

Abstract

The Impact of Leadership Style on Employee Job Satisfaction and Organizational Commitment “The Case of Egyptian FMCG Company”

The purpose of this study was to investigate the effect that leadership styles, specifically transformational, transactional and laissez-faire have on employee job satisfaction and organizational commitment within a Fast Moving Consumer Goods company (FMCG) in the Egyptian context. The sample of this study consisted of 150 employees working in all functional levels in the company. The sample included both male and female respondents. Data was gathered using a structured survey questionnaire which was delivered on site at the company. This was done to investigate the different relationships between and the impact of the variables on each other. The scales used were the Multifactor Leadership Questionnaire, MLQ, the Minnesota Satisfaction Questionnaire, MSQ, and the Organizational Commitment Questionnaire, OCQ. The gathered data was statistically analyzed with SPSS. The study concluded that all leadership styles existed in the FMCG Company at different functional levels, but transformational leadership was the most prevalent leadership style at the organization. Transformational leadership behaviors were practiced more frequently by leaders as compared to transactional leadership. While, laissez-faire leadership was exercised with least frequency. The findings further showed that transformational and transactional leadership and their dimensions were positively and significantly related to job satisfaction and organizational commitment of employees. However, transformational leadership accounts for more of the variance in the job satisfaction of employees, and their commitment towards their organization when compared to transactional leadership. On the other hand, laissez-faire leadership had a negative significant relationship with employee job satisfaction, and no correlation was found between laissez-faire leadership and organizational commitment. Based on the results of this research, it is recommended for leaders to exhibit transformational and transactional leadership behaviors as it results in positive organizational outcomes such as high satisfaction and commitment of subordinates. However, leaders practicing laissez-faire leadership may result in negative organizational outcomes, for this reason leaders must refrain from using this leadership style. Key words Leadership, Leadership style, Transformational Leadership, Transactional Leadership, Laissez-Faire Leadership, Job Satisfaction, Organizational Commitment, and FMCG Companies.