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THE EFFECTIVENESS OF LEADERSHIP STYLES OF MANAGERS AND SUPERVISORS TO EMPLOYEES' JOB SATISFACTION IN COOPERATIVE ORGANIZATIONS IN THE PHILIPPINES

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Abstract

The focus and concern of this study is to determine the effect of the manager's leadership style on the employees' satisfaction and employees' performance of selected cooperatives in San Miguel , Bulacan , Philippines. . The research instrument used in conducting this study is through survey questionnaires distributed at random to 150 staff , which is designed according to the specific problems advanced in the study via percentage analysis. From these questionnaires, the data pertinent to the problem raised in the study were obtained. The content of the questionnaire is all about the leadership interaction characteristics of the manager of the manager to his/her subordinates and what will be its effects to the satisfaction and performance of the employees. Based on the respondents, the leadership style by the managers covered in this study is participative, the effect of the leadership style on employees' performance is productive and finally the effect of the leadership style on employees' satisfaction is satisfactory. The researcher concluded that since the managers are using participative style of leadership as way of leading employees thus they must stick in using this kind of leadership style which then resulted positively to their employees making them more efficient and productive in their workplace.

Keywords: leadership, leadership styles, job satisfaction, , and cooperatives

1. Introduction

Leadership is the most important facet/aspect of managing any type of business organizations be it a corporate or LLC ,a single proprietorship or a business partnership , whether it is a family business or be it simply a cooperative structure . No matter how big or small a company is, it has to be managed effectively and efficiently in order for the staff to be even become more productive and satisfied to do their tasks. The leadership styles of managers of any given organization varies from aristocratic, laissez-faire, or that of a transformational leadership. Managers even in a cooperative business most likely use these leadership styles depending on the climate and the culture of people in that organization. This study will seek to find out what leadership styles are being injected by the supervisors and managers of selected cooperatives in San Miguel Bulacan which is one on the fast pacing town in the heart of one of the biggest

provinces in the Philippines. It has the main purpose or objective of measuring the effectiveness of these leadership styles as perceived by the staff and employees of the cooperative organizations in the Philippines. This is very challenging due to the factors that the turnover of employees working in government and private sectors is very high (Charka, 2009). The situation has become more critical when those experiences and highly trained staff leave the organization. There are several factors that contributed to the high turnover in this job title and one of the reasons is the job satisfaction.. Research in the area of leadership has been widely studied across all countries and most of the common leadership style includes: (1) autocratic, (2) bureaucratic, (3) laissez-faire, (4) charismatic, (5) democratic, participative, (6) situational, (7) transactional, and (8) transformational (Mosadeghrad, 2003). However, Rad and Yarmohammadian (2006) pointed out that different situation needs different leadership style. Therefore, leaders should implement different types of leadership in order to increase job satisfaction and attain maximum productivity levels of their employees most especially in managing a cooperative entity .

2. Literature Review

According to Gary K. Hines, “The dynamic and effective leadership shown a company’s management is the dominating element in determining the eventual success of a company.” There is a difference between leadership and management. Leadership is the activity trying to successfully influence people to strive to attain the goals of the business. The supervisor’s position in the organization gives authority, which was enhanced by the respect, and trust that subordinates have in the supervisor. This enables the leader to accomplish the plans, purposes, and goals of the organization by working with people.

Management is the function of running the business. Common functions include plan, organize, staff, direct, control, coordinate, budget, innovate and represent. The manager gets things done through other people by using appropriate leadership.\

The ideal leadership style utilizes all leadership styles to the best advantage. This means that the situation probably will determine the style used.

The effective leader should be concerned for both people and production. Attempt to create situations in which people work together to obtain quality results. Try to have people recognize that there is a strong relationship between job satisfaction and work achievement. The effective leader;

1. Is flexible, chooses actions from a range of leader behavior;
2. Is aware of himself or herself, the group and the situation. All are considered before selecting a leadership style;
3. Lets subordinates know the influence they will have on each issue and how the leader’s authority will be used;
4. Uses general supervision; subordinates work out daily details of the job and make many decisions concerning how to do job within prescribed limits;
5. Remembers both the immediate problem and the long term individual or group effectiveness before acting;
6. Makes certain that appropriate and timely decisions are made-by the group, if feasible, or individually if situation requires it;
7. Is easy to find when subordinates have a problem to discuss, shows an interest in their ideas;

8. Makes good on promises given to subordinates, quickly takes care of complaints and give sincere answers with no runaround;

9. Provides adequate instruction on job methods, safety improvements and how to avoid errors, keeping in mind the level of the worker's experience; reasons why are given.

Kurt Lewin and colleagues did leadership decision experiments in 1939 and identified three different styles of leadership, in particular around decision-making.

Autocratic

In the autocratic style, the leader takes decisions without consulting with others. The decision is made without any form of consultation. In Lewin's experiments, he found that this caused the most level of discontent.

Autocratic style works when there is no need for input on the decision, where the decision would not change because of input, and where the motivation of people to carry out subsequent actions would not be affected whether they were or were not involved in the decision-making.

Democratic

In democratic style, the leader involves the people in the decision making, although the process for the final decision may vary from the leader having the final say to them facilitating consensus in the group.

The people usually appreciate democratic decision-making, especially if they have been used to autocratic decisions with which they disagreed. It can be problematic when there is a wide range of opinions and there is no clear way of reaching an equitable final decision.

Laissez-Faire

The laissez-faire style is to minimize the leader's involvement in decision-making, and hence allowing people to make their own decisions, although they may still be responsible for the outcome.

Laissez-faire works best when people are capable and motivated in making their own decisions, and where there is no requirement for a central coordination, for example in sharing resources across a range of different people and groups.

In Lewin et al's experiments, he discovered that the most effective style was Democratic. Excessive autocratic styles led to revolution, whilst under a Laissez-faire approach, people were not coherent in their work and did not put in the energy that they did when being actively led.

These experiments were actually done with groups of children, but were early in the modern era and were consequently highly influential.

According to Kleiner, "to determine which style is appropriate, it is necessary to determine the 'task maturity' of the group members"

The Leader and the Group

Task functions consist of facilitating and coordinating group effort in the selection, definition, and solution of a common problem. The leader will initiate ideas, seek and give information of opinions, clarify the ideas of others, elaborate upon the ideas of others, summarize the ideas shared by the group so far, and test to see if the group has a consensus on the issue under discussion.

Relationship functions involve developing the way in which members of the group work together, emphasizing loyalty to one another and to the group as a whole. The leader must be friendly, warm, and responsive to others, express feelings sensed in the group, and harmonize and facilitate the participation of others.

The leader, the group and the Situation

The new put on the democratic style encouraged managers to reexamine their style of leadership. As a result, many changed their styles from authoritarian to democratic and obtained substantially better results.

However, a large number of managers remained unconvinced that the democratic style was always better than the authoritarian style with every group in every situation.

During the late 1930's R. Tannenbaum and W. Schmidt plotted leadership styles along a continuum, based on the degree that power and influence in decision-making was retained by the boss or shared with subordinates. They identified four basic styles of leadership, and joinsis the democratic style of leadership. Democratic leadership has many different shades of different shades of meaning based upon the relative degree that power and influence in decion making is shared between the boss and his or her subordinates.

According to Edward Glassman, "how to capitalize on subordinates" perceptions of you. To determine your real leadership style requires you to find out how you affect your subordinates and how they perceive you as a leader.

Your Leadership Style

Most leadership characteristics at work fall into two basic types: task behaviors, which are directive , one way communications explaining what each person is to do and when, where and how it is to be done, and relationship behaviors, which are supportive, two-way communications involving listening nonevaluatively and other types of encouragement. The relative frequency with which you combine and use these types constitutes your leadership style.

Various combinations of task and relationship behaviors can be combined, resulting in four useful leadership styles. These are:

1. Directive Style: Your predominant characteristics are telling, asserting, and modeling.
2. Participative Style: Your predominant characteristics are coaching, negotiating, and collaborating.
3. Catalytic Style: Your predominant characteristics are encouraging, facilitating, and consulting.
4. Nondirective Style: Your predominant characteristic is delegating.

One factor in choosing which leadership characteristic to use is the ability of your subordinates to work independently of you. That is, they are willing and motivated to do the task, they have the ability to do the task and they have a high performance level with the respect to the task.

Responses to Your Subordinates

Respond to the feedback from your subordinates on your leadership style in a way that 1) increases their trust in you; 2) improves the overall productivity of your unit; 3) raises their motivation to do better; and 4) will improve your leadership style and effectiveness. For example, one way to do this is to call a meeting of your subordinates to thank them for their cooperation

and to reveal what you learned. Then, as a team, plan ways to improve their motivation, raise productivity, and improve the quality of the unit’s interactions.

Changing your leadership Styles

Experience indicates leadership styles are often hard to change. Yet in the process of helping your subordinates to be more productive, you need the skills of all four leadership styles. How can you do this? One way is to become more effective in the leadership style you normally use, and then add on enough of the other skills, one at a time, so you can respond flexibly to your subordinates, treating each according to ability and motivation. To become a more flexible leader, you might decide to obtain training in how to assert for a more effectively directive style; how to listen and respond nonevaluatively for a more effective catalytic style; how to delegate for an amore effective nondirective style; and how to negotiate disagreements using mutual problem-solving techniques for a more effective participative style.

3. Methodology

To be able to establish the achievement of the goals and objectives of the study, the researcher used the survey method of research. The focus and concern of this study is to determine the effects of the manager’s leadership style on the employees’ satisfaction and employees’ performance of the company. Survey questionnaires were distributed to be answered by the respondents. After gathering the needed information, the researcher compared each answers and came up with a reasonable result. A random survey method is used in the study,one hundred fifty respondents from selected cooperative organizations located in San Miguel,Bulacan , Philippines.

Sample size

There are one hundred and fifty respondents in the study,

Where: N- is the population size

n- is the sample size

e- is the degree of marginal error which is 5%

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

$$n = \frac{157}{1 + 57(.05)^2}$$

$$n = \frac{157}{1 + 57(.0025)^2}$$

$$n = \frac{157}{1.1425}$$

$$n = 149.89 \text{ or } 150$$

The research instrument used in conducting this study is through survey questionnaires, which is designed according to the specific problems advanced in the study. From these questionnaires, the data pertinent to the problem raised in the study were obtained. The content of the questionnaire is all about the leadership interaction characteristics of the manager of the manager to his/her subordinates and what will be its effects to the satisfaction and performance of the employees.

4. Results and Discussion

To interpret the data, the researcher used the formula of percentage, and standard deviation. The formulas are as follows.

FREQUENCY (f)- corresponds to the number of belonging to a category.

PERCENTAGE:

$$\% = f/n \times 100$$

Where:

%= Percentage

f= frequency

n= Total number of items

TABLE 1.2 AGE OF RESPONDENTS

Bracket	FREQUENCY	Percentage
18-28 years old	15	10%
29-39 years old	48	32%
40-50 years old	48	32%
51 and above	39	26%

Table 1.2 shows that 26% of the respondents falls in the age bracket of 51 years old and above, 32% in 40-50 years, 32% also in 29-39 years and 10% in 18-28 years of age.

TABLE 1.3 GENDER OF RESPONDENTS

YEARS	FREQUENCY	Percentage
Female	90	60%
Male	60	40%

Table 1.3 shows that majority of the employees of the cooperatives in San Miguel Bulacan are females.

TABLE 1.4 LENGTH OF SERVICE OF RESPONDENTS

YEARS	FREQUENCY	PERCENTAGE
Below 1 year	3	2%
1-5	42	28%
6-10	69	46%
10 and above	36	24%

Table 1.4 shows that 24% of the employees are serving their company for about 10 years and above, 46% for about 6 to 10 years, 28% for about 1 to 5 years, and 2% below 1 year.

TABLE 1.5 LEADERSHIP STYLE USED BY THE MANAGER

LEADERSHIP STYLE	FREQUENCY	PERCENTAGE
Authoritarian	15	10%
Participative	87	58%
Free-Reign	24	32%

Table 1.5 shows the one that prevails within the cooperatives covered in the study is participative style of leadership.

TABLE 2 THE MANAGER ENCOURAGES PARTICIPATION OF EMPLOYEES IN DECISION-MAKING

SCALE	WEIGHTED MEAN	WEIGHTS	DESCRIPTIVE INTERPRETATION
5	20	5.99-5	Excellent
4	108	4.99-4	Very Satisfactory
3	54	3.99-3	Satisfactory
2	2	2.99-2	Fair
1	0	1.99-1	Poor
TOTAL	3.68		Satisfactory

TABLE 3. THE MANAGER WELCOMES SUGGESTIONS FROM EMPLOYEES OF THE DEPARTMENT TO THE EXTENT THAT COMMUNICATIONS IS OPEN AND WELCOME

SCALE	WEIGHTED MEAN	WEIGHTS	DESCRIPTIVE INTERPRETATION
5	15	5.99-5	Excellent
4	120	4.99-4	Very Satisfactory
3	48	3.99-3	Satisfactory
2	2	2.99-2	Fair
1	0	1.99-1	Poor
TOTAL	3.7		SATISFACTORY

TABLE 4 THE MANAGER INFLUENCE EVENTS AND ACTIVITIES AMONG SUPERIORS AND AMONG FELLOW MANAGERS ON THE DIFFERENT DEPARTMENTS

SCALE	WEIGHTED MEAN	WEIGHTS	DESCRIPTIVE INTERPRETATION
5	10	5.99-5	Excellent
4	72	4.99-4	Very Satisfactory
3	78	3.99-3	Satisfactory
2	8	2.99-2	Fair
1	0	1.99-1	Poor
TOTAL	3.36		SATISFACTORY

TABLE 5 THE MANAGER ASKS IDEAS FROM EMPLOYEES WHICH THEY CAN CONTRIBUTE TO THE COOP

SCALE	WEIGHTED MEAN	WEIGHTS	DESCRIPTIVE INTERPRETATION
5	15	5.99-5	Excellent
4	104	4.99-4	Very Satisfactory
3	63	3.99-3	Satisfactory
2	0	2.99-2	Fair
1	0	1.99-1	Poor
TOTAL	3.64		SATISFACTORY

TABLE 6 THE MANAGER ALLOWS THE EMPLOYEES TO PARTICIPATE IN GOAL SETTING AND PROBLEM SOLVING WHICH ENCOURAGES EMPLOYEES COMMITMENT TO THE FINAL DECISION

SCALE	WEIGHTED MEAN	WEIGHTS	DESCRIPTIVE INTERPRETATION
5	15	5.99-5	Excellent
4	96	4.99-4	Very Satisfactory
3	63	3.99-3	Satisfactory
2	4	2.99-2	Fair
1	0	1.99-1	Poor
TOTAL	3.56		SATISFACTORY

TABLE 7 THE MANAGER SETS GOALS AND OBJECTIVES WITH GROUP MEMBERS OF EMPLOYEES

SCALE	WEIGHTED MEAN	WEIGHTS	DESCRIPTIVE INTERPRETATION
5	5	5.99-5	Excellent
4	108	4.99-4	Very Satisfactory
3	63	3.99-3	Satisfactory
2	2	2.99-2	Fair
1	0	1.99-1	Poor
TOTAL	3.56		SATISFACTORY

TABLE 8 THE MANAGER COOPERATES WITH OTHER DEPARTMENTS IN ORDER TO MUTUALLY ACHIEVE COMPANY GOALS

SCALE	WEIGHTED MEAN	WEIGHTS	DESCRIPTIVE INTERPRETATION
5	5	5.99-5	Excellent
4	64	4.99-4	Very Satisfactory
3	81	3.99-3	Satisfactory
2	12	2.99-2	Fair
1	0	1.99-1	Poor
TOTAL	3.24		SATISFACTORY

The respondents more than the majority of them opined that they are very much satisfied with the way their bosses cooperate with other department in order for the company to achieve their goals and objectives even in the way their managers set their goals and encourage all of them towards solving problems of employees from various departments as shown in Tables 5,6, 7 and 8. Furthermore, even the extent of communication as perceived by the employees themselves they said as “ very satisfactory” as can be glean from Table 3.

TABLE 9 EFFECTIVENESS OF MANAGER’S PARTICIPATIVE STYLE IN ACHIEVING ORGANIZATIONAL GOALS

SCALE	WEIGHTED MEAN	WEIGHTS	DESCRIPTIVE INTERPRETATION
5	10	5.99-5	Highly Effective
4	108	4.99-4	Moderately Effective
3	63	3.99-3	Effective
2	0	2.99-2	Less Effective
1	0	1.99-1	Not Effective
TOTAL	3.62		EFFECTIVE

This table reveals that the managers and supervisors are perceived to be moderately effective on matters related to participative styles in managing their staff in the cooperative companies covered in the study.

5. Conclusions

This study seeks to determine the effects of the manager’s leadership style on the employees satisfaction and employees performance of the selected cooperatives in the Philippines. A participative leader seeks to involve other people in the process, possibly including subordinates, peers, superiors, and other stakeholders.

For this study,the researcher has arrived at the following conclusions.

1. Based on the respondents, the leadership style used by the manager of the selected cooperative companies is participative.
2. Based on the survey questionnaires that were gathered, the effect of the leadership style on employees’ performance is productive.

3. Based also on the survey questionnaires that were reverted, the effect of the leadership style on employees' satisfaction is satisfactory.
4. In achieving organizational goals, the manager's leadership style arrives as an effective one.

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