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The understanding of the moderating effect of leadership styles on the relationship between hierarchical conflicts and employee satisfaction

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Abstract

This paper investigates the role of leadership styles on the relationship between hierarchical

conflicts and employee satisfaction. Four leadership styles of the first line manager such as

charismatic, transactional, passive and autocratic leadership, three conflict types, such as task,

relationship, process conflict and employee satisfaction are measured as perceived by 254

employees. Conflicts were found to have a negative relationship with satisfaction. As

predicted charismatic and transactional leadership have a moderating effect on the

relationship between conflicts and satisfaction, such that the negative effect of conflicts on

satisfaction is reduced. The degree of passive leadership does not have significant effect in

case of high conflict. However, in case of low task conflict passive leadership has a

significant effect on satisfaction, such that a high degree of passive leadership leads to low

satisfaction. Finally, autocratic leadership reduces the negative effect of relationship conflict.

Keywords: Conflict situations, Leadership styles, Satisfaction

5

Koen Buisman, s0041599

The understanding of the moderator effect of leadership styles on the relationship between hierarchical conflicts and employee satisfaction

Interest in leadership development is increasing (Day, 2001). Many organizations view leadership as a source of competitive advantage and invest in its development accordingly (McCall, 1998). This interest is also reflected in the number of current publications on the topic (Day, 2001), particularly on the effects of leadership styles (e.g. Bass 1997, Ogbanna 2000) Most researches examine direct effects, for example of charismatic and transactional leadership on outcomes such as satisfaction and performance (e.g. Podsakoff 1990, 1996, Yammarino & Bass, 1990, Judge 2004). However, research only started to begin exploring the role of leadership styles as a moderator in the relationship between stressful work circumstances and their anticipated outcomes. One of those work stressors is interpersonal conflict, well known for its negative consequences, both in terms of performance as well as employee subjective wellbeing (De Dreu & Weingart, 2003). We know relatively little about how different leadership styles may buffer or reinforce this relationship, particularly when it concerns a conflict with the leader himself or herself. The aim of the current thesis is therefore to clarify the moderating role of leadership styles on the relationship between conflicts and an outcome. We will focus on the impact of conflicts on employee satisfaction. This is important because the way leaders act is more and more intervened by conflicts (Jehn and Bendersky, 2003).

Usually, high correlations are found between job satisfaction and other outcomes such as performance (Petty, Mcgee, & Cavender, 1984), organizational citizenship behaviour (Smith, Organ, & Near, 1983), employee turnover (Mobley, 1977), and voluntary absenteeism (Sagie, 1998). As job satisfaction can be seen as an

important predictor of important personal and work outcomes, and one that is arguably connected to important job stressors, such as interpersonal conflict at work, we will examine the conditions under which different leadership styles may reinforce or temper this relationship.

Before the relationships between leadership styles, conflicts, and satisfaction are discussed, we will describe the four leadership styles, three conflict types and concept of employee satisfaction that are included in this study.

Leadership Styles

Early studies on leadership have contrasted "charismatic" and "transactional" leadership (Bass, 1985). Later two additional leadership styles received focus: passive leadership (Bass, 1998) and autocratic leadership (e.g. Cheng, Chour,& Farh 2004). We include all four styles leadership styles in our research, because we anticipate differential effects for each of them.

Charismatic leadership is characterized by a style that is visionary and enthusiastic, with an inherent ability to motivate subordinates (Ogbanna, 2000). It has been described as guidance through an individual focus, intellectual stimulation, inspirational motivation, and idealized influence (Bass, 1997). Examination of those leader behaviours that influence employees' values and aspirations, activate their higher-order needs and arouse them to reach above their own self-interests for the sake of the organization (Bass, 1995). The underlying mechanism of charismatic leadership are connected to the visionary, participative approach in which the employee is valued.

Transactional leadership refers to a style that is "instrumental" and frequently focuses on exchange relationship with subordinates (Ogbanna, 2000). The nature of interaction with employees can have positive or negative aspects (Bass, 1997). Contingent reward leadership is viewed as an active and positive exchange between leaders and employees whereby employees are rewarded or recognized for accomplishing agreed upon objectives. Rewards may involve recognition from the leader for work accomplished, bonuses, or merit increases. Leaders can also interact with employees by focusing on mistakes, delaying decisions, or avoiding intervention until something has gone wrong. Such transactions are referred to as management by exception (Bass, 1997). The underlying mechanism of transactional leadership is the clarity which is provided by the exchange.

Passive leadership is characterized by a style that is marked by a general failure to take responsibility for managing (Bass, 1998). The leader does not lead the group, but leaves the group to itself. They are given maximum freedom in making their own decisions concerning policies and methods. The mechanism of passive leadership is connected to avoidance and neglect.

Autocratic leadership refers to a leader's behavior that asserts absolute authority and control over subordinates and demands unquestionable obedience from subordinates (Cheng, et al. 2004). This style is also known as directive, paternalistic and authoritarian. The decision making power is centralized under one leader. They are not open for any initiatives from subordinates. The autocratic leadership style is characterized by a strong, motivated leader who decides quickly. Trust in group members and participation of members is low (Cheng, et al. 2004). The mechanism of

autocratic leadership is connected to the un-debatable straight line that is chosen, which reduces the uncertainty.

Conflicts

Conflict can be broadly defined as perceived incompatibilities or discrepant views among the parties involved (Jehn, Bendersky, 2003). Conflict research mainly focuses on task conflict and relationship conflict (e.g. De Dreu 2003, Guetzkow & Gyr 1954, Priem & Price 1991, Pinkley's 1990). Recently, research has defined a third conflict type, process conflict (Jehn & Bendersky 2003). We study the effect of all three styles, because we expect some differential effects for each of the three types.

Task conflict is also labelled as cognitive conflict, substantive conflict, content conflict, or realistic conflict. Task conflicts are consistently defined as disagreements among group members about the tasks being performed, including differences in viewpoints, ideas, and opinions. Relationship conflict is also labelled as emotional conflict (Guetzkow & Gyr, 1954). Relationship conflict exists when there are interpersonal incompatibilities among group members. This type of conflict often includes personality differences as well as differences of opinion and preferences regarding non-task issues (e.g. religion, politics, fashion; see, e.g., De Dreu & Weingart, 2003; Jehn, 1995; Jehn & Mannix, 2001). Process conflict was previously studied with the labels "distributive conflict" (Kabanoff, 1991) and "procedural complexity" (Kramer, 1991). Process conflicts are about the means to accomplish the specific tasks, not about the content or procedural aspects of the task itself, but about strategies for approaching the task. Examples of such are disagreements about the

composition of a team and who should do what, debates about resources, and fights about how to schedule tasks efficiently (Jehn, 1995, 1997; Jehn & Mannix, 2001).

Employee satisfaction

Job satisfaction receives a wide interest by both researchers and practitioners (Spector, 1999). Spector (1999) recognizes literally thousands of job satisfaction studies. Reasons for the concern of job satisfaction range from the humanitarian perspective to organizational wellbeing. Job satisfaction is an indication that employees are treated fairly and with respect. It is to some extent a good reflection of good treatment, which indicates the wellbeing and psychological health of employees (Spector, 1999). Finally, job satisfaction can lead to behaviours that affect organisational functioning, such as performance (Petty, et al. 1984), organizational citizenship behaviour (Smith, et al. 1983), employee turnover (Mobley, 1977), and voluntary absenteeism (Sagie, 1998). It can therefore be a reflection of organisational functioning.

Job satisfaction is the overall job evaluation one makes of one's job (Weiss, Nicholas, & Daus 1999). Two schools are known in the field of job satisfaction. The first believes general satisfaction provides a better view of satisfaction (Gallup & Newport, 2005, Hoppock, 1935). The second school believes the sum of multiple facets compile job satisfaction (Weiss, Dawis, England 1999). Factors which compile satisfaction are either intrinsic, extrinsic or general, such as: the chance to do things different from time to time (intrinsic), the chance to tell people what to do (intrinsic), the way company policies are put into practice (extrinsic), the way my co-workers get along with each other, the chances of advancement on this job (general).

Relationship between conflict and satisfaction

While research shows clear effects of relationship conflict being detrimental for a variety of outcome variables, including employee satisfaction, findings for task conflict were less conclusive (Jehn, 1995). Saavedra, Earley, & Van Dyne (1993) found negative relations between conflicts and satisfaction. Carnevale and probst (1998) connected positive satisfaction to low levels of conflict, because a little conflict stimulates information processing and stimulates creative thinking.

A recent meta-analysis of De Dreu and Weingart (2003) was more conclusive. They found strong negative relations between both task and relationship conflict and job satisfaction. All studies investigated showed a negative and significant correlation between task conflict and satisfaction, with an average of $\rho = -.32$. All studies investigated showed a unanimous strong and significant negative correlation between relationship conflict and satisfaction. The average being significant with an average of $\rho = -.54$ (De Dreu & Weingart 2003). This can arguably be explained by the suggestion that conflicts produce tension and distracts team members from performing their tasks (De Dreu and Weingart 2003). Jehn (1997) connects the negative effect of conflict on satisfaction to the uncertainty which is created in the conflict. De Dreu and Weingart (2003) analyses, however, also show that relationship conflict is more disruptive than task conflict when it comes to team member satisfaction. This is linked to the interpersonal and emotional character of relationship conflict. Therefore we expect that both task and relationship conflict have a negative effect on satisfaction, but that this effect may be somewhat stronger for relationship rather than task conflict.

While process conflict is more rarely studied in relationship to employee satisfaction, Jehn (1992, 1997) is the only exception. Jehn (1992, 1997) associates process conflict with a lower level of morale. The logic proposed is that when a group argues about who does what, members are dissatisfied with the uncertainty caused by the process conflict and feel a greater desire to leave the group. This reasoning may predict an equally negative relationship between process conflict and employee satisfaction.

In sum the three identified conflict situations are expected to have a negative effect on employee satisfaction.

H1. Task, relationship and process conflict are negatively related to job satisfaction.

Effect of charismatic leadership in the relationship between conflicts and satisfaction

Charismatic leadership has often been associated with increased subordinate satisfaction (e.g. Shamri, House & Arthur, 1993, Podsakoff 1990, Conger, Kamungo, Menon 2000). Research is unanimous about these relationships. Therefore it can be expected that the base rate of satisfaction with high charismatic leadership is higher than with low charismatic leadership.

As hypothesized in hypothesis one the direct effect of conflicts on satisfaction is expected to be negative. This effect is expected to be the result of increased tension and uncertainty. As charismatic leadership increases, the leader shows more respect to the employees, their opinions and there is more mutual trust. The charismatic leadership style increases the confidence of the employees through believing in them. Even though there might be disagreement between the leader and the employee, the

employee feels respected for his opinion. This is expected to reduce the tension. Also, the charismatic leader is visionary and can thus provide clarity in the direction to take things forward and diverge from the conflict. This is expected to reduce the uncertainty. Task-, relationship- and process-conflict are therefore expected to have a less negative impact on the satisfaction of the employee in case of high charismatic leadership.

H2; Task, relationship and process conflicts are negatively related to employee satisfaction and this relationship is moderated by charismatic leadership such that the relationship is weaker when charismatic leadership is high.

This hypothesis is visualised in figure 1.

Figure 1. Visualization of Hypothesis 2.



Effect of transactional leadership in the relationship between conflicts and satisfaction

Bass (1998) describes two components of transactional leadership: contingent reward and management-by-exception. Contingent reward refers to the shaping of behavior by rewards. Management-by-exception may be active or passive. In its active mode, the leader actively monitors deviances from standards by the follower and takes

corrective action. In its passive mode, the leader waits for follower mistakes to happen and then takes corrective action.

Previous research has shown that leadership behaviour based on contingent reward can positively affect employees' satisfaction (e.g. Klimoski & Hayes, 1980; Podsakoff & Schriesheim, 1985, Podsakoff, Todor, & Skov, 1982). Morrison, Jones and Fuller (1997) found a positive relationship between active management by exception and satisfaction. Passive management by exception is found to have a negative impact on satisfaction (Yammarino & Bass, 1990, Morrison, et al. 1997).

Transactional leadership as defined by Bass (1998) shows various effects on satisfaction. The majority of the elements show a positive effect of transactional leadership on satisfaction. Also, passive management by exception is more and more captured in passive leadership style. In general it is therefore expected that transactional leadership has a positive effect on satisfaction. This would predict a higher base rate of satisfaction in case of high transactional leadership.

In case of task and process conflicts, transactional leadership provides clarity about what is expected of the workforce and what the expected rewards are for the workforce. Transactional leadership is therefore expected to reduce the negative effect of task and process conflicts. This may even be more so for relationship conflict, because relationship conflicts can often not be solved by further debate. Transactional leadership provides clear guidelines of what is expected of the employee and provides clear targets. The clear targets and expectations diverge away from the unsolvable conflict. Therefore participants in the conflicts will lose themselves less in the relationship conflict, because expectations are clear. Transactional leadership is therefore expected to reduce the negative effect of

Koen Buisman, s0041599

relationship conflict on satisfaction. In sum transactional leadership is expected to reduce the negative effects of task, relationship and process conflicts on satisfaction.

H3.; Task, relationship and process conflicts are negatively related to employee satisfaction and this relationship is moderated by transactional leadership such that the relationship is weaker when transactional leadership is high.

This hypothesis is visualised in figure 2.

Figure 2. Visualization of hypothesis 3



Effect of passive leadership in the relationship between conflicts and satisfaction

Passive leadership is negatively related to job satisfaction (e.g. Morrison et al. 1997, Judge 2004). Conflict avoidance is often related to negative satisfaction. The conflict management literature has several examples of the influence of avoidance in conflict situations. Being avoidant in a conflict may arguably be connected with a general avoidant leadership style. Previously, Desivilya and Yagil (2005) connect an avoidant style in conflicts to negative emotions. Therefore passive leadership is expected to have a general negative effect on employee satisfaction.

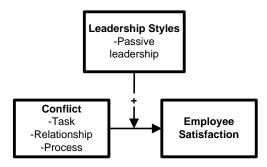
In case of task and process conflict the employee is expected to receive a great degree of freedom by the passive leadership style. This is expected to increase

uncertainty, because the employee does not know what to expect. This is even more so for relationship conflict, because relationship conflicts cannot be solved through further debate. Clarity is needed to diverge the focus away from the conflict. Passive leadership is expected to increase the uncertainty in case of relationship conflict. Also, the avoidant style does not show respect to the employee and the employee's idea's, because the employee seeks interaction concerning his or her ideas, but finds an avoidant leader. This is expected to increase the tension. Therefore passive leadership is expected to increase the negative influence of passive leadership on satisfaction. In sum passive leadership is expected to increase the negative effect of task, relationship and process conflict on satisfaction.

H4.; Task, relationship and process conflicts are negatively related to employee satisfaction and this relationship is moderated by passive leadership such that the relationship is stronger when passive leadership is high.

This hypothesis is visualized in figure 3.

Figure 3. Visualization of Hypothesis 4



Effect of autocratic leadership in the relationship between conflicts and satisfaction

There are examples of a negative link between autocratic leadership and employee satisfaction (Kushell, 1986). Miller and Monge (1986) did a meta-analysis

of the literature and found that charismatic leadership was favorable for satisfaction over autocratic leadership. However, in 40% of the cases analyzed there was no significant effect of autocratic leadership on satisfaction. Whether autocratic leadership has a positive effect on satisfaction is thus still questionable. Therefore the base rated of satisfaction is expected to be similar with high and low autocratic leadership.

In relations to conflict situations, autocratic leadership may provide a clear line on what is expected. This is expected to reduce the uncertainty of the conflicts. However, this clear line is not debatable. The latter will not decrease tension. In sum autocratic leadership is expected to reduce the negative effect of conflicts on satisfaction due to the reduction of uncertainty.

H5.; Task, relationship and process conflicts are negatively related to employee satisfaction and this relationship is moderated by autocratic leadership such that the relationship is weaker when autocratic leadership is high.

This hypothesis is visualized in figure 4.

Figure 4. Visualization of Hypothesis 5



Method

Procedure

In four locations of the maintenance division of a Dutch aviation company, key stakeholders were approached concerning the research. After their consent the operational employees at every location were asked to participate in the research. They were asked to participate at the start of each new work shift. The research was described and then they were asked to physically fill in the questionnaires at that specific moment. The researcher was present while the respondents filled in the questionnaires, which took around 20 minutes. Due to the personal approach most of the individuals who were asked to participate, participated in the research. 254 Employees out of 273 respondents completed the questionnaire, which is a response rate of 93%.

The 254 employees participating in the research contained a total of 251 men (98,8%) and 3 women (1.2%). They had the following educational level; 15 HBO (6%), 194 MBO (79.5%), 33 LBO (13.5%) and 2 primary education (1%). Further demographic characteristics are shown in table 1.

Table 1. Demographic characteristics of the participants

	N	Min.	Max.	Mean	SD
Age	238	18	64	42.3	10.98
Contract (Hours per week)	243	8	40	39.3	4.5
Length of employment in organization	244	.50	42	17.4	11.43
(Years)					
Team size	226	1	80	18.73	15.6
Length of employment in department	237	.1	41	9.8	8.1
(Years)					
Time under current manager (Years)	228	.1	25	4.3	3.82

Instrument

Validated questions were used from existing scales. These are described below. All items were translated to Dutch based on translation back translation. The answering scales varied between a 5 and 7 point Likert scale.

Leadership styles

The 'Multifactor Leadership Questionnaire' (MLQ), as developed by Bass (Bass, 1985; Bass & Avolio, 1993) was used. The MLQ distinguishes between charismatic, transactional and passive leadership. An example of a charismatic leadership item is: "Het maakt me trots om met hem/ haar in verband te worden gebracht". An example of a transactional leadership item is: "Er is een strikte afspraak over wat hij/zij van mij verwacht en wat ik daarvoor als compensatie krijg". An example of a passive leadership item is: "Hij/zij vermijdt om zelf beslissingen te nemen". The autocratic leadership scale of Cheng et al. (2000, 2004) was used due to high Cronbach Alpha's of .89 in previous research by Cheng and Chou (2004). Nine items measure the autocratic characteristics of a leader. An example of an autocratic leadership item is: "Hij/zij vraagt me om zijn instructies volledig op te volgen". The items of the different leadership constructs were presented in random order with scales ranging from 1 = strongly disagree, through 4 = neutral, to 7 = strongly agree. The scales showed Cronbach Alpha's of: charismatic leadership ($\alpha = 0.95$), transactional leadership ($\alpha = 0.82$), passive leadership ($\alpha = 0.69$), autocratic leadership ($\alpha = 0.69$).

Conflict

The scale of Jehn (1995) was used to measure task and relationship conflict between the direct manager and the employee. An example of a task conflict item is "Hoe vaak verschillen jij en hij/zij van mening over het werk dat gedaan moet

worden?". An example of a relationship conflict item is "Hoe vaak komt het voor dat er spanningen op het persoonlijke vlak zijn tussen jou en hem/haar?". The scale of Shah and Jehn (1993) was used to measure process conflict between the direct manager and the employee. An example of a process conflict item is "Hoe vaak is er tussen jou en hem/haar onenigheid over het delegeren van zaken?". These items were transformed to measure conflicts between the manager and employee. The items were presented in fixed order with scales ranging from 1 = never, through 4 = regularly, to 7 = always. The scales showed high Cronbach Alpha's of: task conflict ($\alpha = 0.99$), relationship conflict ($\alpha = 0.92$) and process conflict ($\alpha = 0.95$).

Satisfaction

Scarpello and Campbell (1983) debate that single item constructs are more inclusive than multiple facets used by for example the Minnesota satisfaction questionnaire (MSQ; Weiss et al, 1967) to measure satisfaction. In this research the items measuring job satisfaction were self-constructed. Only a few items were used in line with Scarpello and Campbell (1983). Three questions were posed concerning the overall satisfaction with the job, supervisor and organization, which are respectively: I am satisfied with my job, I am satisfied with my supervisor, I am satisfied with the organization. The items were presented in fixed order with scales ranging from 1 = disagree, through 3 = neutral, to 5 = agree. The satisfaction scale has a Cronbach Alpha of $\alpha = 0.89$.

Demographic questions

Some demographic questions are posed concerning gender, age, length of employment in the organization, length of employment in current position, hours of service per week, location and function. These are posed in the end, because Sudman

and Bradburn (1982) state that these questions are best asked after the survey questions.

Analysis

To test our hypotheses we conducted a regression analyses in a three step process. First control variables are added, then main effects are tested and finally interaction effects are tested.

In all the steps the control variables are added. Age, length of service (tenure) and team size were used as control variables. Age and tenure are added as control variables because literature sees relationships between age, tenure and satisfactions. While Herzberg (1957), originally described the relationship between age and tenure on the one side and satisfaction on the other side as U-shaped, later research clearly found linear relationships (Hullin & Smith, 1965; see also Gibson & Klein, 1970). Other research also found relationships between team size and satisfaction (Panko & Kinney 1998). Team size was therefore also added as a control variable.

Secondly the main effect is tested with the independent variable, moderator and outcome variable. Thirdly the product of the independent variable and the moderator is added to the regression. If the R² –change is significant there is a moderator effect. The simple slopes are determined on the basis of standardized beta's to understand the exact effect of the moderator and independent variable on the dependent variable.

Results

Overview

Table 2 shows the mean and standard deviation of each variable as well as inter-correlations between variables. Significant correlations are found between all variables. However, the correlation between task - and process conflict is quite high (ρ = .736) in comparison to the correlation with relationship conflict. This is expected as the first concerns the content of the task and the latter concerns the process around the organization of the task.

Table 2. Descriptive statistics and correlations for variables

	Mean	SD.	1.	2.	3.	4.	5.	6.	7.	8.
Task Conflict between manager and employee	2.44	.86		.622**	.736**	286**	130*	.163**	.189**	390**
2. Relationship Conflict between manager and employee	1.67	.72			.654**	321**	197**	.240**	.150**	428**
3. Process Conflict between manager and employee	2.1	.92				287**	162**	.164**	.176**	449**
4. Charismatic Leadership	4.31	1.13					.852**	461**	.298**	.645**
5. Transactional Leadership	4.2	.95						413**	.433**	.546**
6. Passive Leadership	3.74	1.02							.131*	240**
7. Autocratic Leadership	3.58	.82								.093
8. Satisfaction	3.87	.87								

^{*}p < 0.05 **p < 0.01

Hypothesis testing

In this section the different hypotheses are tested based on the process described in the methodology section.

Conflicts

Table 3 shows the regression analysis, standardized beta's and the significances in relation to the test of hypothesis 1.

Table 3. Regression analysis of the main effect of conflict on satisfaction

	Model		
Variable	1	2	3
Age	.027	002	.034
Tenure	023	.026	012
Team size	.005	.021	008
Task Conflict Relationship Conflict	386**	411**	
Process Conflict			442**
R^2	.149	.166	.026

Dependent Variable: Satisfaction; In dependent variable in; model 1: task conflict, model 2: relationship conflict, model 3: process conflict, N=254; Shown are standardized β 's.

*p < 0.05**p < 0.01

The regression analysis of table 3 shows a significant regression effect of task conflict (β = -.386, p < 0.05), relationship conflict (β = -.411, p < 0.05) and process conflict (β = -.442, p < 0.05) on satisfaction. These findings confirm hypothesis 1. There was no indication that relationship conflict would have a stronger negative effect on employee satisfaction than either task or process conflict.

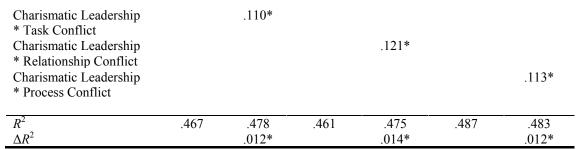
Charismatic leadership

Table 4 shows the regression analysis, standardized beta's and the significances of hypotheses 2.

Table 4. Regression analysis of Charismatic leadership and task, relationship and process conflict on satisfaction

	Model					
Variable	1.1.	1.2.	2.1.	2.2.	3.1.	3.2.
Age	002	016	004	011	005	009
Tenure	.006	.026	.011	.025	.015	.023
Team size	038	044	028	027	055	061
Task Conflict	199**	183**				
Relationship Conflict			179**	179**		
Process Conflict					250**	238**
Charismatic Leadership	.593**	.583**	.592**	.565**	.572**	557**

Koen Buisman, s0041599

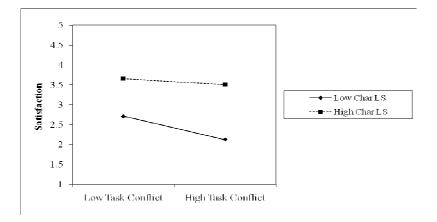


Dependent Variable: Satisfaction; In dependant variable is: model 1.1, 1.2: task conflict; model 2.1, 2.2.: relationship conflict, model 3.1, 3.2.: process conflict; N = 254; Shown are standardized β 's. p < 0.05 **p < 0.01

The figures in table 4 show a positive main effect of charismatic leadership on satisfaction. This effect is such that the higher the amount of charismatic leadership, the higher the satisfaction of the employee.

The regression analysis in table 4 shows a significant (β = 0.583, p < 0.05) moderation effect for charismatic leadership in case of task conflict, a significant (β = 0.565, p < 0.05) moderator effect for charismatic leadership in case of relationship conflict, and a significant (β = 0.557, p < 0.05) moderator effect for charismatic leadership in case of process conflict. These effects are visualized in figures 5 – 7. These figures show that charismatic leadership has a significant moderation effect in the relationship between task, relationship, process conflict with the outcome satisfaction. The negative effect of conflicts on satisfaction is reduced by charismatic leadership. These findings confirm hypothesis 2.

Figure 5. Moderation effect of charismatic leadership on the relationship between task conflict and satisfaction.



Koen Buisman, s0041599

Figure 6. Moderation effect of charismatic leadership on the relationship between relationship conflict and satisfaction.

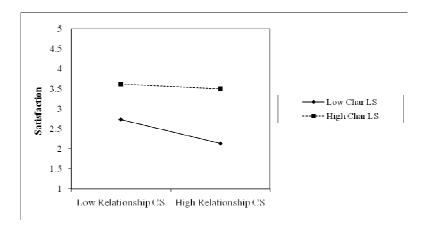
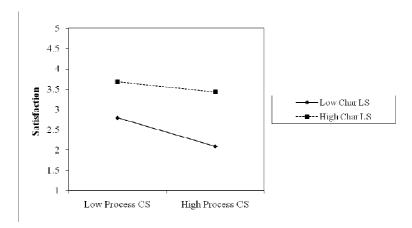


Figure 7. Moderation effect of charismatic leadership on the relationship between process conflict and satisfaction.



Transactional Leadership

Table 5 shows the regression analysis, standardized beta's and the significances of hypothesis 3.

Table 5. Regression analysis of Transactional leadership and task, relationship and process conflict on satisfaction

	Model			•		
Variable	1.1.	1.2.	2.1.	2.2.	3.1.	3.2.
Age	003	027	020	034	.003	010
Tenure	036	013	012	.014	028	018
Team size	016	016	.001	.001	042	048
Task Conflict Relationship Conflict	313**	317**	312**	321**		
Process Conflict					353**	352**

Koen Buisman, s0041599

Trans. Leadership	.485**	.492**	.465**	464**	.456**	.458**
* Task Conflict		.129*				
Trans. Leadership *						
Relationship Conflict				.179**		
Trans. Leadership *						.129*
Process Conflict						
R^2	.378	.394	.372	.404	.390	.406
ΔR^2		.016*		.032**		.017*

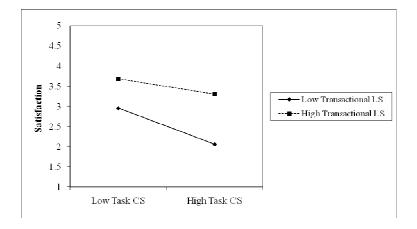
Dependent Variable: Satisfaction; In dependant variable is: model 1.1, 1.2: task conflict; model 2.1, 2.2.: relationship conflict, model 3.1, 3.2.: process conflict; N = 254; Shown are standardized β 's.

*p < 0.05** p < 0.01

The figures in table 5 show a positive main effect of transactional leadership on satisfaction. This effect is such that the higher the amount of transactional leadership, the higher the satisfaction of the employee.

The regression analysis in table 5 shows; a significant (β = 0.492, p < 0.05) moderation effect for transactional leadership in case of task conflict, a significant (β = 0.464, p < 0.05) moderator effect for transactional leadership in case of relationship conflict, a significant (β = 0.458, p < 0.05) moderator effect for transactional leadership in case of process conflict. The effect of transactional leadership in case of conflicts on satisfaction is visualized in figures 8 - 10. Transactional leadership reduces the negative effect of conflicts on satisfaction. These findings confirm hypothesis 3.

Figure 8. Moderation effect of transactional leadership on the relationship between task conflict and satisfaction.



Koen Buisman, s0041599

Figure 9. Moderation effect of transactional leadership on the relationship between relationship conflict and satisfaction.

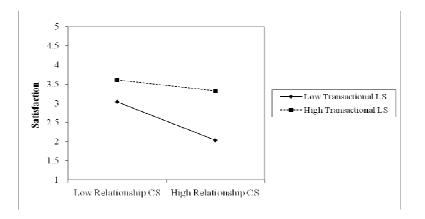
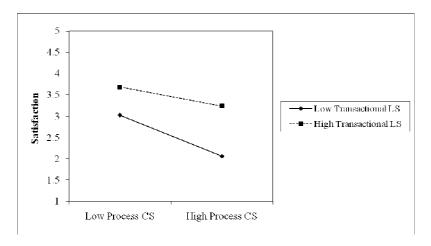


Figure 10. Moderation effect of transactional leadership on the relationship between process conflict and satisfaction.



Passive Leadership

Table 6 shows the regression analysis, standardized beta's and the significances of hypothesis 4.

Table 6. Regression analysis of Passive leadership and task, relationship and process conflict on satisfaction

	Model					
Variable	1.1.	1.2.	2.1.	2.2.	3.1.	3.2.
Age	057	048	069	063	028	020
Tenure	.045	.040	.072	.071	.041	.043
Team size	033	031	015	005	032	027
Task Conflict	331**	425**				

Koen Buisman, s0041599

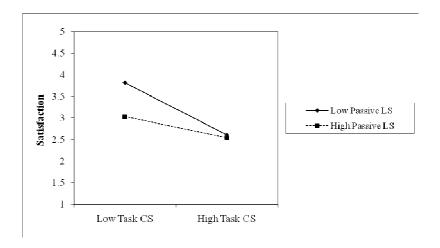
Relationship Conflict			337**	337**		
Process Conflict					382**	426**
Passive Leadership	230**	212**	192**	192*	200**	189**
* Task Conflict		.178				
Passive Leadership *						
Relationship Conflict				.135		
Passive Leadership *						
Process Conflict						.105
R^2	.201	.225	.196	.209	.226	.235
ΔR^2		.025*		.013		.009

Dependent Variable: Satisfaction; In dependant variable is: model 1.1, 1.2: task conflict; model 2.1, 2.2.: relationship conflict, model 3.1, 3.2.: process conflict; N = 254; Shown are standardized β 's.

*p < 0.05 **p < 0.01

The regression test in table 6 shows a significant (β = -.212, p < 0.05) moderation effect for passive leadership in the case of task conflict. There is no significant moderation effect for passive leadership in case of relationship and process conflict. The influence of passive leadership in case of task conflict is visualized in figure 11. The results show that regardless of the amount of passive leadership shown, high levels of task conflict go together with low levels of satisfaction. However, in case of low levels of task conflict, high levels of passive leadership result in lower satisfaction, than low levels of passive leadership. Together, these results provide no support for hypothesis 4.

Figure 11. Moderation effect of passive leadership on the relationship between task conflict and satisfaction.



Autocratic leadership

Table 7 shows the regression analysis, standardized beta's and the significances of hypothesis 5.

Table 7. Regression analysis of Autocratic leadership and task, relationship and process conflict on satisfaction

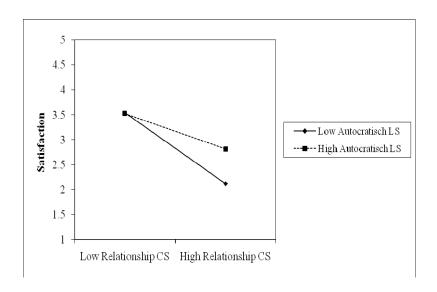
	Model					
Variable	1.1.	1.2.	2.1.	2.2.	3.1.	3.2.
Age	.018	.022	009	012	.047	.053
Tenure	022	022	.028	.046	018	009
Team size	008	003	.011	.030	022	024
Task Conflict	434**	449**				
Relationship Conflict			452**	532**		
Process Conflict					484**	534**
Autocratic Leadership	.171**	.173**	.167*	.171**	.167*	.169**
* Task Conflict		.056				
Autocratic Leadership *						
Relationship Conflict				.179*		
Autocratic Leadership *						.117
Process Conflict						
R^2	.180	.183	.193	.219	.203	.211
ΔR^2		.003		.026*		.011

Dependent Variable: Satisfaction; In dependant variable is: model 1.1, 1.2: task conflict; model 2.1, 2.2.: relationship conflict, model 3.1, 3.2.: process conflict; N = 254; Shown are standardized β 's.

*p < 0.05 **p < 0.01

The table shows that there is no significant moderation effect of autocratic leadership in case of task and process conflict. There is a significant (β = 0.171, p < 0.05) moderation effect for autocratic leadership in case of relationship conflict. The effect of autocratic leadership on the relationship between relationship conflict and satisfaction is shown in figure 12. Autocratic leadership reduces the negative effect of relationship conflict on satisfaction. The effect is such that an employee with an autocratic leader is more satisfied in case of relationship conflict. The results provide insufficient support in case of task and process conflict. These findings confirm hypothesis 5 for the sole case of relationship conflicts.

Figure 12. Moderation effect of autocratic leadership on the relationship between relationship conflict and satisfaction.



Discussion

The aim of this thesis is to clarify the moderating role of leadership styles on the relationship between conflicts and satisfaction. Most researches examine direct effects between for example charismatic leadership and satisfaction (e.g. Podsakoff 1990, 1996, Yammarino & Bass, 1990, Judge 2004). However, research only started to begin exploring the role of leadership styles as a moderator in the relationship between work stressors and their anticipated outcomes. One of those work stressors is interpersonal conflict. We know relatively little about how different leadership styles may buffer or reinforce this relationship, particularly when it concerns a conflict with the leader himself or herself. Therefore this study investigated the moderating role of leadership styles in the relationship between conflicts and satisfaction.

Overall, our predictions were largely supported. That is, interpersonal conflict between leader and employee negatively affect satisfaction and this relationship is buffered by high amounts of charismatic, transactional and autocratic leadership. This

supports our basic assumption that uncertainty and tension caused by conflicts are reduced by these leadership styles in their own specific way. Also, the assumption is supported that in case of little conflict the effect of charismatic and transactional leadership on satisfaction is positive and the effect of passive leadership on satisfaction is negative.

It was against expectations to only find a significant effect of passive leadership in case of task conflict. With low levels of conflict passive leadership has a negative effect on satisfaction. The effect is such that high levels of passive leadership go together with low levels of satisfaction. Regardless of the amount of passive leadership shown, high levels of task conflict go together with low levels of satisfaction. This is noticeable, because findings for the three conflict types are quite similar in respect to the their direct effect on satisfaction and the moderating effect of charismatic and transactional leadership on the relationship between conflicts and satisfaction. High significant correlations with $\rho > 0.6$ were found between task, relationship and process conflict. This can explain the little difference between the strength of effects. In case of conflicts between leader and follower the different conflict types defined in literature may be conglomerate. Therefore the influence of passive leadership in other conflict types is expected to be quite similar.

It was also against expectations to only find a significant effect of autocratic leadership in case of relationship conflict. As debated earlier the main mechanisms underlying the negative link between conflicts and satisfaction are said to be uncertainty and tension. As debated above similar results were found for the relationship between conflicts and satisfaction. However, when further analyzing the underlying mechanisms a nuance may be found. On one side autocratic leadership

may increase tension due to the undebatable style of the leader. On the other side the straight line that is chosen by the leader is expected to reduce uncertainty. In case of task and process conflict the increased tension and reduced uncertainty may outweigh each other. Due to the personal and emotional character of relationship conflict the reduced uncertainty may be of bigger importance. The latter may cause a significant effect in the case of relationship conflict.

This thesis provides insight for research in the role of leadership styles as a moderator on the relationship between conflicts and satisfaction. It supports research that states there is a positive relationship between charismatic leadership and satisfaction (e.g. Shamri, et al. 1993, Podsakoff 1990 and Conger, et al. 2000). It also supports the positive relationship found between transactional leadership and satisfaction found by e.g. Klimoski and Hayes (1980), Podsakoff and Schriesheim (1985) and Podsakoff, et al. (1982). And it supports earlier findings that passive leadership has a negative effect on satisfaction as described by e.g. Morrison et al. (1997) and Judge (2004).

This research provides more insight for practitioners in the influence of leadership styles on interpersonal hierarchical conflicts. This information becomes increasingly important as conflicts occur more and more often. In conclusion a good step has been made towards better understanding of leadership in practice.

Limitations

This study was part of a leadership development training which was aimed at the middle management of the organisation. The employees who participated in the research were not aware of the contents of the training. The contents of the training could thus not influence the perception of the leadership of the management as

perceived by the employees. The development of the management likely had an influence on the study. It is possible that less passive leaders were perceived then would have been the case a year earlier. This thus may have had an influence on the degree of leadership styles found, but it did not have an influence on the relationships which were found.

The majority of the research population attain vocational education. Before the research discussion arose whether the survey questions were too complex. Therefore an individual approach was chosen in which the researcher explained the survey in small groups and asked them to fill in the surveys on the spot. The respondents could pose their questions in case they did not understand parts of the research. The respondents appeared open to pose questions. Respondents took their time to fill in the surveys. In most cases the respondents understood the questionnaire. The results are therefore reliable in terms of the degree of understanding of the respondents.

During the digitalization of the data some demographics appeared not to be filled in by the respondents. 8% of the respondents left out a part or most of the demographic questions. These demographic questions could be completed by the researcher to the extent that the data was ready for analysis. The respondents declared they did not fill in part of the demographic questions to ensure true anonymity. This could point to the notion that respondents were anxious to be judged on their responses. Some trust issues may therefore be apparent in the researched population. This is not expected to have an influence on the analyzed relationships.

The analyzed environment is special because it mainly consists of men. In this research 3 women and 251 men participated. It is thus still questionable whether these results apply for women similarly as for men. Eagly et al. (2003) states that there is a

difference between the use of leadership styles between men and women. However, it is a unique chance to investigate a population with a majority of men. The fact that the research population mainly consists of men may explain some results. Only lesser degree relationship conflicts were found, which is in contrast to the expectations of the higher management of the researched organisation. This possibly might male preponderance in the research group. This may explain the small differential effect of task, relationship and process conflict on satisfaction and the subsequent effects of leadership styles on this relationship.

The research was done in an aviation company. The first line manager has a unique role in aviation. On paper the manager is the functional and hierarchical manager of the employees. In practice this is different. The first line manager manages normal mechanics and mechanics that approve the total check of the plane. The latter mechanics are called GWK's. The GWK is the person who approves and checks the plane. If the GWK says the plane is not ready for take off, the plane will stay on the ground. This means that the GWK is the boss around the plane. The first line manager can do nothing but to accept the judgement of the GWK. It is good to know that the role of the first line manager is special in current research. This is likely comparable with a professional organization. The external validity is therefore probably restricted to professional organizations and aviation.

Participants were free to participate in this research. Extremely negative managers and employees did not fill in the questionnaire. This might slightly colour the results, but as the response rate was very high (93%) and the approached population was randomly chosen the research pool can be seen as representative for the total population.

Future research

In this research it was not possible to measure dyadic relations between first line manager and employee. Dyadic relations should be analyzed in future research. The respondents indicated that they would give more specific answers in case of a dyadic format. So that answers of first line managers and employees will be directly comparable.

Within this research the focus was on leadership, conflicts and employee satisfaction. These results proved interesting. This opens up a new field of potentially interesting relationships. Performance would for example be an interesting outcome. This outcome is very relevant for organisations. It would be best to investigate performance based on hard performance data.

Trust between management and workforce can be another interesting outcome, mediator or moderator. A lower degree of trust between the management and the workforce might decrease the positive effect of leadership styles. Interdependency between management and the workforce might be an interesting mediator or moderator. A lower degree of mutual interdependency might also decrease the effect of leadership in the relationship between conflict and an outcome. These relations are interesting knowledge for the investments in leadership development programs. These relations can be interesting key factors for the investments in leadership development programs.

In this research we studied the effect of four leadership styles in three conflict situations, because we expected differential effects. Nuances became clear in the effects of leadership styles in different conflict situations. However, the mechanisms behind these differences could not be shown in this research. Future research could

investigate the mechanisms behind these effects and thus further clarify the role of leadership styles in conflict situations.

It would be interesting to do a similar research in a group that only consists of women so a comparison can be made between gender types. Also, the difference between the perception of conflicts between men and women should be investigated.

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