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# **Article**

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Pakistan Journal of Commerce and Social Sciences (PJCSS)

# **Provided in Cooperation with:**

Johar Education Society, Pakistan (JESPK)

Suggested Citation: Malik, Sikandar Hayyat (2013): Relationship between leader behaviors and employees' job satisfaction: A path-goal approach, Pakistan Journal of Commerce and Social Sciences (PJCSS), ISSN 2309-8619, Johar Education Society, Pakistan (JESPK), Lahore, Vol. 7, Iss. 1, pp. 209-222

This Version is available at: https://hdl.handle.net/10419/188086

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Pakistan Journal of Commerce and Social Sciences 2013, Vol. 7 (1), 209-222

# Relationship between Leader Behaviors and Employees' Job Satisfaction: A Path-Goal Approach

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#### **Abstract**

This descriptive and cross-sectional study looked at the relationships between leader behavior and employees' job satisfaction in Pakistan. The data were collected from middle and first line managers through survey questionnaires using a stratified random sampling technique. Employee job satisfaction depends upon the leadership behavior of managers. There was significant correlation between all the four path-goal leader behaviors i.e. directive; supportive; participative; and achievement oriented leader behavior and job in general & supervision were significant.

There was a significant correlation between the attributes of subordinate (age, gender, qualification, rank, experience and length of service under the current supervisor) and their job satisfaction. Similarly, the correlation between situational factors (locus of control, ability, task structure, role ambiguity, stress, achievement need and autonomy need) and subordinates' job satisfaction was significant.

**Keywords**: Leadership, path-goal theory, employees' job satisfaction.

## 1. Introduction and Literature Review

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 et al., 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 et al., (2008) considers leadership as an important construct for the positive work outcomes which ensures a satisfied and motivated workforce. While, Vecchio et al., (2008) believe that in the path-goal theory, leadership has been recommended as an antecedent to several workplace outcomes such as subordinates' job satisfaction.

# 1.1 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.

# 1.2 Leadership Theories

Doyle and Smith (1999) divided leadership theories into four categories: trait theory, behavior theory, contingency theory, and transformational theory. While Burmeister (2003) divided leadership theories into three eras: the trait era (late 1800s-1940s); the behavior 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 behavior or actions of a leader (Hellriegel and Slocum, 2007 and Luthans, 2008). The contingency theory maintains that effective leaders need to modify their behaviors according to given situation (Burmeister, 2003).

## 1.3 Path-Goal Theory of Leadership

Robbins (2005) believes that Path-Goal theory is the most influential contingency approach to leadership. While Richard et al (2012) believe path-goal theory as the most sophisticated and comprehensive contingency theory. According to path-Goal theory, leader provides necessary direction and support to subordinates to achieve individual as well as organizational goals (Silverthorne, 2001). The stated goal of this leadership theory is to enhance employee performance and satisfaction by focusing on employee motivation. In contrast to situational approach to leadership, which suggests that a leader must adapt to the development level of subordinates, and unlike contingency approach, which emphasizes the match between the leadership behavior and specific situation, pathgoal theory emphasizes the match between leader behavior and subordinates characteristics along with work settings (Northouse, 2013). The path-goal theory explains how a leader can provide support to subordinates on the path to goals by using specific behavior based on subordinates needs and work settings or situations in which subordinates are operating. As theory suggests that different leader behaviors have different kind of impact on subordinates' motivation. According to Richard et al (2012) Path-goal is a cognitive approach to understanding motivation where subordinates calculate effort-to-performance and performance-to-outcome probabilities. The most effective leader will ensure/provide availability of valued rewards (goal) by helping them in finding best ways to reach there (path). This task and leadership relation involves effort-to-performance and performance-to-reward expectancies. The two situational contingencies in the Path-Goal theory are: (1) the personal characteristics of group members; and (2) the work environment (Daft, 2005).

## 1.4 Leadership Behavior

The achievement of organizational goals largely depends on managers and their leadership behavior. The use of a particular leadership behavior by manager affects both job satisfaction and productivity of the employees. A leadership behavior is defined as a pattern of behavior leaders prefer to use (Marie et. al, 2011). While, Mosadegh (2003b) views leadership behavior 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 behaviors 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 behaviors on organizational outcomes (Kreitner, 2008).

Leadership theories have proposed several leadership behaviors such as: autocratic, bureaucratic, laissez-faire, charismatic, democratic, participative, situational, transactional, and transformational leadership. But there is consensus among researchers that a particular leadership behavior will yield result in a particular situation. In other words, a single leadership behavior 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 and Yarmohammadian, 2006).

## 1.5 Path-Goal Leadership Behaviors

The Path-Goal theory suggests that leaders may not only use varying behaviors with different subordinates but might use different behaviors with same subordinates in different situations (Richard et al., 2012). Path-goal theory suggests that depending upon subordinates, and situations, different leadership behaviors will increase acceptance of leader by subordinates; level of satisfaction; and motivation to high performance. Based on situational factors, Path-goal proposes a fourfold classification of leader behaviors, as described below.

**Directive leader** tells subordinates exactly what they are supposed to do. It characterizes a leader who tells subordinates about their task, including what is expected of them, hoe it is to be done, and time line for the completion of particular task. He also sets standards of performance and defines clear rules and regulations for subordinates (Northouse, 2013). Directive behavior is appropriate when task is complex or ambiguous, formal authority is strong and the work group provides job satisfaction (Lussier and Achua, 2010).

**Supportive leader** shows concern for subordinates' wellbeing and personal needs. Supportive leadership consists of being friendly and approachable as a leader and includes attending to the well-being and human needs of subordinates (Northouse, 2013). Supportive leadership is appropriate when task is simple, formal authority is weak, and the work group does not provide job satisfaction (Lussier and Achua, 2010).

**Participative leader** consults with subordinates about decisions. A participative leader consults subordinates, obtains their ideas and opinions and integrates their suggestions into decision making (Northouse, 2013). Participative leadership is appropriate when subordinates don't want autocratic leadership, have internal locus of control, and follower ability is high; when task is complex, authority is either weak or strong, and satisfaction from co-workers is either high or low (Lussier and Achua, 2010).

Achievement-oriented leader sets clear and challenging goals for subordinates. The leader establishes a high standard of excellence for subordinates and seeks continuous improvement. Further leader shows a high degree of confidence in subordinates (Northouse, 2013). Achievement-Oriented leadership is appropriate when followers are open to autocratic leadership, have external locus of control, and follower's ability is high; when task is simple, authority is strong, and job satisfaction from co-workers is either high or low (Lussier and Achua, 2010).

Leader behaviors conceptualized in the Path-Goal theory have been studied in various industries and settings. For example, telecom industry (Malik, 2011); royal air force (Howieson, 2008); small and middle-sized firms (Li, 2004); international marketing channels (Mehta et al., 2003); Education (Nissa, 2003); automotive industry (Chang et al., 2003); company managers (Silverthorne, 2001); Journalism (McQuarrie, 1987); and steel industry (Downey et al., 1975).

Although interest in behavioral approaches to leadership declined after peak in the 1950s (Likert, 1961; Stogdill, 1950), but still remained there in leadership research over the years (Judge et al., 2004; Podsakoff et al., 2006). The leader-follower-reward behaviors are central to many contemporary leadership theories (reformulated path-goal model of leadership by House, 1996 and transactional leadership by Bass, 1985).

Various studies suggest that leader reward behaviors are predictors of subordinates performance and satisfaction. The meta-analysis conducted by Podsakoff et al. (2006) suggested that leader behaviors are positively related to subordinate job satisfaction.

# 1.6 Job Satisfaction

Job satisfaction reflects the extent to which an individual likes the job. And the organizations with satisfied employees are more productive than those with unsatisfied employees (Hellriegel and Slocum, 2007). Churchill, Ford, and Walker (1974) conceptualized job satisfaction, composed of factors such as job itself and the work environment. It results from the perception of their jobs and the degree to which there is good fit between employees and the organization.

Emotional experiences in working life are inevitable. 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.

McShane and Glinow (2005) believe that job satisfaction represents an employee's evaluation of job and work context. In other words, it is an appraisal of the perceived job characteristics, work environment, and emotional experiences at work. Thus job satisfaction is an attitude to the specific facets of job. People differ in what is important to them, and this may also change for same person. An employee may be satisfied with certain dimensions of the job while dissatisfied with others such as an employee may be satisfied with co-workers but simultaneously dissatisfied with work-load. Dawis (2004) believes that job satisfaction can change with time and circumstances.

Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Nelson and Quick, 2000 and Luthans, 2008). While

Muchinsky (2007), defined job satisfaction as the degree of pleasure an employee derives from his or her job. Hulin and Judge (2003) asserted that an employee's affective reaction to a job is based on a comparison of actual outcomes derived from job with those expected.

Job satisfaction has been treated both as a general attitude and satisfaction with five specific dimensions of the job. It includes employee feelings about various aspects of job such as pay, promotion opportunities, work conditions, supervision, organizational practices and relationships with co-workers (Misener et al., 1996).

## 1.7 Factors affecting Job Satisfaction

Several factors such as pay, promotion, autonomy, working conditions, co workers, supervisory support etc. influence employee job satisfaction. Irvine and Evans (1995); Nissa (2003); and Malik (2011) 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.

Leadership is viewed as an important determinant/predictor of organizational effectiveness and employee job satisfaction. Studies show that 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; Chiok Foong Loke, 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; and Kahai et al., 1997 have reported higher level of job satisfaction under directive leadership behavior when task was highly structured and under supportive behavior when task was highly unstructured. While, Kim (2002) identified a positive relationship between participative leadership behavior and employees' job satisfaction

## 2. Hypotheses

The following null hypotheses were formulated which were subjected to statistical treatment at 0.05 level of confidence for their acceptance or rejections:

**H**<sub>01</sub>. Leader Behavior has a significant relationship with Employee job satisfaction of subordinates.

Studies have shown that different leader behaviors affect the work outcomes such as job satisfaction differently (Swanson and Johnson, 1975; Cheng and Yang 1977; Euske et al., 1982; Savery, 1994; and Mosadegh, 2006)

 $\mathbf{H}_{02}$ . Subordinates' attributes (age, gender, qualification, rank, experience and length of service under the current supervisor) have a significant relationship with their job satisfaction.

## 3. Methodology

The study utilized descriptive correlation design and cross sectional survey methodology.

#### 3.1 Instruments

Three questionnaires were used for data collection:

(1). Leadership Behavior: The conceptual framework for this study derives from Robert House's Path-Goal Theory of Leadership. Four leader behaviors were measured through

a set of 20 questions; five each measuring directive and participative leadership behavior; seven measuring supportive; and three measuring achievement-oriented leader behavior. Items were used to measure the perception of participants about their leader behavior. A sample item for directive leader behavior is, "He lets group member know what is expected of them"; for supportive leader behavior, "He looks out for the personal welfare of group members"; for participative leader behavior, "He asks subordinates for their suggestions concerning how to carry out assignments"; and for achievement-oriented leader behavior, "My Supervisor lets me know what is expected of me to perform at my highest level". Participants indicated their responses on a five-point Likert-type scale (1) always to (5) never.

- (2). Job Satisfaction: A standard job satisfaction questionnaire (Job Descriptive Index (JDI) including Job in General scale, 1997 Revision) was used to assess the level of job satisfaction among employees. The Job Descriptive Index (JDI) including Job in General scale (1997 Revision) was developed by Bowling Green State University and are widely used self-report instruments. The JDI yields five sub-scale scores: people on present job; job in general; work on present job; pay; opportunities for promotion; and supervision. The responses were measured through words or phrases in which respondents had to reply considering "How well does each of the words or phrases describe his/her work by marking Y/N. A sample item for Work on Present Job was, "- Useful Frustrating- Tiring Simple"; for Present Pay, "- Income adequate for normal expenses Barely live on income"; and for Supervision' "- Asks my advice Hard to please- Impolite Praises good work".
- **3). Demographic Characteristics:** While, a demographic questionnaire was used for respondents' biographical, educational information and working experience. Further explanations of the variables were given when requested.

# 3.2 Data collection

Data was collected by using stratified random sampling method. From the 200 distributed questionnaires, 165 questionnaires were returned. These included 44 middle managers and 121 first line managers. Both males and females were included in the sample.

#### 4. Data Analysis and Results

All data were analyzed using the statistical package for the Social Sciences (SPSS 16).

 $\mathbf{H}_{01}$ . Leader Behavior has a significant relationship with Employee job satisfaction of subordinates.

Table 1: Pearson r, of Leadership Behavior and Job Satisfaction

		Work	Pay	Prom otion	Supervi sion	Cowor ker	Job in General
	R	.125	.014	.037	.235**	.122	.242**
Directive	p-value	.113	.860	.642	.003	.123	.002
	N	162	162	162	162	162	162
	R	.322**	.186*	.044	.368**	.294**	.289**
Supportive	p-value	.000	.017	.576	.000	.000	.000
	N	164	164	164	164	164	164
	R	.264**	.132	.136	.280**	.307**	.321**
Participative	p-value	.001	.093	.084	.000	.000	.000
	N	164	164	164	164	164	164
Achievement Oriented	R	.201*	.116	.091	.250**	.172*	.196*
	p-value	.010	.140	.246	.001	.028	.012
	N	164	164	164	164	164	164

The results in the above table 1 reveal that directive; supportive; participative; and achievement oriented leader behaviors have significant relationship with supervision and job in general. While supportive, participative and achievement oriented leader behaviors were also significantly related with the co-worker and work.

H<sub>01a</sub>. There is no relationship between linear combination of four leader behaviors (directive, supportive, participative and achievement – oriented) and job satisfaction of subordinates.

Table 2: Linear Regression Analysis of four Leader Behaviors with Job Satisfaction

T value	P	β	<i>F</i> -Ratio	R	$R^2$
3.870	.000	50.763	22.573	.350	.122

The R-square of .122, t (164) = 3.870, and p = .000 implies that leadership behavior affects job satisfaction.

 $\mathbf{H}_{02}$ . Subordinates attributes (age, gender, qualification, rank, experience and length of service under the current supervisor) have a significant relationship with their job satisfaction.

Table 3: Multiple Regression Analysis of Subordinates Attributes with Job Satisfaction

Predictors	В	t -value	p	R	F-Ratio	Sig	$\mathbb{R}^2$
Age	-10.152	-1.161	.248	.013			
Gender	-7.283	-1.046	.297	092	2.243	0.034	0.103
qualification	1.440	.652	.516	.087			
Rank	-7.587	-1.113	.268	058			
experience	5.817	1.396	.165	.158			
Service	-1.007	204	.838	.007			

The table # 3 reveals that multiple regression analysis for attributes of subordinates (age, gender, qualification, rank, experience and length of service under current supervisor) resulted in R-square of .103, F (145) 2.243 and p=.034, meaning that the attributes of subordinate affect the job satisfaction of subordinates.

 $H_{02a}$  Gender of employees has significant relationship with job satisfaction.

Table 4: Gender wise Difference regarding Job Satisfaction

Gender	N	Mean	t-value	df	P -value
Male	114	113.7719	1.210	147	.228
Female	35	105.4571			

The t value (1.210) is not significant meaning that there is no significant difference in job satisfaction of male and female employees. However, male employees have higher mean score (113.7719) than female employees (105.4571) on job satisfaction.

H<sub>02b</sub> Age of employees has significant relationship with their job satisfaction

Table 5: Age wise Difference regarding Job Satisfaction

Gender	N	Mean	t-value	df	P -value
Young	140	110.7643	497	163	.620
Old	25	114.6000	,	100	.020

The t value (-.479) is not significant meaning that there age does not affect job satisfaction of employees. However, Old Age employee have higher mean score (114.600) than Young Age employees (110.7643) on job satisfaction.

 $H_{02c}$  Difference in qualification of employees has significant relationship with their job satisfaction.

Table 6: Difference regarding Job Satisfaction of Employees with Different Qualifications

Qualifications	N	df	F	P -value
B.A/B.Sc	42			
M.A/M.Sc	84			
M.Phill	9	4	1.627	.170
PhD	5			
Others	25			

The F value (1.627) is not significant meaning that there is no significant difference in the job satisfaction of employees having different qualifications.

 $H_{02d}$  Difference in level of experience of employees has significant relationship with their job satisfaction.

Table 7: Difference regarding Job Satisfaction of employees with different experiences

Experiences	N	df	F	P -value
> 1 Year	15			
1-5 Years	83			
6-10 Years	51	4	2.225	.066
11-20 Years	12			
21 -30 Years	4			

The F value (2.225) is not significant (.066) meaning that there is no significant difference in the job satisfaction of employees with varying length of experience.

 $H_{02e}$  Perception of first line and middle managers has significant relationship with their job satisfaction

Table 7: Difference in perception of first line and middle managers with Job Satisfaction

Rank	N	Mean	t-value	df	P -value
Lower Managers	122	111.5082	.133	164	.895
Middle Managers	44	110.6818	1100	10.	.050

The t value (.133) is not significant (.895) meaning that there is no significant difference in perception of line and middle managers regarding job satisfaction. However first line managers have higher mean score (111.5082) than middle managers (110.6818) on job satisfaction.

## 5. Findings

Directive; supportive; participative; and achievement oriented leader behaviors have significant relationship with supervision and job in general. While supportive, participative and achievement oriented leader behaviors were also significantly related with the co-worker and work. Further, linear combination of leader behaviors i.e.

directive, supportive, participative and achievement-oriented are significantly related with job satisfaction. Thus it was concluded that leaders affect subordinate job satisfaction.

Attributes of subordinates (age, sex, qualification, rank, experience and length of service under the current supervisor) have significant relationship with subordinates' job satisfaction. Therefore, it was concluded that attributes of subordinates (age, gender, qualification, rank, experience and length of service under the current supervisor) affect job satisfaction. On other hand, gender, age, qualification, length of experiences and rank did not affect job satisfaction.

#### 6. Discussion

The changing nature of work due to globalization accompanied by technological developments generates problems which call for more focus on situational/contingency leadership behavior than ever before. Job Satisfaction, morale and performance of employees are considered the critical factors of organizational success and are directly related to leadership behavior. Leader's failure to subordinates' feelings; wining respect and the acceptance by the subordinates leads not only to the failure of leader himself but will also result in organizational ineffectiveness.

Path goal theory holds that depending upon subordinates' and task characteristics, an effective leader will use each of the four types of leader behaviors in different situations. In situations where task is highly unstructured and non-routine and ambiguous, subordinates want clear directions from leader rather than sympathy. In situations where task is relatively routine and simple, supportive leadership is effective as leader offers a wide range of rewards to subordinate such as encouragement, pats on the back, and respect. Further, he generates interest in by creating a friendly and open work environment, where employees are motivated to work harder and achieve their goals and feel more satisfied while doing it.

In situations where task is ambiguous: participation gives greater clarity to how certain paths lead to certain goals. In participative leadership, employees are consulted in decision making because they have not only operational knowledge and awareness of problems but also know solutions to solve these problems. This on one hand produces effective and workable solutions to problems and on other hand yield motivation, affiliation and acceptance. Above all, it gives employees a sense of accomplishment.

The results of this study show that employees were satisfied with their jobs. Employee job satisfaction in relation to salaries and fringe benefits and working conditions was low. Numerous studies have indicated that there was a significant association between employees' job satisfaction and their received pay, nature of the job and work conditions (Sur et al., 2004; Seo et al., 2004; Lyons et al., 2003; Wittig et al., 2003; Bodur, 2002Al-Ahmadi, 2002). The findings of this study are consistent with the findings of these previous studies. Corporate managers have enough authority to affect Pay and Promotion and can increase motivation to improve employee morale. Middle managers can persuade first line managers to create an environment of support, openness, trust and confidence so that subordinates see problems as an opportunity to learn and contribute to the solution of these problems. Managers should create an environment making employees believe in their work, and persuading them to bring the best out of them.

Several researchers have shown that employee job satisfaction is correlated with subordinates attributes such as: age, gender, education level and work experience years (Hallock et al., 2004; Aronson et al., 2003; Chu et al., 2003; Al-Ahmadi, 2002; Bodur, 2002). In this current study, variables such as employees' age, gender, work experience years, and rank were found having significant effects on their job satisfaction. This relationship between job satisfaction and subordinates attributes can be due to the fact that younger employees are inexperienced and have fewer duties and responsibilities and less workload. Further, they may unmarried thus don't have work-to-family conflicts. Older employees have better knowledge of work, rank and more salary and fewer external demands. Thus by virtue of position and seniority they have more control over the job, more decision-making latitude, a valued position within the hierarchy, and more social recognition.

This study has established a positive correlation between employee job satisfaction and leadership behavior. The knowledge and information about employee motivation helps managers understand how employees can be involved to achieve process improvement (Mosadeghrad and Yarmohammadian, 2006). Managers should choose the best leadership behavior according to given situation and employees' characteristics.

## 7. Implications

Employees are the most important asset of organizations. To be more effective in all situations, managers need to learn more about human behavior, and how their attitudes and behavior impact employee performance. Managers at all levels through their actions and attitudes can create the environment which induces motivation in employees. The results of this study suggest that management can increase the level of satisfaction with compensation, policies, and work conditions. Changes in organizational variables, such as benefit scales, employee input in policy development, and work environment could then be made in an effort to increase employees' job satisfaction. Managers should be trained to build effective relationships with their subordinates. Consideration and employee well-being are desired behaviors from their subordinates.

#### 8. Conclusion

The researcher was interested in determining the aspects of a leadership behavior of managers that affect employee's job satisfaction. Employees' job satisfaction was found significantly correlated and affected by leadership behavior of managers'. It was also believed that managers need a more in-depth understanding of the relationships between these variables.

In the light of findings of this research two conclusions were drawn:

- Thus leader enhances employee performance and satisfaction by matching his behavior with subordinates' characteristics along with work settings. Thus the results of this study support the stated goal of path-goal theory that by using specific behavior based on subordinates needs and work settings or situations in which subordinates are operating, leader behavior affects subordinates job satisfaction.
- 2. According to Richard et al (2012) Path-goal is a cognitive approach to understanding motivation where subordinates calculate effort-to-performance and performance-to-outcome probabilities. The results reveal that there was a significant relationship between attributes of subordinates (age, sex,

qualification, rank, experience and length of service under the current supervisor) and subordinates' job satisfaction.

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