinates when deemed necessary & should create an open & conducive environment for communication, the leaders should show a high degree of confidence in employee in some cases &ensure involvement of employee in decision making Design.

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Appendix A- Questionnaires distributed for employees

JIMMA UNIVERSITY FACULTY OF BUSINESS AND ECONOMICS MASTERS OF ARTS IN BUSINESS ADMINISTRATION

Dear Respondents:

I would like to express my earnest appreciation for your generous time, honest and prompt response.

The main purpose of this questionnaire is to collect data which will be helpful in research work titled THE EFFECTS OF LEADERSHIP STYLE ON EMPLOYEES JOB SATISFACTION IN MINISTRY OF REVENUE. As an employee of MOR, your participation in this study will be valuable and greatly appreciated.

I want to assure you that this research is only for academic purpose. No other person will have access to the data collected. That is, the secrecy of the information you provide is strictly protected.

SECTION ONE: Demographic profile INSTRUCTION: this part of the questionnaire asks your personal and job related information. Please respond to each question by circling the choice that represents your personal profile

1. Sex - 1) Male 2) Female
2. Age- 1)20-25 2) 26-30 3) 31- 40 4) 41-50 5) Above 50
3. Marital Status- 1) Single 2) Married 3) Divorced 4) Widowed
4. Qualification - 1) Diploma 2) Degree 3) Masters 4) Above Masters
5. Total years of experience in ministry of revenue in years - 1)1-5 2) 6-10 3) 11-15 4) above 15 years

SECTION TWO: MEASUREMENT FOR LEADERSHIP STYLE INSTRUCTION: this leadership style related question intended to measure your perception of leaders' style in two dimensions such as Transactional Leadership

and Transformational Leadership. Please make a „√“ mark on your response to each statement according to the five point scale labeled at each statement

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

	Transactional Leadership	1	2	3	4	5
1	As long as the organization is functioning properly, the organization’s supervisors will be based on stability and will not change easily					
2	Organization managers will propose exchange conditions or substantive rewards and hope that employees will work hard to achieve the goals					
3	As long as the organization’ managers can accept the current performance of the employee, there will be no special requirements for the employee					
4	Organization managers always ask about the status of the matter in case something goes wrong					
5	Organization managers do not allow employees to perform actions that are not permitted on the program					
6	I think that the organization managers will keep an eye on the behaviors and mistakes that employees should not have					
7	When the organization managers’ job requirements or good performance are completed, the organization’s supervisor will publicly praise					
8	Organization managers will take the initiative to find the source of the problem and give instructions					

9	Organization managers will give special treatment to employees who can fulfill the job requirements					
10	Organization managers will give employees time to new school skills to adapt to changes in the environment					
	Transformational Leadership					
11	Organization managers always establish a close relationship with employees					
12	Organization managers always share the view and the idea of things and encourage employees to share with each other actively					
13	I think that the organization manager has carefully thought about the problem and overcome it with action					
14	Organization managers could understand and be considerate of employees' feelings and emotions					
15	The behavior of managers could be identified by employees					
16	Organization managers always encourage employees to improve proficiency					
17	Organization managers are not closed minded and are able to create a better environment for employees to show one's creativity					
18	Organization managers always give a hand to employees who need aid					
19	Organization managers always come up with ideas that can make employees work hard					
20	Organization managers would uncover a talented person					
21	Organization managers always care about the employees and their problems					

22	Organization managers are upright and are able to redress the scales or solve problems					
23	Organization managers respect employees' professional and self-direction, authorize enough power to employees, and decentralize the responsibility					
24	Organization managers always participate in training and inspire employees to improve more					
25	Organization managers always give more care to new employees					
26	Organization managers are always responsible for the situation, not to blame others, to do things, and to admire the staff					
27	Organization managers can respect the opinions of the employees, and the important things are discussed and communicated with the teachers					
28	Organization managers will inspire employees to learn from each other and share successful experiences					
29	Organization managers assume the employee's rights, benefits, and needs, and envisage the teacher and stand on the same line as the teacher					

SECTION THREE: MEASUREMENT FOR JOB SATISFACTION

INSTRUCTION: this job satisfaction measurement is intended to measure your perception of organizational job satisfaction in two dimensions such as intrinsic and extrinsic job satisfaction. Please make „√“ mark on your response to each statement according to the five point scale labeled at each statement that reflects your own agreement.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

	Inner Job Satisfaction	1	2	3	4	5
30	I get a sense of accomplishment from my work					
31	My current work provides stability for my work					
32	The current work does not have me doing things that are contrary to my conscience					
33	My current work gives me the opportunity to behave alone					
34	In my current work, I have the opportunity to guide my colleagues					
35	In my current work, I am free to use my own judgment					
	Outer Job Satisfaction					
36	I am satisfied with the way the organization implements its policies					
37	I am satisfied with my interactions with my colleagues					
38	I am satisfied with the leadership style of the organization's supervisor					
39	The work environment makes me happy					
40	I am satisfied with the treatment I receive from my work (e.g., monthly salary, bonus, etc.)					
41	I am satisfied with the employee benefits provided by the organization (e.g., reading benefits, education, training, etc.)					