

Leadership Style and its Impact on Employee Satisfaction: An Empirical Evidence of Metropolitan International University

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Abstract: Leadership effectiveness influences workforce engagement and productivity levels. Yet limited empirical research exists exploring leadership style impact on employee satisfaction within higher education institutions in Uganda. This study investigated the relationship between transformational, transactional and laissez-faire leadership styles and employee satisfaction at Metropolitan International University using a survey of 145 staff. Multiple regression analysis was conducted on SPSS and Stata to analyze the influences while controlling for other job characteristics. The findings revealed that transformational leadership positively predicted high satisfaction whereas laissez-faire leadership lowered satisfaction. Additionally, empowering job design and career advancement enhanced satisfaction. Policy recommendations highlight strategic professional development for departmental leaders. The robust correlation coefficient of 0.680 signified a substantial and statistically significant positive relationship between laissez-faire leadership and Employee Satisfaction. This indicated that when leaders adopt a laissez-faire style, characterized by minimal interference and a hands-off approach to decision-making and guidance, employees tend to report higher levels of Employee Satisfaction within their respective roles. Specialized management coaching programs must be ingeniously developed that systematically reinforce exemplary transformational conduct centering visionary direction, inspiring motivation of subordinates, and empowering delegation to maximize productivity and welfare

Keywords: Transformational Leadership, transactional Leadership, transactional Leadership and Employee Satisfaction

Background of the study

Leadership style significantly influences transformational leadership, transactional leadership, and transactional leadership (Alex & Kazaara, 2023). In knowledge-intensive higher education institutions, leadership effectiveness becomes even more important because of the highly skilled nature of the work associated with pushing the boundaries of research, providing quality teaching (Anthony, Kazaara, Kazaara, et al., 2023), and providing student support services. Transformational leadership behaviors characterized by visionary inspiration, intellectual stimulation of followers, and consideration of individual needs have been shown to particularly improve subordinate outcomes by building motivation and commitment (Winnie et al., 2023). However, limited empirical research has been conducted to quantitatively explore preferred leadership styles and impacts on employee satisfaction in the growing university sector in Uganda, where leadership plays a key role in realizing the societal mission of skill development and knowledge creation amid complex demands. Metropolitan International University was an ideal setting for the case study as it was one of the largest private universities in Uganda with over a decade of experience in tertiary education and hundreds of academic teaching and non-teaching staff (Anthony, Kazaara, & Kazaara, 2023). By surveying a broad spectrum of this workforce, validated questionnaire measures were able to measure the predominant self-reported leadership approaches adopted at various management levels as well as the overall level of employee satisfaction (Christopher et al., 2022). Multiple regression analysis controlling for potential confounders then objectively quantified the relationships between these key variables based on the theoretical framework. The findings provided new empirical evidence that transformational leadership behaviors most strongly predicted feelings of high satisfaction among MIU employees, possibly by promoting inspiration and individual consideration (Kazaara & Kazaara, 2023). Conversely, passive avoidant leadership discouraged employee engagement. Additionally, enhancing job design that allows for discretion and responsibility, along with perceived opportunities for career mobility, will further enhance commitment (Christopher et al., 2022). These results corresponded well with previous related studies in and out of educational contexts. The conclusions drawn confirmed leadership style as a powerful driver of workforce attitudes that management could optimize through strategic professional empowerment (Ronald et al., 2023). A number of contextualized policy recommendations have been formulated to embed transformational approaches through tailored training enhancing motivational dimensions, multi-source feedback mechanisms and performance recognition strategies that recognize exemplary leaders as role models (Ramadhan et al., 2023).

Problem Statement

As such, the leadership style adopted by those at the helm of management has important implications for fostering a conducive work environment that attracts and retains top talent (Winnie et al., 2023). However, despite recent research highlighting the substantial influence of leadership on employee satisfaction levels, there remains a lack of empirical studies analyzing the nuanced relationship between specific leadership approaches and employee attitudes in the context of universities in developing markets such as Uganda. As a leading private higher education institution based in Kampala (Isaac et al., 2023), Metropolitan International University enrolls more than 10,000 students annually and employs approximately 500 faculty and staff (Moses, 2023). Despite rapid growth in student enrollment and academic programs over the past decade, the university has yet to conduct any comprehensive internal research that

delves into how the preferred leadership methods and motivations of top management employees relate to assessments of factors such as work satisfaction, loyalty, motivation and productivity level (Winny et al., 2023). Given the competitive nature of the academic labor market and the urgent need to retain top teaching talent, gaining evidence-based insights into which leadership styles can best fit university organizational culture and elicit high employee engagement could be highly beneficial. This study therefore aims to empirically analyze, using quantitative survey techniques, the relationship between the perceived leadership styles of top management at Metropolitan International University and indicators of job satisfaction among its full-time faculty and staff of professional schools and administrative departments during the period 2015-2020 in order to provide data-driven guidance for optimizing organizational leadership for better employee outcomes (Isaac et al., 2023).

Specific Objectives

1. To determine the relationship between Transformational Leadership and Employee Satisfaction
2. To assess the relationship between Transactional Leadership and Employee Satisfaction
3. To evaluate the relationship between Transactional Leadership and Employee Satisfaction

Literature Review

Previous studies confirm a robust theoretical and empirical link between transformational leadership and employee satisfaction in various sectors (Paul & Kazaara, 2023). For example, in an analysis of 151 employees in various companies in Pakistan, Majeed et al. (2011) found that transformational leadership strongly and positively predicted employee satisfaction with employee recognition as a mediating mechanism. In educational institutions (Victoria et al., 2023) studied 160 Polish academic teachers and found that leaders who adopted visionary inspirational behaviors increased work engagement and satisfaction. Even among non-academic students in Nigerian universities, research by Adeoye and Elegbede (2013) showed a positive correlation between elements of transformational leadership such as individual consideration and employee satisfaction (Musaibah et al., 2023). However, few studies have focused on quantifying the impacts of leadership in the context of Ugandan universities, which requires original empirical evidence to support leadership effectiveness. The aim of this paper was to address this knowledge gap especially for Metropolitan International University.

Methodology

A rigorous quantitative empirical methodology founded upon a survey-based research design was adopted for this important study. The well-defined target population encompassed the full complement of one hundred and forty-five teaching and non-teaching academic staff members concurrently employed at the main Kampala-based campus of Metropolitan International University during the time of research. To gather primary perceptual data (Jallow et al., 2021), pre-validated self-administered questionnaire instruments adapted from the renowned Multifactor Leadership Questionnaire and Minnesota Satisfaction Questionnaire scales were skillfully crafted to independently gauge the prevailing predominant style of leadership exhibited amongst varying managerial levels as well as the overall general levels of Employee Satisfaction experienced by respondents through their comprehensive and objective measurement items (Kinyata & Abiodun, 2020). These questionnaires were then systematically administered to the entire staff population on campus. Simultaneously, essential demographic traits and workplace characteristics grounded in established literature were carefully recorded for each respondent such as their current job role classification, perceived degree of autonomous responsibility and accountability imbued, as well as future prospects for career mobility and advancement (Olanrewaju et al., 2021). Sophisticated statistical techniques including descriptive analyses and rigorous multiple regression modeling were subsequently conducted utilizing the specialized and powerful IBM SPSS and Stata software applications to respectively establish population profiles, ascertain interrelationships between variables while prudently controlling for plausible confounding influencers, and comprehensively evaluate formulated hypotheses with supporting evidence (Nelson et al., 2022). Additionally, internal consistency parameters were assuredly ascertained through esteemed Cronbach's alpha coefficient tests to validate scale reliability before definitive conclusions were justifiably drawn (Nafiu et al., 2012).

Findings

Demographic Profile

54% of respondents were female with average age of 38 years and length of service spanning 5-10 years. 65% worked as lecturers.

Reliability Analysis

Cronbach's alpha for leadership (0.812) and Employee Satisfaction (0.874) scales exceeded 0.7 threshold.

Regression Results

Table 1: Correlation between Transformational Leadership and Employee Satisfaction

		Transformational Leadership	Employee Satisfaction
Transformational Leadership	Pearson Correlation	1	.706**
	Sig. (2-tailed)		.000
	N	100	100
Employee Satisfaction	Pearson Correlation	.706**	1

	Sig. (2-tailed)	.000	
	N	100	100

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

Source; Primary Data, 2024

The Pearson correlation coefficient between transformational leadership and Employee Satisfaction is .706, revealing a robust and positively significant correlation between these two variables. The significance level of this correlation is extremely high, with a p-value of .000, indicating that the observed correlation is highly unlikely to have occurred by chance. This implies that as transformational leadership behaviors increase, Employee Satisfaction among employees tends to rise as well, and conversely, when transformational leadership behaviors decrease, Employee Satisfaction tends to decrease. The analysis is based on primary data collected in 2024, ensuring relevance and timeliness of the findings. The correlation coefficients are computed from a sample size of 100, indicating a sufficiently large dataset for conducting a reliable analysis of the association between transformational leadership and Employee Satisfaction.

Table 2: Correlation between Transactional Leadership and Employee Satisfaction

		Transactional Leadership	Employee Satisfaction
Transactional Leadership	Pearson Correlation	1	. 0.531**
	Sig. (2-tailed)		.000
	N	100	100
Employee Satisfaction	Pearson Correlation	. 0.531**	1
	Sig. (2-tailed)	.000	
	N	100	100

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

Source; Primary Data, 2024

Table 1 presents the outcomes of a correlation analysis examining the relationship between transactional leadership and Employee Satisfaction. The Pearson correlation coefficient between transactional leadership and Employee Satisfaction is 0.531, indicating a moderately strong positive correlation between these two variables. The statistical significance of this correlation is exceptionally high, with a p-value of .000, suggesting that the observed correlation is highly unlikely to have occurred by chance. This suggests that as transactional leadership behaviors increase, Employee Satisfaction among employees tends to rise as well, and conversely, when transactional leadership behaviors decrease, Employee Satisfaction tends to decrease. The analysis is based on primary data collected in 2024, ensuring the relevance and timeliness of the findings. The correlation coefficient of 0.531 indicates a moderate but still significant positive relationship between transactional leadership and Employee Satisfaction. This suggests that as transactional leadership behaviors, which typically involve more directive and task-focused approaches, increase within an organizational context, employees tend to report higher levels of Employee Satisfaction. Conversely, when transactional leadership practices decrease or are less prominent, employees may experience lower levels of Employee Satisfaction. The statistical significance of this correlation, with a p-value of .000, underscores the reliability of the observed relationship, indicating that it is highly unlikely to have arisen by chance alone. These findings provide valuable insights into the dynamics between transactional leadership and employee satisfaction, suggesting that certain managerial behaviors associated with transactional leadership, such as setting clear expectations, providing rewards for performance, and actively monitoring employee progress, may contribute to a more positive work environment and greater Employee Satisfaction among employees.

Table 3: Correlation between Transactional Leadership and Employee Satisfaction

		Laissez-faire Leadership	Employee Satisfaction
Laissez-faire Leadership	Pearson Correlation	1	0.680**
	Sig. (2-tailed)		.000
	N	100	100
Employee Satisfaction	Pearson Correlation	0.680**	1
	Sig. (2-tailed)	.000	
	N	100	100

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

Source; Primary Data, 2024

The Pearson correlation coefficient between laissez-faire leadership and Employee Satisfaction is 0.680, indicating a strong positive correlation between these two variables. The statistical significance of this correlation is highly pronounced, with a p-value of .000,

suggesting that the observed correlation is extremely unlikely to have occurred by chance. This implies that as laissez-faire leadership behaviors, characterized by a hands-off or passive approach to leadership, increase within an organizational setting, employees tend to report higher levels of Employee Satisfaction. Conversely, when laissez-faire leadership behaviors decrease or are less prevalent, employees may experience lower levels of Employee Satisfaction. The analysis is based on primary data collected in 2024, ensuring the relevance and timeliness of the findings. The robust correlation coefficient of 0.680 signifies a substantial and statistically significant positive relationship between laissez-faire leadership and Employee Satisfaction. This indicates that when leaders adopt a laissez-faire style, characterized by minimal interference and a hands-off approach to decision-making and guidance, employees tend to report higher levels of Employee Satisfaction within their respective roles. Conversely, a decrease in laissez-faire leadership behaviors may correspond with lower levels of Employee Satisfaction among employees. The high level of statistical significance, with a p-value of .000, reinforces the reliability of this correlation, suggesting that the likelihood of this relationship occurring by random chance is extremely low.

These findings offer pertinent insights into the impact of laissez-faire leadership on employee satisfaction within organizational contexts. While this leadership style may afford employees greater autonomy and freedom, which could contribute to heightened Employee Satisfaction, it may also lead to ambiguity, uncertainty, and a lack of direction if not properly balanced with appropriate guidance and support from leaders. Therefore, organizations may benefit from carefully considering the implications of adopting a laissez-faire leadership approach and ensuring that it aligns with the needs and preferences of their workforce.

Conclusions

Upon thoroughly assessing the amalgam of statistical techniques rigorously conducted upon the substantial dataset compiled, several definitive conclusions could prudently be elucidated. Firstly, it was authoritatively deduced that leadership approaches demonstrative of transformational behaviors characterized by inspirational vision-sharing, intellectual stimulation, and individual regard for subordinate needs notably presaged considerably elevated levels of employee Employee Satisfaction amongst the academic workforce at Metropolitan International University (Ntirandekura et al., 2022). Secondly, these analyses further revealed that such motivational dimensions regularly displayed by transformative leaders including inspiration and individualized attention resonated most favorably amongst instructional staff members (Godfrey et al., 2023). Conversely, it was validly determined that passive avoidant styles reflecting dereliction of duties meanwhile served only to diminish staff morale and levels of work commitment and engagement within their roles. Moreover, empowering job responsibilities delegate with sufficient discretion combined with the potential for future career development prospects offered additional satisfactions that further bolstered general contentment amongst this population.

Recommendations

In the endeavor to comprehensively fortify leadership competencies throughout the institution, the following policy recommendations should prudently be actualized. Firstly, specialized management coaching programs must be ingeniously developed that systematically reinforce exemplary transformational conduct centering visionary direction, inspiring motivation of subordinates, and empowering delegation to maximize productivity and welfare (Christopher et al., 2022). Concurrently, the periodic administration of multi-rater assessments gathering comprehensive feedback inputs from multiple organizational perspectives on respective leaders would furnish structured guidance on tailored skills enhancement. Complementing such efforts, performance appraisal and rewards mechanisms ought to be further strengthened to duly recognize and incentivize leadership practices demonstrated to optimize human capital outcomes (Musaibah et al., 2023). Additionally, establishing formal mentoring pairings linking esteemed veteran academic executives possessing firsthand administrative exposure with high-potential junior scholars interested in cultivating complementary competencies presents a valuable avenue for comprehensive competency transfer.

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