

The Effect of Leaders Personality on Employees Job Satisfaction: A Case Study of Commercial Bank of Ethiopia, Shashemene.

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Abstract- This study's primary goal was to investigate how leaders' personalities affected their subordinates' job satisfaction at the Commercial Bank of Ethiopia. The study used primary sources of data, quantitative methods, and a descriptive research design. The data used in this study was collected from professional staff members of the Commercial Bank of Ethiopia's head office and two branches. Job satisfaction and a multifactor leadership questionnaire were employed. 112 of the 119 surveys that were distributed were collected and used for additional analysis. Additionally, all collected data were processed using SPSS version 25 and subjected to regression analysis, correlation analysis, and descriptive statistics (mean, standard deviation). The finding of this study indicated that there was no significant relationship between the personality of the leader and job satisfaction, and the highest mean score showed that employees favored agreeableness and consciousness personality. Also, the regression analysis showed that only neuroticism personality of leaders' correlates with job satisfaction. The other independent variables were found to have no effect on job satisfaction. The researcher recommended the bank, to use five of the leader personality simultaneously to better satisfy employees' working under their control. Leaders of the bank should work on creating a platform for employees to use their skills and abilities creatively to encourage innovation, develop a robust employee training and development program to help employees to improve their performance. Finally the researcher recommends the bank to work hard in conducting a continuous assessment of job satisfaction surveys and takes corrective action to improve and bring the success of their employees in their expertise.

Keywords: job satisfaction, agreeableness, consciousness, extraversion, openness and neuroticism.

1. Background of the study

Organizations everywhere encounter numerous difficulties as a result of the changing environments in which they must operate and provide services. In any organization, leaders are typically regarded as the primary causative agents of performance. Additionally, leaders participate in actions that help organizations achieve their objectives. Employee job satisfaction can be raised with the support of leadership behaviors, and this will boost workers' motivation and output. This indicates that effective leadership is needed to coordinate the efforts of many and different organizational units during periods of rapid change and development (Duressa & Debela, 2014). The efficacy and efficiency of an organization are primarily determined by its human resources. The most valuable component of all the elements needed for an organization to function is thought to be its human capital. Therefore, in order to make the most use of human resources, organizations must give them the attention they need. However, managing human resources is not an easy task due to factors like globalization, the growing importance of information, the shifting organizational structure, and others. In addition, managing staff members from diverse cultural and ethnic backgrounds can be difficult. One of the key factors in effective employee management is the conduct of leaders (Metwally, 2019).

Work satisfaction is just as important to an organization as a leader's conduct. One benefit of job satisfaction is that it increases employee motivation. High job satisfaction boosts morale, encourages goal achievement, and improves organizational quality (Rajasekar, 2017). According to Bushra Fatima (2016), job satisfaction is characterized as a pleasant or upbeat emotional state brought on by an evaluation of one's work or work experience. Several studies show that contented workers are more driven, have higher morale at work, and produce better and more productive work. Employee satisfaction increases a company's commitment to providing high-quality services and to continuous improvement.

Thus, process quality—which in turn affects customer satisfaction and quality cost—is directly influenced by employee satisfaction (Belias, 2014; Marn, 2012).

It is believed that leadership has a major impact on worker job satisfaction. It greatly influences the motivation and commitment levels of employees. Various fields and contexts have been employed to examine the link between leader personality and job satisfaction. Darwish A. Yousef (2000) researched the relationship between leadership behaviors and employee satisfaction. The results demonstrated a favorable connection between leadership behavior and job satisfaction. As a result, managers should embrace suitable leadership styles to improve employees' job satisfaction. Overall, many studies have been conducted in various organizational settings and locations worldwide to examine the relationship between leaders' job satisfaction and their personalities. Most studies (Ali A. and Dahie A., 2015; Belias, 2014; Al-Ababneh, 2013; Nebiat, 2013; Fikadu, 2010; Hamidifar, 2009) indicated that the two variables exhibited a favorable correlation.

2. Statement of the problem

Individuals are a crucial asset for any organization, and as every bank aims to be efficient and generate higher profits, having content employees significantly contribute to achieving and delivering the desired outcomes (Barrett, 2013). The impact of leadership style plays a crucial role in influencing employees' job satisfaction, which is shaped by enhancing performance, motivation, productivity, and minimizing turnover in the bank. Leadership style developed as a crucial factor influencing employees' job satisfaction alongside the usual skills exhibited by supervisors at different tiers of the organized system (Yukl G.A., 1984). The primary factors contributing to the company's success are effective leadership and employee satisfaction in their roles (Kennerly, 1989). When leaders fail to meet their employees' needs due to work overload, miss chances to utilize their skills, undermine confidence and involvement in decision-making, and postpone promotions, it results in high turnover, increased absenteeism, poor performance, and demotivation, potentially leading to significant issues for the business, harming productivity, and incurring expenses.

In this context, the Commercial Bank of Ethiopia has faced frequent changes in leadership over the past three to four years, with various individuals, which directly influences employee job satisfaction. The bank's yearly report indicates that both the performance of the employee and the bank itself vary, which has been examined in this research through the independent variable of leaders' personality and the dependent variables of employees' job satisfaction (CBE, Annual Report, 2024).

As far as I know, few studies have highlighted this relationship regarding the Commercial Bank of Ethiopia. Consequently, this study aims to fill the knowledge void concerning the influence of leaders (extraversion, conscientiousness, openness, agreeableness, neuroticism) on employees' job satisfaction in the context of the Commercial Bank of Ethiopia.

3. Literature

Theories of job satisfaction assist in recognizing the factors affecting job satisfaction and the actions that can be taken to enhance employee job satisfaction. Theories of job satisfaction closely align with theories that elucidate human motivation.

3.1 Hierarchy of Needs

While widely recognized in the literature on human motivation, Maslow's theory of the hierarchy of needs was among the earliest theories to investigate the key factors that influence job satisfaction. The theory posits that human needs create a hierarchy of five levels, which include physiological needs, safety, belonging/love, esteem, and self-actualization. Maslow's hierarchy of needs was created to clarify human motivation overall. Nevertheless, its primary principles are relevant to the workplace and have been utilized to clarify job satisfaction. In an organization, financial rewards and healthcare are among the advantages that assist an employee in fulfilling their fundamental physiological

requirements. Safety needs can be expressed through employees feeling secure in their physical surroundings at work, along with their job stability. Once this is met, the employees can concentrate on feeling that they are part of the workplace. This can manifest as constructive connections with coworkers and managers in the work environment. When content, the employee will strive to perceive themselves as valued and appreciated by both their peers and their organization. The last stage is when the employee strives for self-actualization; a phase where they must evolve and progress to reach their full potential.

3.2 Process Theory

Process theories primarily emphasize the cognitive processes that influence an employee's level of job satisfaction. These theories suggest that job satisfaction can be understood by analyzing factors like value, goal, attribution, and behavior (Hoy & Miskel, 1982). Indeed, the expectancy theory (Vroom, 1964), the goal theory (Locke, 1976), the attribution theory, the behavior theory, and the equity theory (Adams, 1963) represent classical instances of process theories.

3.3 Expectancy Theory

The expectancy theory, referred to as valence-instrumentality-expectancy (VIE) and value theory, is grounded in the belief that personal decision-making processes in organizations are motivated by an individual's capacity to think, reason, and foresee upcoming events. Personal behavior is shaped by the connection between an employee's values and attitudes and the organizational environment (Vroom, 1964).

3.4 Goal Theory

Goal theory elucidates job satisfaction through employees' understanding that their completed tasks contribute to reaching a goal (Locke, 1976). The goal theory posits that specific objectives are better than general ones, and challenging goals result in higher performance. Locke (1976) contends that setting goals promotes job satisfaction through a sequence of processes that include:

- Entities (motivations, items, activities, results)
- Assessment (thinking, beliefs)
- Feelings and aspirations
- Expected entities (motivations, items, activities, results)
- Assessed the usefulness of expected behavior and expected outcome
- Establishing objectives

3.5 Discrepancy Theory

A different term for Discrepancy Theory is "Affect Theory," created by Edwin A. Locke in 1976 and recognized as the most well-known model of job satisfaction. Numerous theorists have attempted to formulate a rationale for why individuals experience their emotions related to their employment. Locke formulated the concept referred to as discrepancy theory. This theory proposes that an individual's job satisfaction arises from what they consider significant rather than from the satisfaction or dissatisfaction of their needs. A person's evaluation of a variable's significance is called "how much" of something is desired. Discrepancy theory proposes that dissatisfaction arises when an individual obtains less than their desires. There are many reactions, so only those that can be clearly elucidated through the comparative method can be chosen. The depiction of discrepancy poses challenges for modeling because the forms of resulting attitudes, emotions, or actions differ from the linear and may even exhibit discontinuities (Edwards and Cooper 1990). Assessing the extent of the difference and shaping the connection between the difference and any resulting variable must be performed with

significant caution (Klein et al. 2009). Due to these factors, discrepancy models have been utilized rarely in the field of information systems and only minimally in associated management areas.

3.6 Dispositional Approach

Dispositional Theory is a broad concept proposing that individuals possess inherent dispositions that lead them to display tendencies towards a specific degree of satisfaction, independent of their occupation. This personality-based perspective indicates that job satisfaction is strongly linked to an individual's character. The support for this method can be categorized into direct studies and indirect studies. Judge and his team have examined these areas more thoroughly. Furthermore, given that the situational approach to job satisfaction has thrived (Staw and Cohen-Charach, 2005), additional research needs to concentrate on the dispositional approach to gain further insights into alternative viewpoints of job satisfaction.

3.7 Empirical literature

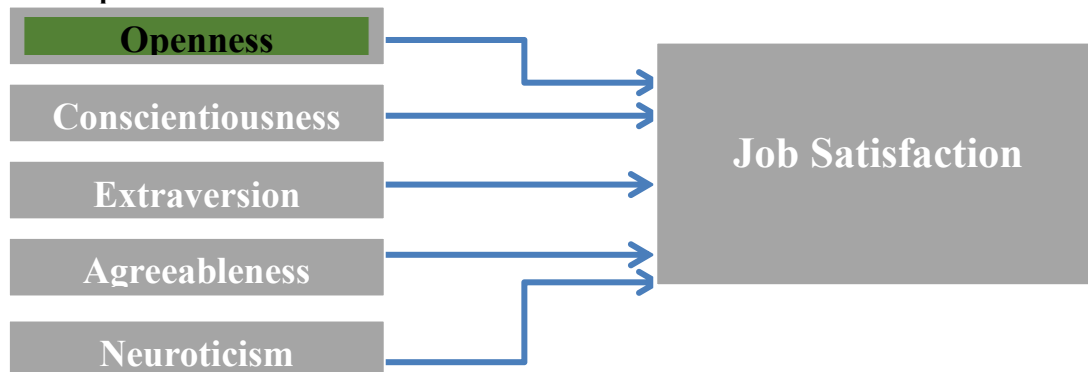
Numerous researchers have dedicated their efforts to studying job satisfaction across various times and regions. As demonstrated by Somvir & Kaushik, S. (2012), scholars are concentrating on job satisfaction because it relates to performance and accountability. Ghazzawi (2008) found over 12,000 studies concentrating on job satisfaction. According to Brief 1998 referenced in Weiss, H. M. (1998), over 3,300 research articles and studies focused on job satisfaction were published in 1976. Brief included that by 1994, over 12,400 research articles and theses had been published on job satisfaction.

3.8 The Concept of Leadership

It has been a central topic for numerous historians, and various scholars provide different definitions of it. Defining a specific meaning of authority is therefore a highly intricate task (Bass 1985). Broadly, initiative refers to a dynamic interaction between leaders and followers aimed at executing strategies to accomplish specified goals or objectives (Bennis and Nanus 1985; Burns 1978). The term impact suggests that the connections between individuals are not one-sided, but instead, they are mutually influential; leaders affect their subordinates, and subordinates influence their leaders.

Bass (1990) described leadership as a process of interaction between individuals and groups that involves an organized or structured context, along with people's expectations and perceptions. Leadership can be defined as an individual's ability to wield influence that focuses on establishing directions by balancing strengths (Go et al., 1996). According to Northouse (2010) and Yukl (2005), leadership is defined as a process in which leaders influence their employees to achieve organizational objectives. Chen and Chen (2008) identified various personality traits of leaders that organizations adapt to. A specific leader's personality alone cannot ensure effective job satisfaction for workers, which in turn drives organizational success.

3.9 Conceptual frame works



Source: Developed from the literature, (2024)

3.10 Research Approach

The research aimed to assess the condition of leaders and its impact on the job satisfaction of employees at the Commercial Bank of Ethiopia. To accomplish this goal, the researcher employed a quantitative descriptive research method. According to John W. Creswell (2003), the quantitative approach is characterized by the investigator predominantly using postpositive assertions to build knowledge, utilizing inquiry strategies like experiments and surveys, and gathering data from predetermined tools that provide statistical results. Quantitative research is a research approach that focuses on quantifying data collection and analysis (Kim, 2011). It also involves a deductive method regarding the connection between theory and research, emphasizing the examination of theories; has embraced the practices and standards of the natural scientific model, especially positivism; and represents a perspective of social reality as an external, objective phenomenon.

4. Result And Discussion

4.1 Correlation Analysis

Correlation (r) quantifies the relationship between two variables. As stated by Kothari (2004), positive values of r suggest a positive correlation between the two variables (meaning that changes in both variables occur in the same direction), while negative values of " r " reflect a negative correlation, indicating that the two variables change in opposite directions. A value of " r " equal to zero signifies that there is no relationship between the two variables. When $r = (+) 1$, it signifies a perfect positive correlation, whereas when it equals $(-) 1$, it signifies a perfect negative correlation. Similarly, Cohen (1998) referenced by Warokka et al. (2012), interpreted the correlation coefficient ranging from 0 to 1 as follows. The correlation coefficient (r) that falls between 0.10 and 0.29 can be seen as reflecting a low level of correlation, while r ranging from 0.30 to

Table 4.1: Correlation Analysis

		Agreeableness	Extraversion	Conscientiousness	Openness	JB	Neuroticism
	Pearson Correlation	1					
Agreeableness	Sig. (2-tailed)						
	Pearson Correlation	.532**	1				
Extraversion	Sig. (2-tailed)						
	Pearson Correlation	.583**	.466**	1			
Conscientiousness	Sig. (2-tailed)						
	Pearson Correlation	.681**	.439**	.582**	1		
Openness	Sig. (2-tailed)						
	Pearson Correlation	.240**	.281**	.213**	.399**	1	
JB	Sig. (2-tailed)						
	Pearson Correlation	-.134*	-.103	-.045	-.102	.119	
Neuroticism	Sig. (2-tailed)	.029	.094	.460	.097	.052	1

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS output, 2024.

The table above demonstrates the relationship between the dependent variable, job satisfaction, and independent variables (agreeableness, openness to experience, extraversion, conscientiousness, and neuroticism). In a two-tailed Pearson's correlation analysis, the relationship between each dependent and independent variable is detailed below.

The results indicate that openness to experience has the highest r value, ($r = 0.399^{**} > 0.29$) indicates that there was a strong correlation with employee job satisfaction compared to the independent variable. There was a statistically insignificant (0.00 confidence levels) connection between leader personality traits of openness and job satisfaction of employees. The Pearson correlation coefficient (r) for neuroticism was 0.11 with a confidence interval of 0.052. This indicates a moderately high correlation exists between the neuroticism of leaders and the job satisfaction of employees in the CBE workplaces. The other independent variable indicates that there was a minimal level of correlation with employee job satisfaction, which is statistically not significant (0.00 confidence levels).

4.2 Regression Analysis

The research utilized linear regression models. The ANOVA findings indicate that the significance level is underneath 0.01. This shows that the model is dependable and most appropriately fitted at all standard levels of significance.

Table 4.2: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	25.209	5	5.023	13.875	.000 ^b
Residual	94.553	261	.362		
Total	119.572	266			

a. Dependent Variable: JB

b. Predictors: (Constant), neuroticism, conscientiousness, extraversion, openness Agreeableness

Source: SPSS output, 2024.

To empirically examine the proposed research question, the researcher utilizes analysis of variance (ANOVA) with an R square value of 0.21. This indicates that merely 21% of the variation in employee job satisfaction is accounted for by the mentioned independent variables.

Table 4.3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.468 ^a	.220	.195	.60260

a. Predictors: (Constant), neuroticism, conscientiousness, extraversion, openness, Agreeableness

b. Dependent Variable: JB

The p-value reflects the statistical importance of the connection between the dependent and independent variables. The adequacy and fitness of the model were examined prior to conducting the regression analysis according to the statistical criteria.

Table 4.4 Test result of the proposed hypothesis

Hypothesis	Result	Reason
H0 ₁ : Agreeableness leaders' personality significantly affects employees job Satisfaction in commercial bank of Ethiopia.	H1: Rejected	$\beta = -.098, p > 0.05$
H0 ₂ : Extraversion leaders' personality significantly affects employees job Satisfaction in commercial bank of Ethiopia.	H2: Accepted	$\beta = .179, p < 0.05$
H0 ₃ : Openness leaders' personality significantly affects employees job Satisfaction in commercial bank of Ethiopia.	H3: Accepted	$\beta = .448, p < 0.05$
H0 ₄ : Conscientiousness leaders' personality significantly affects employees job Satisfaction in commercial bank of Ethiopia.	H4: Rejected	$\beta = -.075, p > 0.05$
H0 ₅ : Neuroticism leaders' personality significantly affects employees job Satisfaction in commercial bank of Ethiopia.	H5: Accepted	$\beta = 0.187, p < 0.05$

Source: Survey result (2024)

Conclusions

The aim of the research was to assess how leaders' personalities—conscientiousness, agreeableness, openness to experience, extraversion, and neuroticism—affect employee job satisfaction within the Commercial Bank of Ethiopia. Although numerous senior staff and managers decline to complete the questionnaire because of heavy workloads, a considerable number of employees have filled it out, allowing for analysis and reporting.

Based on the statistical significance of the variables, the subsequent conclusions have been reached. The average scores of the five leadership personalities indicated that agreeableness is 4.07, conscientiousness is 4.07, openness is 3.8, extraversion is 3.5, and neuroticism is 2.8, with agreeableness and conscientiousness being the most prominent traits. Nevertheless, the association with the dependent variable, employee job satisfaction, indicates that there is no connection between the two variables.

Consequently, the research inquiry seeks to determine whether the personality traits of leaders influence employee job satisfaction. The analysis indicates that the four personality characteristics—conscientiousness, agreeableness, openness, and extraversion—show no relationship with employee job satisfaction. The only leader personality that correlates with employee job satisfaction is neuroticism. Neuroticism is not demonstrated in the bank, as indicated by the variable's average.

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