

# Leadership and Employee Satisfaction in the Ghanaian Banking Sector

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## Abstract

The study was carried out with the purpose of investigating the relationship between leadership and employee satisfaction in the banking industry in Ghana. A questionnaire consisting of three (3) sections was used for the study. Section one of the questionnaire solicited information on demographic characteristics of respondents, section two dealt with the Job Satisfaction Survey (JSS) while the third section dealt with the Multifactor Leadership Questionnaire (MLQ). A total of 200 questionnaires were circulated to randomly selected respondents from both private and public banks in the Accra Metropolis of Ghana, out of which 150 were returned showing a return rate of 75% and out of that 140 were usable. The findings of the study were that there was positive relationship between leadership styles and job satisfaction. The results further indicated that inspirational motivation which is a type of transformational leadership, management by exception and laissez-fair which are types of transactional leadership positively and significantly affected job satisfaction. Thus, leadership styles of managers impact on satisfaction of banking employees so managers should exhibit good leadership.

**Keywords:** Transformational leadership, Transactional leadership, Employee satisfaction, Banking sector

## 1. Introduction

Effective leadership and satisfied employees are very important for the realization of organizational goals. McShane and Von Glinow (2000) explained leadership as the process of influencing people and providing an environment for them to achieve team or organizational objectives. Regardless of the type of organization, leadership is discerned to play vital role towards employee satisfaction and commitment. Organizations need strong leadership for optimal effectiveness (Robbins & Judge, 2009).

Leadership style has been identified as one of the key factors that have the potential to improve the performance of organisations (Arzi & Farahbod, 2014). Due to this significant role performed by managers, Ahangar (2009) believes that managers in the twenty first century have to be knowledgeable, dynamic, and proactive to bring radical changes and also be capable of leading themselves and their subordinates to embrace changes and exert extra efforts to meet the ever increasing competition.

There has been interest in leadership since people started coming together to accomplish goals (Robbins and Coulter, 2009). Bass (1985), cited by Kaur (2012), indicated that there are essentially two types of leaders, and these are transactional and transformational leaders. McShane and Von Glinow (2000) described transformational leaders as a leadership perspective that explains how leaders change teams or organizations by creating, communicating and modelling a vision for the organization or work unit, and inspiring employees to strive for that vision. According to Givens (2008), studies have found that followers of transformational leaders reported high motivation and satisfaction with their job. Krishnan (2003) also believes that followers of transformational leaders experience a complete and unqualified belief in and identify with the leader and his mission. Thus transformational leaders are seen as helpful, friendly and change agent.

Transactional leadership in contrast, is the leadership that helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and ensuring that employees have the resources needed to get the job done (McShane & Von Glinow, 2000). In the view of Robbins and Judge (2009) transactional leaders guide or motivate their followers in the direction of established goals by clarifying role and task requirement. Such leaders treat leadership as an exchange, which is a transaction-relationship between themselves and their employees (Kaur, 2012).

In addition to leadership, satisfied employees play a key role towards the success of the organization. According to Robbins and Judge (2009), major job satisfaction facets include the work itself, pay, advancement opportunities, enjoying the work, supervision and co-workers. They observed that enjoying the work is almost always the motivating factor which strongly correlated with high levels of job satisfaction. They added that employees are satisfied with their jobs when the jobs are challenging and stimulating.

Several researches have been conducted to identify factors that influence employee job satisfaction. Outcome of the studies indicate that gender (Azhar et al, 2011; Gumbang, Suki, & Suki, 2010; Bishay, 1996), managerial support (Emhan, 2012) tenure (Abdullah, et al. 2009; Bishay, 1996), educational level (Gurbuz, 2007), leadership (Voon eta l, 2011; Shibru & dDrshan, 2011), responsibility levels, subject, age, and activity (Bishay, 1996) are some of the factors which affect employee satisfaction. Kaur (2012) observed that the

perception of employees towards leadership behaviour varied according to marital status and work experience but did not vary according to gender, age, qualification and level of management.

Again, there have been extensive studies on relationship between leadership and employee job satisfaction (Ahangar, 2009; Givens, 2008; Gill et al., 2010; Voon et al., 2011) but none of these studies focused on bank employees in Ghana. This study therefore focuses on employees in the banking industry in the Accra Metropolis of Ghana. The Greater Accra Metropolis has many banks due to the fact that it is the regional as well as the national capital.

Due to high competition in the banking sector, employees are expected to work hard to ensure they attract and retain customers. However, the performances of the employees depend on their level of satisfaction, the leadership style of their managers among other things. This study focuses on the two types of leadership namely transformational and transactional leadership behaviours and their impact on employee satisfaction in the banking sector.

Research has shown that there is a relationship between the leadership style of supervisors and job satisfaction of subordinates (Shibru and Darshan, 2011; Gill et al., 2010; Givens, 2008; Krishnan, 2004).

## **2. Objectives of the study**

There have been a number of studies on the relationship between leadership style and job satisfaction in developed countries but not many studies have been done in developing countries like Ghana. The general objective of this study is to determine if there is any significant relationship between leadership style and job satisfaction.

The specific objectives are to:

- (i) identify the relationship between the personal characteristics and level of satisfaction;
- (ii) determine the relationship between leadership style and level of satisfaction;
- (iii) identify the specific type of leadership (such as —idealised influence, inspirational motivation, intellectual stimulation and individualised consideration.)
- (iv) measure the general level of satisfaction; and
- (v) identify the dominant leadership style.

This paper is structured into four sections: Part one considers the introduction and objectives of the study. Part two deals with literature review, Part three deals with the methodology and part four deals with the results and conclusion.

## **3. Literature review**

This section considers a review of related literature on the topic.

### **3.1 Leadership**

All groups and teams need leadership (Jones, George, & Hill, 2000) and there are almost as many definitions of leadership and theories as there are leadership researchers (Werner & De Simone, 2006). Leadership is a dynamic process that works in a group whereby one individual over a particular period of time, and in a particular organisational context, influences the other group members to commit themselves freely to the achievements of group tasks or goals (Cole, 2002). Werner and De Simone (2006) also defined leadership as the use of non-coercive influence to direct and coordinate the activities of a group toward accomplishing a goal. Majority of definitions available on leadership reflect the assumption that it involves a process where there is intentional influence by one person over other people to guide, structure and facilitate activities and relationships in a group or organisation (Yukl, 2006). Despite these varied definitions on leadership, it is important to have a working definition for this study and therefore leadership for this study is explained as a process of influencing followers' behaviour towards the achievement of a set goal.

Previous studies have identified different types of leadership styles but Hartog, Van Muijen, and Koopman (1997) identified two leadership styles namely transactional leadership and transformational leadership which according to Robbins and Judge (2009) are the best leaders. Transformational leadership is currently the most popular leadership perspective (McShane & Glinow, 2007). In theory transformational leadership differs from transactional leadership (McShane & Glinow, 2007; Howell & Costley, 2006). However, Howell and Costley (2006) went further to state that irrespective of these differences these leadership styles are not mutually exclusive.

Transformational leaders are believed to motivate their subordinates to perform beyond expectation. These leaders use their charisma to transform and revitalize their organisation (Greenberg & Baron, 2000) by helping the employees see a need to revitalize their organisation (Gordon, 1999). They seek to align employees ambitions with desired organisational outcome and in so doing foster employee engagement. The dynamic nature of the current environment of business, organisations require transformational leaders to revitalise employees, ensure employees are engaged to guarantee the success of the organisations.

In contrast, transactional leadership is based on the traditional, bureaucratic authority and legitimacy where followers receive certain valued outcomes when they act according to the leader's wishes (Mester et al., 2003; Mullins, 1999). Transactional leaders motivate their subordinates to perform as expected (Hartog et al., 1997). They thus lead primarily by using social exchange or transactions (Robbins & Coulter, 2009). Transactional leadership style may involve values, but they are values relevant to the exchange process, such as honesty, fairness, responsibility and reciprocity (Yukl, 2006).

### **3.2 Dimensions of Transformational Leadership**

Originally transformational leadership behaviour included three types of behaviour: Idealised influence, Intellectual stimulation and Individualised consideration and later Inspirational motivation was added (Yukl, 2006).

Idealised influence or charismatic leadership refers to the behaviour of a leader which instils pride and faith in followers, provides a vision and a sense of mission, gains respect and trust and sets high standards for emulation (Hartog, et al., 1997; Mullins, 1999; Robbins & Judge, 2009; Antonakis, Avolio & Sivasubramaniam, 2003). Such a leader's behaviour arouses strong follower emotions and identification with the leader (Yukl, 2006), he or she is willing to take risks and demonstrate high standards of ethical and moral conduct (Voon, Lo, Ngui, & Ayob, 2011).

Intellectual stimulation refers to leader actions that appeal to followers' sense of logic and analysis by challenging followers to think creatively and find solutions to difficult problems (Hartog, et al., 1997; Mullins, 1999; Robbins & Judge, 2009; Antonakis, Avolio & Sivasubramaniam, 2003). Thus, intellectual stimulation increases follower awareness of problems and influences them to view problems from a new perspective (Yukl, 2006). Such leaders, according to Taylor (2005), help promote intelligence, rationality and careful problem-solving.

Individualized consideration is the leader's behaviour that provides support, encouragement and coaching to followers (Yukl, 2006). They give personal attention, coaches, advice and treat each employee individually (Taylor, 2005).

Inspirational leaders, in the view of Yukl (2006), communicate an appealing vision using symbols to focus subordinate effort and modelling appropriate behaviours. Such leaders, according to Taylor (2005), communicate high expectations, using symbols to focus efforts and express important purposes in simple ways.

### **3.3 Dimensions of Transactional leadership**

Transactional leadership motivates followers by appealing to their self-interest and exchanging benefits (Yukl, 2006). Transactional leaders help organisations achieve their current objectives more efficiently by linking performance of assigned task to rewards and ensuring that employees have the needed resources to carry out the task (McShane & Glinow, 2007). Such leaders primarily identify tasks of the followers; establish the structure and emphasis on planned or scheduled work (Aydin, Sarier & Uysal, 2013). The original formulation of the theory according to (Yukl, 2006) included two types of transactional behaviours: Contingent reward and passive management by exception but Hartog et al, (1997) and Antonakis, Avolio and Sivasubramaniam, (2003) however indicated that there are three dimensions underlying the transactional leadership construct namely contingency reward, management-by-exception, (active) and management-by-exception (passive).

Contingent reward refers to leaders' clarification of the work required to obtain rewards and the use of incentives and contingent rewards to influence motivation (Yukl, 2006). Thus, rewards are contingent on effort expended and performance level achieved. Management-by-exception passive (i.e. passive corrective transactions) refers to leaders only intervening after noncompliance has occurred or when mistakes have already happened. That is, the leader intervenes only if standards are not met (Hartog et al., 1997; Antonakis, Avolio & Sivasubramaniam, 2003; Robbins & Judge, 2009) and Management-by-exception active (i.e. active corrective transactions) refers to leaders watching and searching for deviations from rules and standards and taking correct actions to ensure standards are met (Hartog et al., 1997; Antonakis, Avolio & Sivasubramaniam, 2003; Robbins & Judge, 2009).

### **3.4 Job Satisfaction**

Job satisfaction has been described in various ways by different researchers (Kaur, 2012). Spector (1985) described job satisfaction as the extent to which people like (satisfied) or dislike (dissatisfied) their jobs. The level of like or dislike is based on results of appraisal of the work by the employee and as such Nelson and Quick (2005), described it as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Similarly, Hill and McShane (2008) explained job satisfaction as an appraisal of the perceived job characteristics, work environment, and emotional experiences at work. They added that job satisfaction is treated both as a general attitude and as satisfaction with five specific dimensions of the job being pay, the work itself, promotion opportunities, supervision, and co-workers. They held the belief that as these dimensions are

addressed the employees' satisfaction increases.

Poor job satisfaction can cripple an organisation (Galup, Klein & Jiang, 2008) and hence the needs for organisations to ensure managers have satisfied employees. Job satisfaction is influenced by diverse factors such as Organisation policy Saleem, Majeed, Aziz, & Usman, 2013), leadership style (Shibru & Darshanm 2011; Razi, Azadi, Farsani, & Aroufzad, 2013), demographical factors (Al-Kahtani & Allam, 2000; Scott, Swortzel, & Walter, 2005), Tenure (Sarker, Crossman & Chinmeteepituck, 2003), retention rate (Appiah-Agyekum, Suapim & Peprah, 2013), recruitment and selection procedure (Saleem, Majeed, Aziz, & Usman, 2013).

### 3.5 Dimensions of job satisfaction

From another perspective Mullins (2010) categorised factors that cause employee dissatisfaction to be relating to individual, social, cultural, organizational and environmental factors. He described these factors as first, individual factors which include personality, education and qualification, intelligence and abilities, age, marital status, orientation to work. Second, Social factors which include relationships with co-workers, group working and norms, opportunities for interacting, informal organization. Third, Cultural factors which include underlying attitudes, beliefs and values. Fourth, Organizational factors which include nature and size, formal structure, HR policies and procedures, employee relations, nature of the work, technology and work organization, supervision and styles of leadership, management systems, working conditions and lastly, Environmental factors which include economics, social, technical and governmental influences.

### 3.6 Leadership and Employee Satisfaction

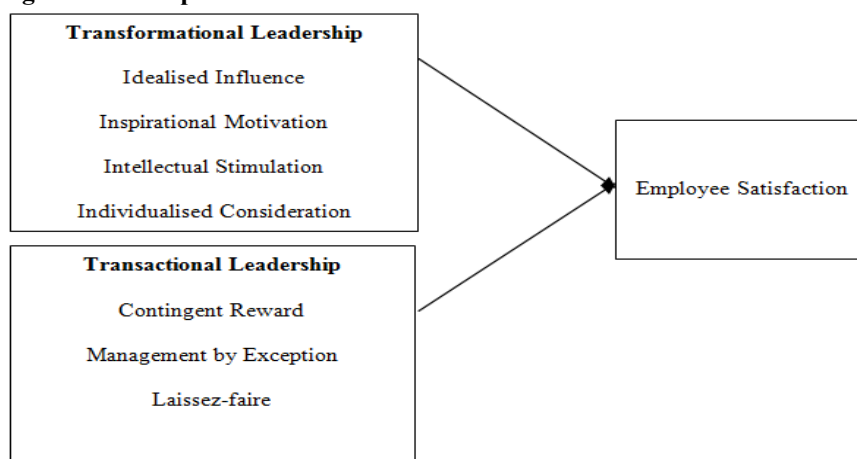
Successful organisations normally have satisfied employees (Galup, Klein & Jiang, 2008) and therefore leaders should endeavour to use the appropriate style to ensure employee satisfaction. This is important because leadership behaviour has been identified to be positively related to job satisfaction (Yousef, 2000). Different leadership styles create different working environment or climate and this affects employee satisfaction differently. Transformational leadership style is generally believed to affect subordinates job satisfaction positively (Manning, 2002, Shibru & Darshan, 2011; Voon, et al., 2011, Bashra, Usman & Naveed, 2011). However, Arzi and Farahbod (2014) found after a study that transactional leadership style had a significant and positive impact on employee job satisfaction. The finding confirms results of Bateh and Heyliger (2014) who found that both transactional and transformational leadership styles help increase satisfaction. Similarly Awamleh and Al-Dmour (2004) observed that, both transactional and transformational leadership styles affect job satisfaction among bank employees, however, transformational leadership had more statistically significant positive effect.

Contrary to this, Javeed, Jaffari and Rahim (2014) found that there was significant relationship between transactional leadership style and employees' job satisfaction but transactional leadership style was more adopted by the leaders as compared to transformational leadership style.

## 4. Conceptual Framework

The conceptual framework that forms the basis of this study is shown in Figure 1. It depicts the relationship between leadership style and employee satisfaction. The dependent variable was employee satisfaction and the independent variables were the dimensions of transformational and transactional leadership styles. Employee satisfaction is key in today's highly competitive business environment and is influenced by a number of factors including leadership style.

Figure 1: Conceptual Framework



## 5. Research design

The study was carried out with the purpose of identifying the relationship between leadership style and employee satisfaction in the banking sector in Ghana with the focus on banks in the Greater Accra Metropolis. From a list of twenty seven (27) licensed banks in Ghana as at December 2013, two hundred (200) respondents were randomly selected from banks in the Accra Metropolis. A questionnaire consisting of three (3) sections was used for the study. Section one gathered data on demographic characteristics of respondents, section two dealt with the Job Satisfaction Survey (JSS) containing 36 statements all on a 6-point Likert scale. To measure job satisfaction, the Job Satisfaction Survey (JSS) by Spector (1994) was used. It was made up of thirty six (36) statements and six options were given ranging from strongly agree to strongly disagree and out of this respondents were to select one which came closest to reflecting their opinion about the statement made. The thirty six (36) statements were put into nine (9) facets and used in assessing employee satisfaction. The nine facets were pay, promotion, supervision, fringe benefits, contingent reward, operating procedures, co-workers, nature of work and communication. Each of these facets was assessed based on four (4) statements and out of this a total score was arrived at. Thus the minimum score was thirty six (36) and the maximum two hundred and sixteen (216).

The third section dealt with the simplified Multifactor Leadership Questionnaire (MLQ) and consisted of 21 items. The MLQ instrument measures transformational and transactional leadership practices. Robbins and Judge (2009) list the characteristics of transactional (contingent reward, Management by exception, Laissez-faire) and transformational (Idealized influence, Inspirational motivation, intellectual stimulation, Individualized consideration) leaders as and these are captured in the MLQ instrument. A total of 200 questionnaires were circulated, out of which 150 were returned showing a return rate of 75%. However 140 of the completed questionnaire were usable SPSS version 16.0 was used for analysing the data. Findings of the study are presented in the next section.

## 6. Findings of the study

### 6.1 Demographic Characteristics of Respondents

Results on demographic characteristics of participants are presented in Table 1.

**Table 1. Demographic Characteristics of Participants**

Variables	Public	Private	Total No. of Respondents	Percent
<b>Gender</b>				
Male	13	61	74	53
Female	8	58	66	47
<b>Marital Status</b>				
Married	9	53	62	44
Not Married	12	66	78	56
<b>Academic Qualification</b>				
JSS/Middle Sch	1	2	3	2
SSS/O/A/ levels	1	9	10	7
Diploma	2	22	24	17
Bachelors Degree	9	69	78	56
Masters Degree	7	17	24	17
PhD	1	0	1	1

Three characteristics namely gender, marital status and academic qualifications were investigated. Results in Table 1 revealed that male participants were in the majority (53%). Their female counterparts represented 47%. Most of the participants (56%) were not married. A significant proportion of the participants (56%) had bachelors' degree. Only one participant from the public sector had doctorate degree. Mean age for bankers in the public sector was 36.86 years with a standard deviation of 7.66 while the mean age for those in private sector was 30.71 years with a standard deviation of 5.55.

### 6.2 Effect of Demographic variables on Satisfaction

The effect of demographic factors on satisfaction was measured using univariate analysis. Satisfaction was measured using the approach proposed by Spector (1994) in which for the 36-item total possible score ranges from 36 to 216 with the ranges for dissatisfaction being 36 to 108; 108 to 144 for ambivalent and 144 to 216 represented satisfaction. Results are presented in Table 2. Generally, participants' satisfaction was low. Sixteen participants (11.4%) reported dissatisfaction, 94(67.1%) reported ambivalence whilst 30(21.4%) indicated satisfaction.



**Table 2. Univariate Analysis of Effect of Demographic Variables on Satisfaction**

Variables	Public		Private		df	F	Sig
	Mean	SD	Mean	SD			
<b>Gender</b>							
Male	118.77	21.48	135.97	19.48	1,111	.789	.376
Female	115.25	17.71	129.29	21.90			
<b>Marital Status</b>							
Married	125.44	15.36	133.19	22.58	1,111	.002	.969
Not Married	111.42	21.09	132.33	19.58			
<b>Academic Qualification</b>							
JSS/Middle Sch	84.00	0.00	116.00	29.70	5, 111	3.635	.037
SSS/O/A/ levels	74.00	0.00	129.67	0.00			
Diploma	138.00	7.07	132.68	22.31			
Bachelors Degree	113.89	16.06	132.01	19.85			
Masters Degree	124.57	13.25	140.12	21.24			
PhD	135.00	0.00	-	-			

**Number of Participants = 140**

Results in Table 2 showed that demographic variables such as gender [ $F_{(1, 111)} = .789$ , Sig = .376] and marital status [ $F_{(1, 111)} = .002$ , Sig = .969] had no significant effect on participants' level of satisfaction. Other demographic variables such as age [ $r_{(138)} = -.102$ , Sig = .115] and years of experience [ $r_{(138)} = -.026$ , Sig = .378] also did not have any influence on the satisfaction of participants. Academic qualification however, significantly influenced level of satisfaction of workers [ $F_{(1, 111)} = .789$ , Sig = .376]. Workers with higher academic qualification in both the public and private sector reported higher levels of satisfaction compared to those with lower academic qualifications.

### 6.3 Magnitude of the Utilisation of Leadership styles

The magnitude of use of the various leadership styles is presented in Table 3.

**Table 3. Magnitude of the Utilization of Leadership Styles**

Leadership Style	Minimum	Maximum	Mean	Std. Dev.	df	t	sig
Idealised influence	0	12	7.17	2.81	139	30.248	.000
Inspirational Motivation	0	12	6.78	2.58	139	31.140	.000
Intellectual Stimulation	0	12	6.31	2.76	139	27.052	.000
Individualized Consideration	0	12	6.50	2.72	139	28.294	.000
Contingent Reward	0	12	6.57	2.59	139	29.991	.000
Mgt. by exception	0	12	6.81	2.61	139	30.812	.000
Laissez-Faire	0	12	5.99	2.39	139	29.687	.000

**Number of Participants = 40**

Results in Table 3 showed that predominantly adopted leadership style is idealized influence (mean = 7.17). This is followed by Management by exception (6.81), Inspirational motivation (6.78), Contingent reward(6.57) and Individualized consideration(6.50). Least adopted leadership styles include Laissez-Faire (5.99), and Intellectual stimulation (6.31).

### 6.4 Categories of Satisfaction

Results of the studies indicated that there were three categories of satisfaction namely dissatisfaction, ambivalence and satisfied. The results are presented in Table 4.

**Table 4: Categories of Satisfaction**

Categories	Frequency	Percentage
Dissatisfaction	16	11.4
Ambivalence	94	67.2
Satisfied	30	21.4
Total	140	100.0

### 6.5. Relationship Between Leadership style and Job satisfaction

The relationship between leadership style and job satisfaction was measured using correlation analysis and multiple regression. Table 5 shows the results of the correlation analysis.

**Table 5: Correlation Between Leadership Styles and Job Satisfaction**

		Idealize	Inspirational	Intellectual	Individualized	Contingent	Management	Laissez-Faire
Satisfaction	Correlation	0.150	0.281	0.208	0.132	0.200	0.330	0.296
	Coefficient	0.078	0.001	0.003	0.121	0.018	0.000	0.000
	Significance df	137	137	137	137	137	137	137

Table 5 revealed that all the leadership styles positively related to job satisfaction. With exception of individualised style, all the other styles were significant.

### 6.6 Effect of Leadership styles on job satisfaction

The effect of leadership styles on job satisfaction was measured with the use of multiple regressions. The dependent variable was satisfaction and the independent variables were Idealised influence, inspirational motivation, intellectual stimulation and individualised consideration representing transformational leadership. The other independent variables representing transactional leadership styles were contingent reward, management by exception and laissez-fair. The results for the multiple regressions are presented in Table 6.

**Table 6: Multiple Regression Results**

Variables	Standardised Coefficient	t	Significance
Constant		16.178	0.00
Idealised Influence	-0.015	-0.141	0.888
Inspirational Motivation	0.191	1.706	0.090
Intellectual Stimulation	0.031	0.257	0.798
Individualised Consideration	0.069	0.587	0.558
Contingent Reward	0.011	0.102	0.919
Management by Exception	0.253	2.388	0.018
Laissez Faire	0.227	2.725	0.007

\*Dependent Variable: Satisfaction

R Square= 0.255

Adjusted R square = 0.216

The results indicate that with exception of idealised influence and individualised consideration which negatively affected job satisfaction, all the other leadership styles positively affected job satisfaction. It is worth noting that inspirational style, Management by exception and Laissez faire styles positively and significantly affected job satisfaction.

## 7. Discussion of Results

### 7.1 Effect of Demographic variables on Satisfaction

Data gathered and analysed showed that gender had no significant influence on the satisfaction of participants. This finding is consistent with previous work of (Nester & Leary, 2000) which also reported that gender of employees does not have any relationship with job satisfaction. The finding is also consistent with (Scott, Swartzel & Walter (2005) which found that gender has a low relationship with job satisfaction. Again, it confirms the results of a study by Bader, Hashim and Zaharim (2013) whose results showed that gender was not necessarily related to job satisfaction. This finding of this study however contradicts that of Belias, Koustelios, Sdrolias and Koutiva (2013) who indicated that gender affects employees job satisfaction and that women tend to be more dissatisfied with their work environment than men.

Results from the study showed that marital status of respondents had no significant influence on their job satisfaction. The finding is similar to what Scott, Swartzel and Walter(2005) found in their study on the relationship between selected demographic factors and level of satisfaction. Again it is similar to results of

Nester and Leary (2000) who found that gender and employee satisfaction have low relationship. Also, the results confirm that of Phil (2009) who found that there was no significant effect of marital status on job satisfaction among bank employees. Results from this study however contradicts that of Al-Kahtani and Allam (2000) whose results showed that married and unmarried group of banking employees differ significantly where married employees were found to have higher levels of job satisfaction. Similarly Appiah-Agyekum, Suapim and Peprah (2013) also found that married teachers were more satisfied than those unmarried meaning marital status affect job satisfaction.

Academic qualification however, significantly influenced level of satisfaction of workers. Employees with higher academic qualification reported a higher level of satisfaction compared to those with lower qualification. The finding is similar to what Al-Kahtani and Allam (2000) found in a study on the impact of demographical factors on job satisfaction among banking employees. They in their research found that higher experienced employees felt higher level of job satisfaction. The findings of this study also confirm results from the study of Bader, Hashim and Zaharim (2013) who observed that employees with secondary education were more satisfied with their job than employees who had a diploma or an undergraduate level of education. Similarly, Appiah-Agyekum, Suapim and Peprah (2013) also found that educational qualification impacted on job satisfaction where teachers with higher educational qualification tend to be more dissatisfied than those with lower qualification. However, this is in contrast with results of (Scott, Swortzel & Walter, 2005) who in their study found that there was no relationship between education and job satisfaction.

The results from this study may be attributed to the fact that academic qualification is considered in rewarding employees in Ghana and thus those with higher qualification may receive more compensation than those with lower qualification and therefore the level of satisfaction may differ.

### **7.2 Relationship between Leadership style and job satisfaction**

The results of the study indicated that there was a positive relationship between leadership style and job satisfaction. This finding agrees with that of Yousef (2000), Manning (2002) and Bushra, Usman and Naveed (2011). The results indicate that the leadership styles exhibited by the management of an organisation will greatly influence the behaviour of the employees. For managers to derive the best out of their employees and make them satisfied, they (managers) should show good leadership.

### **7.3 Effect of Leadership style on Job satisfaction**

Findings of this study indicated that inspirational motivation which is a type of transformational leadership, management by exception and laissez faire which are types of transactional leadership positively and significantly affected job satisfaction. The finding that both transactional and transformational leadership styles affect job satisfaction agrees with the finding of Bateh and Heyliger (2014).

The finding that transformational leadership style has positive effect on job satisfaction agrees with the findings of Shibru and Darshan (2011) and Voon et al (2011). Also, the finding that there is a positive relationship between transactional leadership and job satisfaction agrees with findings of Arzi and Farahbod (2014) and Javed, et al (2014).

The finding of the study, indicates that the leadership style of managers will impact on job satisfaction of banking employees. To derive the best of employees therefore, managers should show good leadership.

## **8. Conclusions**

The current study is an attempt to add on to the existing knowledge in the area of employee job satisfaction by providing empirical data from the banking sector in Ghana. Results of the current study in some cases agreed with previous studies but in other cases contradicted past results. The findings are that gender and marital status had no significant impact on job satisfaction. Academic qualification however significantly influenced the level of employee satisfaction. The predominantly adopted leadership style was idealised influence which is a type of transformational leadership. Majority of the respondents were ambivalent with respect to categorisation of their satisfaction. The results indicate that there was positive relationship between leadership style and job satisfaction. Furthermore, inspirational motivation which is a type of transformational leadership, management by exception and laissez fair which are types of transactional leadership styles positively and significantly affected job satisfaction. Thus, both transformational and transactional leadership styles affected employee job satisfaction. Managers should therefore exhibit good leadership so as to get satisfied employees.

## **9. Limitation**

The research limitation of the study is that the survey population consisted of bankers drawn from Greater Accra region only; as such the findings may not be representative of all employees in the banking profession. However, the originality and value of this study is that little is known about the job satisfaction of bankers within the context of the Ghanaian banking industry.



## 10. Further research

Further research can be conducted on the effect of leadership style on employee satisfaction in other sectors of the economy. Research can also be carried out on the same topic but in other regions of the country.

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