

An empirical study of the impact of active leadership on Employee's Job Satisfaction in the Subcontractor Company

Jutharat Reungrit¹, Piyathida Praditbatuga² and Santhiti Treetipbut^{3 123}

Assumption University of Thailand, Bangkok, 10240 Thailand

Corresponding Author Email: santhitidr@gmail.com

Abstract

This research study examines the influence of transactional leadership components (contingent reward, management by exception (active), and management by exception (passive)) on employee's job satisfaction among employees at KTK97 Subcontractor Company. Convenience sampling was used. A sample size of 300 respondents was drawn from employee who worked in KTK97 Subcontractor Company. Contingent reward was rated at the strongly agreed level, followed by management by exception (active) at the agreed level, and management by exception (passive) at the disagreed level. Simple linear regression analysis was used to test research hypotheses. It was found that among the transaction leadership components, contingent reward had a significant influence on job satisfaction while management by exception (active) and management by exception (passive) had no significant influence on job satisfaction.

Keywords: Transactional Leadership, Contingent Reward, Management by Exception (Active), Management by Exception (Passive), Overall Job Satisfaction

Introduction

Most firms and businesses are composed of employers and employees. There must be collaboration among employers and employees in order to achieve the desired objectives (Morris & Bloom, 2002). Employee's job satisfaction is one of the most important factors in the success of organizations (Cook et al., 1989; Bass, 1990, as cited in Desa, 2010). It is influenced by the internal organization environment, which includes organizational climate, leadership types, and personnel relationships between manager and employee (Seashore & Taber 1975).

To stay competitive in the slowdown of global economy and survive in the intensity of competition environment, recruiting productive new employees, retain effective one and good collaboration among employers and employees is key to success for every business (Morris & Bloom, 2002). While financial direct cost and indirect cost associate with employee turnover is higher than retain the existing one but employee turnover is continue happens and

often cause from the leadership style. Transactional have been of great interest to many researchers. Adopting transactional leadership behavior helps in the achievement of organizational goals (Laohavichien et al., 2009). Transactional leaders are those who lead by way of social exchange, emphasizes on interactions between leaders and subordinates.

Transactional leadership is one of the most effective leadership styles and involves giving rewards to employees for good performances and punishment for bad actions. This style can encourage the workers to be better and to be more aware of their duty (Paracha, et al. 2012). Transactional leadership is typically classified into three dimensions: (1) contingent reward, (2) management by exception (active), and (3) management by exception (passive) (Hater & Bass, 1988; Yammarino & Bass, 1990).

This study seeks to investigate the influence of transactional leadership components (contingent reward, management by exception (active), and management by exception (passive)) on employee's job satisfaction in the manufacturing worker of