



**THE EFFECT OF LEADERSHIP STYLE ON
EMPLOYEE JOB SATISFACTION
(Case study: PT.PLN (Persero) Cabang Payakumbuh)**

THESIS

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THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEES' JOB SATISFACTION (Case Study: PT. PLN (Persero) Cabang Payakumbuh)

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ABSTRACT

This research investigates the effect on leadership style on employee job satisfaction. The objectives of this research were to determine how far leadership style influences employee job satisfaction, determine the leadership style that is suitable applied in the hospital and determine the level of employee job satisfaction. Based on literature review there are 6 kind of leadership style: Trait approach, Situational approach, Contingency approach, Path-goal theory, Transformational theory, and Transactional theory, and there are 5 dimensions of job satisfaction: Work Itself, Salary, Promotion opportunities, Supervision and Co worker. The total of 60 respondents in PT. PLN (Persero) Cabang Payakumbuh was surveyed in this research. The finding has some interesting results. The finding indicates that Leadership style have a significant relationship with job satisfaction. Based on the survey, it's show that Situational leadership is best applied in PT. PLN (Persero) Cabang Payakumbuh. The employees was not satisfied because the company did not give enough appreciation. Thus, the employees could not work effectively.

Keyword: Leadersip style, Employee job satisfaction.

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CHAPTER I

INTRODUCTION

1.1 Background of Research

All organizations consist of leader and follower, leader is a person who is appointed, elected, or informally chosen to direct and coordinate the work of others in a group (Fieldler, 1995). Clawson (2002) defined that the leader is person that have characteristics that will influence other person ability to create a successful leadership outcome. A leader might therefore be defined as one who is followed by others (The oxford Encyclopedic English Dictionary, 1991). While follower is somebody that follow the leader in achieving the goal of an organization.

The collaboration between leader and followers will be needed in achieving organizational goal. A leader can not work without followers, and the followers have no direction without a leader. The quality of relationship between the leader and follower will determine the organization outcome.

Every second the organizations are forced to change by internal and external environments. And the leader needs leadership skill or ability to influence and motivating others in leading the organization to achieve desirable goal. Tead (1935) stated that leadership is the activity of influencing people to cooperate toward some goal which they come to find desirable. And Lundy (1957) in Cooper (2003) defined that Leadership is

principally a task of planning, coordinating, motivating and controlling the efforts of others toward a specific objective.

To get respect from the followers in order to influence and motivate them, a leader needs to consider an appropriate leadership style in leading the organization. 'Leadership style is the manner and approach of providing direction, implementing plans, and motivating people' (U.S. Army Handbook, 1973 in Clark, 1997).

A leader has to consider the specific circumstance in choosing leadership style in leading the followers. A leader cannot adopt one leadership style that he or she think the best, he or she must consider the condition and situation especially the followers. A leader should know and understands what kind of leadership style that the followers wish and than he or she should consider it in implementing the leadership style to achieve an effective leadership that can avoid conflict within the organization and to be easy in reaching the organizational goals.

In any industrial setting, employee's work plays an important role for organizational achievements. Therefore, it is highly important for management to recognize employees' work and provide them with an opportunity to grow and to look after their well-being. It is true that work has predominantly occupied most of employees' time than any other single activities, and it also provides an economic well-being. Therefore, job satisfaction is one of the most important areas of research. According to Wilson and Rosenfeld (1990), one major reason for conducting research on job satisfaction is that positive or negative attitudes effects towards

CHAPTER VI

CONCLUSION, IMPLICATION, LIMITATION AND SUGGESTION

This chapter will explain about conclusion of research, suggestion, limitation, and implication for future research.

6.1 Conclusion

This study examines the effect of leadership on employee job satisfaction. Analysis of data can be process with simple linear regression analysis using SPSS which this study sample was employees of PT. PLN (Persero) Cabang Payakumbuh.

1. Leadership style has positive influence on employee job satisfaction. This can be seen from the SPSS analysis showing leadership style variables showed significant values of 0.00 (significant at $\alpha < 0.05$) with the positive direction of the regression coefficient of 0.553.

Based on Test R^2 the results of data analysis known that tests the value of R^2 is approximately 0.438, this means that the influence of leadership style on job satisfaction is at 43.80% and the rest equal to 56.20% influenced by other variables that are not input into in the research model.

Positive influence on employees job satisfaction means that if the value of leadership style increase, it will be make the employees

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