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**Impacts of Leadership styles on the  
Motivation and Satisfaction of the  
employees in Public companies-  
Case of Posti Group Corporation**

Sukhbir Singh

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<p><b>Abstract</b></p> <p>The purpose of the current study was to assess the impact of leadership styles on motivation and satisfaction among employees in public companies. To achieve this objective, the research was based on a case study of Posti Group Corporation located in Finland. Several leadership styles have been discussed at length including transactional, transformational, trait, and contingency leadership styles.</p> <p>Using a qualitative approach, the study utilized telephone interview method to gather data and findings. The interviewees comprised of 6 people with different work experience and positions. Their experiences ranged between one year and thirty four years. With the help of a thematic analytical review, the findings were analyzed based on various themes in line with the research question and objectives.</p> <p>As per the findings and with the help of a spectrum on leadership models, transformational and trait leadership were perceived to be instrumental in impacting employees' motivation and satisfaction. On the contrary, transactional leadership was perceived to be ideal in motivating workers through rewards, and dissatisfying workers through penalties. However, it was evident that a hybrid system encompassing all leadership styles was necessary to obtain maximum yields.</p> <p><i>Keywords:</i> Transactional leadership, Transformational leadership, Trait theory of leadership, Contingency leadership</p> <p>Miscellaneous (Confidential information)</p>		

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# 1 Introduction

## 1.1 Background

After many centuries, various scholars have come up with different definitions of leadership, with some perceiving it as a state while others are of the opinion that it is a process. To a great extent, the differences in these perspectives emanate from its broad and wide-ranging nature. In regards to this, Ayub, Manaf, and Hamzah (2014) note that there is a challenge in providing a concise definition that encompasses all traits of leadership and which still remains unsolved. They argue that as people and time progresses, the definition also changes to adjust to the most recent trends, especially in human relations. However, they observe that in general, leadership relates to the "position, function, and ability to lead" (502). Some of the definitions provided include; the process of setting organizational direction and aligning people towards the desired direction (Williams 2006), an individual who influences follower-ship through what he/she believes and does (Grint 2004), and as a process through which a person persuades other persons to attain a shared goal (Northouse 2004). Perhaps, the most comprehensive definition is one by Conger (1992) who states that "leaders are persons who institute a course for a group of working individuals and who acquire obligation from the specific group to well-known direction and who then persuade other members to accomplish the course's outcomes" (18). These definitions bring out crucial themes relating to this function, that is, leadership as development, leadership as a service, leadership as a change, and leadership as an influence. It is vital to observe that while the leadership nature is apparent, there are fundamental differences in the manner in which different individuals exercise it. Howell and Avolio (1993) posit that leadership styles can be convened into three key categories; transformational, Laissez-Faire, and transactional leadership, as discussed in detail below.

Transformational leadership refers to the leadership style where leaders inspire and stimulate workers to develop and make changes to facilitate the growth of the company (Jandaghi, Matin & Farjami 2009). Warrick (2011) maintains that this leadership style improves the morale, performance and inspiration of the employees via various mechanisms such as linking the workers' feeling of identity to a project scheme and the joint identity of the firm and leading as a model to employees. As suggested by Bass and Avolio (1997), transformational leaders are charismatic as they can appeal to their ideal values by creating an inspiring vision for the future. Bass (1985) proposes four attributes of transformational leadership, and they include intellectual stimulation, inspiration, idealized influence, and individualized consideration. Jin (2010) reports that transformational leadership encompasses the elements of compassion, sensitivity, empathy, innovation, and relationship-building. It nurtures the confidence of employees, promotes an environment of trust, and encourages the development of the employees. Aldoory and Toth (2004) note that transformational leadership includes the elements of power-sharing and participative decision making.

Transactional leadership is a style that emphasizes on performance, administration, and organization (Zehir, Sehitoglu, and Erdogan 2012). In this style of leadership, leaders facilitate compliance through punishments and rewards. Through punishments or rewards, the leader can keep subordinates inspired and motivated for a short period. The employees get recognition, merits, and bonuses when they meet specific goals and may be punished when such goals are not fulfilled (Chao et al. 2011). Transactional leaders give less concern of the welfare of the subordinates and changing the future, but to keep things the same way. Of note, this style of leadership is effective and efficient in emergencies and crises. Generally, these leaders use organizational bureaucracy, authority, power, and policy to maintain order. Odumeru and Ogbonna (2013) have also referred to transactional leadership as an authoritative form of leadership.

Laissez-faire leadership is considered as a passive leadership style in which leaders are detached in decision making (Gopal and Chowdhury 2014). There is no relationship exchange between the leader and the employees. It shows a non-transactional kind of leadership style in which authority is unused, leadership responsibilities are ignored, and the necessary decisions are not taken. This form of leadership is sometimes referred to as avoidant leadership, where leaders avoid participating in the work progress. This form of leadership is beneficial where employees are highly motivated, skilled, and can work without supervision. However, this style of leadership is ineffective in situations where employees lack the know-how and skills to work independently on a task (Jain et al. 2014). For instance, Steve Jobs was famous for using this approach; he would give instructions to his team and then leave them to work independently (Wiseman et al. 2010). In another example, President Herbert Hoover was well known for taking this style of leadership, and he would often allow more experienced advisors to make critical decisions to manage the affairs of the country (Wilson 1992).

In this age, attracting and retaining qualified employees has become increasingly tricky, posing a significant challenge to an organization's leadership (Alghazo & Al-Anazi 2016). They note that multinational factors and globalization are the major contributors to this challenge, noting that human capital is more demanding in the modern competitive market. At the same time, research indicates that employee motivation and satisfaction are catalysts for productivity and performance (Ndirtagu, 2013). This explains why many companies, whether small or big, spend a significant amount of their revenue in facilitating the two variables. Although the two factors are widely recognized in the business context, their essence is somewhat elusive due to their complex, multifaceted constructs. This explains why the two are approached differently under the various leadership styles discussed above. As such, the various approaches adopted by different leaders explain variations that are visible in employees' motivation and satisfaction (Khuong & Hoang 2015). Evidence suggests that

regardless of the leadership style adopted, leaders have to meet the changing demands among individuals and groups to effectively motivate them (Rhabi, Khalid & Khan 2017). Furthermore, they must understand the typical behaviors of their employees on a personal and group level. Gopal and Chowdhury (2014) argue that the factors under discussion comprise of individuals' internal and external attributes that include work factors, individual characteristics, and organizational practices. Therefore, it is imperative for leaders to understand needs and expectations of workers, which are likely to boost motivation and satisfaction.

## 1.2 Research Gap, Rationale, Objectives, and Question

Although the literature is awash with related research, there is little research on the implications of styles of leadership on the motivation and satisfaction specific to Finnish public companies. Thus, to fill the gap, the current work addresses the implications of these styles on the workers' motivation and satisfaction by undertaking a case study of a public company based in Finland. The aim is achieved in line with the following objectives;

- i) To identify the influence of different leadership forms on the motivation of workforce at the Posti Group Corporation
- ii) To explore the impact of different leadership models on employee satisfaction at Posti Group Corporation

To fulfill these objectives, the critical research questions shall be as follows. The study is guided by a theoretical and a practical rationale. Firstly, there is little literature on the implications of leadership methods on motivation and satisfaction. By taking this particular study, the researcher believes that the findings here-in will trigger further studies in this field. Secondly, on the practical rationale, the findings of the study will present managers with the appropriate leadership styles that foster effective and positive motivation and satisfaction to the employees. The study will also be helpful to leadership students and researchers who have a great interest in exploring the impacts of leadership methods on the motivation and



satisfaction of workers. By conducting the study, the main focus will be on the significance(s) of leadership forms on workers' motivation and satisfaction. To help achieve this objective, the following central question will be addressed. The research question that will be forming the foundation of this is; what are the effects of forms of leadership on the motivation and satisfaction of employees?

The current study has been structured as follows; chapter one of the thesis is concerned with the introduction of the study. The chapter provides the study's background, and paints a picture on the importance of leadership styles, while also highlighting various studies that document the implication of organizational governance on the motivation and contentment of employees. The section goes further to provide the rationale for the study, presenting both theoretical and practical significance. It then closes with a brief overview of the Finnish public company. The next chapter is the literature review, in which concepts and theories relating to leadership styles are critically examined with the guidance of empirical literature. Chapter three presents a discussion of methodological choices, and it includes research methods and approaches, data collection procedures, and data analysis. The chapter emphasizes on the outcomes of the study relative to the research question. Chapter five is the last chapter of the discussion and it provides the answer to the research questions, evaluation of the outcomes relative to literature and research limitations, as well as a recommendation for future studies.

This research will be conducted focusing on employees placed at the Posti Group Corporation, which is a public entity in Finland. Posti Group is the leading logistics and postal service company in Finland. Some of the core functions performed by the organization include parcels, logistics, freight, and postal services. More so, the corporation boasts of the most expansive network coverage in the country reaching out to an estimated three million households and firms during weekdays. Established in the 1990s after the separation of the telecom and the postal services, the Finland Post Group has a majority share owned by the

state. The direct ownership by the government is 50.1 percent while the Finnish State Business Development Company (Vake Oy) owns the remaining 49.9 percent. It operates in about 10 countries albeit its services are focused on Finland, Russia, and the Baltic countries such as Poland, Norway, Lithuania, Estonia, Sweden, and Latvia. The net-sales posted by the company averaged 1.6 million Euros while the adjusted operating was estimated to be 39 million Euros during the same period. A workforce of about 21,000 members runs the operations of the Posti Group implying a massive labour size.

### 1.3 Motivation of the study

The study's outcomes will offer significant intuitions into ways through which managers or leaders of Posti Group Corporation or any typical organization can enhance their leadership abilities and skills to influence employees' motivation and job satisfaction. A brief commentary of some of the areas that drives this study is provided below.

#### Social motivation

Most employees at Posti Group Corporation, just like other typical organizations, may have considerable knowledge of how both transactional and transformational leadership styles influence the performance of employees based on their motivation and satisfaction. Transformational leadership imparts employees with the necessary competencies and skills for personal and organizational development. Leaders that are transformational utilise their emotional intelligence to build a strong team of workers that are motivated and ready to achieve anything. As aforementioned, the primary domains of EI that set apart managers with transformative attributes include self-governance, relations management, and self and social awareness. Among the aspects of social awareness are empathy, kindness, compassion, and organizational awareness. Workers are human beings with psychological and emotional feelings, thus, a good leader ought to be conscious of such factors. They are referred to as human factors (HF) in an organizational set-up. Competent leaders ought to be conscious of

the well-being of their employees even as they compel them to meet the company's objective. Social motivation is also realized through self-management and relationship management. Workers that are considered to be efficient are normally emotionally stable, and this is partly influenced by how their managers relate with them. As per the trait leadership theory, personality attributes are strongly linked to emotional intelligence, thus, employees find it satisfactory to work certain managers and not others. More so, managers that are inspirational, achievement-oriented, with a positive outlook, and apt in managing conflicts create a socially stable working environment where members exchange ideas freely without tensions.

### **Industrial Motivation**

This study provides a glimpse of leadership models that may be ideal for a team and an organization that is ready to move with contemporary market dynamics. Public organizations have always lagged behind private corporations because of the contrasting organizational structure. While most of the private companies strive to create a flexible and horizontal organizational structure where innovation is easy to implement, public agencies such as Posti Group Corporation are yet to catch up. This becomes even a bigger problem for an organization that has a huge workforce. A hierarchical leadership structure that is most common in government corporations stifles the benefits accrued to transformational and contingency leadership models. This implies that building a competitive workforce that is founded on innovative and unique ideas in order to withstand stiff competition from modern business practices remains a big challenge. Possibly, corporations such as Posti Group have to rethink and remodel their organizational structure giving pre-eminence to the management system at different levels. Despite the transactional leadership model being suitable in certain contexts such as entrenching rules and regulations in a hierarchical system, transformational, trait, and contingency leadership types are likely to propel the organization towards prosperity and growth. Probably, organizational managers may be exposed to modern leadership skills

through proper training and learning initiatives. Having gained pertinent competencies through such programmes, they can cascade the same knowledge and skills to the team members because the benefits ought to be mutual; hence, as the junior staff get motivated and satisfied to work, the same should be reciprocated to the leaders or managers.

## **2 Literature review**

### **2.1 Introduction to leadership theories**

Various classifications, definitions as well as an explanation of leadership exist in current works of literature. These past theoretical literature show that leadership theories have undergone a significant development shift over the past decades. As noted by Khan, Nawaz, and Khan (2016), a significant endeavour has been undertaken to clarify and classify various active leadership dimensions. As a result, this has led to considerable development in leadership behaviours and styles. Nonetheless, a majority of scholars in the leadership field are in agreement on the belief that leadership development has been flexible, with each emerging leadership theory recognizing prior leadership theories in their views. Several types of leadership have emerged over the decades, with the major ones being trait, transactional, transformational, process, laissez Faire, and trait leadership theories. Nonetheless, only four leadership theories are focused on in this thesis; transactional, transformational, and trait leadership theories, and contingency theory, as discussed below. The choice of these leadership styles has been influenced by the fact that they represent the most common leadership styles often portrayed by leaders in organizations.

#### **2.1.1 The transactional leadership**

This theory of leadership by Max Weber indicated that leadership in an organization was exercised through acts of controlling the followers. Leadership was all about control through acts of rewards and punishments. Leadership was about regulation of behaviour and seeking

compliance from the followers through acts of pressure (Kahai, Jestire & Rui, 2013). To be a leader, one only needed to be the one in control of rewards and punishments mechanisms in the organization. Leadership was intended to provide guidance and direction that was to be one-sidedly followed by the followers (Bass 2008).

According to Kateb (2019), Barth-Farkas, and Vera (2014), key features of transactional leadership was the provision of contingent rewards. This meant that goals were linked to certain rewards that were to be provided for achieving specific goals set by the leader. It also implied that punishment was linked to the non-attainment of the set goals. Therefore, transactional leadership was deliberate in setting smart goals that were attainable, specific, and measurable to ensure that those goals were attained by the followers (Giudici and Filimonau 2019).

The transactional leadership involved leading by exception. This meant that the transactional leadership had the responsibility of leading the organization through close monitoring of employees and so that they do not deviate from the norms or the set rules. Much emphasis was put on the identification of deviations, errors, and mistakes (Luthra and Singh 2015). Corrective measures such as punishment or adverse actions were usually taken in order to prevent such deviations. This meant that transactional leadership put emphasis on the supervision of subordinates to ensure compliance. This was also based on the assumption that the employee must always obey the orders of the superior and that the superior was the one who held the most knowledge and information on what should be done. In most instances, transactional leadership worked in the cases where the leaders were the experts and held much information and capabilities than the subordinates (Brown, Paz-Aparicio and Revilla 2019). It also held that managers and the leaders only intervened when there was a correction to be made, and when the rules were not followed hence the transactional leadership was passive.

Therefore, the fundamental tenet of transactional leadership was to maintain the status quo or to avoid disruptions, deviations, and errors. The main concern of the transactional

leadership was to ensure that organizational operations flowed smoothly without problems (Kateb 2019). The focus of this type of leadership was, therefore, to identify the issues and rectify them in advance. It works well in organizations that were well established and had a hierarchical structure where employees and management did not have similar levels of information, knowledge, and expertise.

Consequently, some of the limitations of transactional leadership were that it could not work in instances where the subordinates and the managers or leaders had a similar level of knowledge, capabilities, and skills (Bacha 2014). This leadership only worked where subordinates were highly reliant on the management for guidance. In situations where the employees were skilled or more informed than the leader, it undermined transactional leadership. The transactional leadership also did not work in instances where the new ideas were required as the ideas in a transactional leadership set up had to originate from the top, which did not need any ideas and suggestions from the bottom-line employees and subordinates (Kahai, Jestire & Rui 2013). The leadership and communication format of the transactional leadership was hierarchical, and ideas had to originate from the top and flow to the bottom, which limited the organization's capacity to innovate and come up with new ideas. Bass (2008) also indicated that the other limitation of this theory was that the employees are to be motivated by the organizational leaders through rewards and punishment, which was not always the case.

### 2.1.2 The transformational leadership

The other theory of leadership is transformational leadership. This type of leadership is a leadership that was intended to transform or take the organization a higher notch. This leadership involved the trailblazer working as the visionary of the organization by sharing the vision, stimulating the members to work towards the vision and by developing the skills and capabilities of the followers (Odumeru and Ogbonna 2013). The transformational leader has to be very proactive and has to work in collaboration with others in order to steer the organization

forward and achieve the organizational goals. Therefore, four key tenets characterized the transformational leadership, and they are the romanticized influence, inspired motivation, stimulation of the intellect, and individualized consideration (Basham 2012).

One of the critical attributes of transformational leadership is idealized or romanticized influence. This means that the leaders seek to influence their followers through some form of ideas (Towler 2019). In order to do this, the transformational leadership must set some high standards of ethics which they were to follow to win their followers' trust. The transformational leaders had to walk the talk and set the standards that needed to be followed in their organization. By doing this, they commanded the respect and honour of their followers (Bass 2008). The second feature or attribute of leadership was inspired motivation. This implies that transformational leaders sought to motivate the employees through aspirations that could make the followers perform highly (Barth-Farkas and Vera 2014). They set high vision and aspirations and communicated the benefits of achieving those aspirations to the employees leading to higher performance among the workers.

The transformational leadership was further characterized by the individualized consideration. According to Towler (2019), the individualized consideration entailed paying personalized attention to the follower. The transformational leaders tended to have personal interactions with their followers so as to understand their needs and aspirations. They also have personalized interactions that were intended to empower the employees and to make the followers feel valued by the leaders (Basham 2012).

Intellectual stimulation was another feature of transformational leadership. According to Bacha (2014), the intellectual stimulation implied that the leader provided some knowledge and expertise into the followers. This was done through mentorship, coaching, and training. The leader challenged the followers to offer new ideas and new methods of working and making things better in the organization. This made the followers to seek new knowledge and ideas to

improve the organization. This implies that the transformational leader was not undermined by new ideas and new ways of thinking (Kateb 2019). The transformational kind of leadership worked well in instances where the organization was large and had employees who had different skills and capabilities. It also worked where the employees were highly skilled and hence could not be coerced to follow the management suggestions without questions (Bass 2008).

### 2.1.3 Trait leadership Theory

Another significant theory is the trait theory. As observed by Kovach (2018), trait theory was the first leadership theory to be documented in the literature. Dubbed as the great man's approach, trait leadership theory is based on a leader's traits, and it makes an assumption that there was a standard set of traits shared by successful leaders during the past period. Some examples of such leaders were Mahatma Gandhi and Lincoln Abraham. According to Khan, Nawaz, and Khan (2016), early theorists were of the opinion that leaders were born with a specific personality and physical traits that made them stand out among non-leaders. One of the major assumptions under trait leadership is that it fails to recognize whether leaderships are genetic or are learned by a leader. There are two major categories of leadership traits identified under trait leadership theory; new traits and effectiveness traits. Effectiveness traits constitute those leadership traits that are learned or acquired, including charisma. On the other hand, emergent traits represent those leadership traits that are hereditary, including self-confidence, attractiveness, and height.

Charisma has been termed by Max Weber as one of the significant revolutionary forces with the capability of leading to complete individual devotions and through followers of leaders perceived to possess superhuman powers. According to Khan, Nawaz, and Khan (2016), earlier research on both personality, intellectual and physical characters that distinguished leaders from non-leaders predicts a study that indicates there is a minimal variance between leaders



and their followers. The development of trait theory resulted from the failure to detect common traits that were possessed by every effective leader. This followed after the study of both non-military and military traits in the 1940s, which exposed the critical significance of specific trait developments at some particular point in time.

As opined by Aalateeg (2017), earlier researchers examined leadership based on hereditary characteristics before making a comparison with those of their followers. As further stressed by the author, the trait theory laid significant focus on a leader's attributes such as skills, motives, personality as well as values. Thus, through identifying the characteristics of a specific leader based on these four major attributes, it is possible to identify traits that distinguish a follower from their leaders. Accordingly, for a leader to lead successfully, trait theory argues that he or she must possess some essential physical traits, personality features, as well as ability traits such as decision making and innovativeness.

#### 2.1.4 Contingency leadership theory

Contingency leadership theory is also another significant leadership theory that has been primarily documented in past theoretical discourses. The term contingency leadership was first coined in 1967 by Lorch and Lawrence in their research in differentiation and integration within six major complex firms operating in an industrial environment. As claimed by Afridin (2013), Lorch and Lawrence opined that the rate of exchange and uncertainty in such an environment played an essential role in the development of internal organizational features.

Further, as observed by Khan, Nawaz and Khan (2016), a key recommendation of contingency concept is that there are no particular leadership styles that can stand on its own as each leadership styles are dependent on several factors including the situation of followers and the quality of followers among other variables. Consequently, contingency leadership theory is of the view that there exists no particular leadership style. This is because the leadership styles of a leader are determined by both external and internal environmental factors,

which necessitates that leaders should effectively be flexible and adapt to such situations. For instance, in organizational setup, the leaders not only alter the environment and the dynamics, but organizational employees also change.

Literally, contingency leadership theory is a form of behavioral leadership concept that contests the notion that there does not exist a mode of directing followers. Moreover, this leadership style also challenges the assumption that leadership styles that are effective in some situations might be similarly be utilized under other different circumstances or situations (Khan, Nawaz, and Khan 2016). One of the major assumptions made by contingency leadership theory is that the primary focus of a leader-follower relationship is often the leaders. Such assumptions have, however, been contested by situational theorists who argued that defining the relationship between a leader and its followers depends significantly on the followers or subordinates as well. Despite the fact that situational leadership theory places a significant emphasis on the leader, it also creates the importance of focusing on the dynamics of the group as a whole. Consequently, the emergence of relationship studies between these leaders and their followers has led to a significant upsurge in modern leadership theories and group dynamics. For instance, one such modern philosophy is the situational leadership model that asserts that leadership styles ought to be achieved by subordinates' maturity. The situational leadership theory, which first came into being during the 1960s, argued that there are no single best ways of leading, and leaders must be in a position to adapt their leadership styles to different situations so as to be effective by transforming their leadership styles between various roles relationship and task orientations.

## 2.2 Leadership Styles, Motivation, and Satisfaction of the Employees

The subject of employee satisfaction and motivation has attracted substantial attention in historical literature and theoretical discourses. The majority of these earlier studies mainly recognize employee motivation and satisfaction as a distinctive facet in enabling a firm to gain

a competitive edge in the market place. As noted by Rozman, Treven, and Cancer (2017), for instance, a firm that designs their jobs in such a manner that reduces stress among its employees increases the satisfaction and satisfaction of employees. Consequently, a highly motivated and satisfied employee improves their performances by energizing their behaviors, underscoring their persistence tendency, and offers direction towards suitable organizational practices. On the other hand, Varma (2018) also argued that employees' satisfaction and motivation play an essential role in the current business environment. This is mainly due to the persistent job losses by firms that endeavor to establish lean organizations that make existing or remaining employees perform poorly, thus resulting in significant losses for the firms.

Nonetheless, despite these enormous theoretical discourses on the subject of employee motivation and satisfaction, these two terms still remain little understood as they have often been used interchangeably to mean one thing. Moreover, only a few types of research have been conducted on how these two aspects are influenced by leadership styles. For that reason, the literature review intends to explore some of the effects of leadership types on motivation and satisfaction of workers. The part begins with the definition of employee motivation and satisfaction to gain better insights into the phenomenon under inquiry.

### 2.2.1 Employee satisfaction and motivation defined

The term employee satisfaction as a term has received varied definitions in the existing literature. Nonetheless, Dartey-Baah (2010) avers that employee satisfaction has been defined as a positive attitude that is portrayed by an employee towards his or her job with a satisfied employee having an urge to carry out their organizational roles. This is to imply the innate feeling by organizational employees that their capacities are utilized successfully by the firm, and their contributions exert significant impacts on the society while fulfilling their individual career growth. On the other hand, job satisfaction has also been defined to denote a very complex construct, and its measurement is usually done in terms of an employee's global

attitude towards their organizational roles or tasks. For instance, an organizational employee can either be dissatisfied or satisfied with their organizational roles.

Contrarily employee motivation has also been defined in different ways. Dartey-Baah (2010), for instance, defined the term to constitute a fundamental process in decision whereby an individual employee selects their desired output and sets appropriate behavioral motions that are fundamental in achieving such outcome. On a different tenet, employee satisfaction has been defined as a behavioral mainspring that adequately explains why individual employees select to spend a significant level of their efforts on the realization of a particular goal (Dartey-Baah 2010).

Further, employee motivation has also been described on the basis of various motivational theories such as Herzberg and Maslow's motivational theories, which utilize the perspective of human resource in their approaches. For instance, while Maslow's theory of motivation defines motivation on the basis of satisfaction and their needs, Herzberg's theory, on the other hand, defines employee motivation based on both recognition and rewards.

### **2.2.2 Impacts of leadership styles on employees' motivation**

Several kinds of research have been conducted on how leadership styles affect employee motivation. Alghazo and Al-Anazi (2016), for instance, explored the connection concerning employee motivation and embraced leadership styles within a private petrochemical firm in Saudi Arabia's eastern province. By utilizing a mixed methodology of qualitative and quantitative research using interviews and surveys on 10 and 30 employees, respectively, the authors found out that employees' motivation is strongly correlated with leadership styles. Most specifically, the study found out that although transformational leadership is clearly linked to employees' motivation, the relationship between transactional leadership styles with employees' motivation is negative. The interview survey with 10 employees of the firm, for instance, revealed that the majority of the interviewees (8 out of 10) were of the consensus that

they are more satisfied with their jobs as a result of transformational leadership styles portrayed by their organizational leaders. For instance, the employees are highly motivated when their organizational leaders are proactive, promote innovativeness, and aims to realize the organizational objective by ensuring their followers are motivated to perform. These findings are further supported with the questionnaire survey of 30 employees in the study which showed that majority of the employee in the firm (22 out of 30) recognized they are likely to be motivated by organizational leaders who depicts transformational leadership distinguished from transactional leadership. Nonetheless, these outcomes are contrary to Vroom's expectancy theory which argues that employees' behaviors are a result of their individual choices that are available to be achieved per their priorities (Badubi 2017).

Therefore, the motivation of employees is not solely influenced by leadership styles, but through employees' skills and personalities. The primary argument of Vroom's theory is that efforts, motivations, and performance of an individual employee are things that are within every individual, and it differs from one employee to another. As such, employees with higher efforts and motivation tend to perform better in the workplace than those with little efforts. These findings gain significant support from the study conducted by Asrar-ul-Hag and Kuchinke (2016) their empirical study on impacts of leadership forms on the performance of workers within the Pakistan banking industry. By utilizing a sample of 224 full-time workers in the Pakistan banking industry, the authors found out that there is an enormous positive correlation between the outcome of organizational employees and transformational leadership styles.

Similarly, Uddin (2019) also carried an inquiry to institute the link amid leadership styles and workers' intrinsic and extrinsic motivation by focusing specifically on the context of the banking industry in Bangladesh. Utilizing a questionnaire survey, the authors collected data from some selected organizational personnel and leaders who are charged with leading various

departments in local banks in Bangladesh. Through the use of descriptive analysis, the authors found out that the employees' intrinsic motivation is significantly impacted on by three major leadership styles; transformational, transactional along with Laisser-faire leadership styles. However, these findings differ from those of Alghazo and Al-Anazi (2016) as it also reveals that the extrinsic motivation of employees is largely impacted solely by transformational leadership styles as opposed to other leadership styles. These findings are however in line with McGregor's Theory X and Y which states that one of the major demotivation of employees is inconsiderate leadership who for instance utilizes pressure and does not delegate duties to their followers.

On a different tenet, Kjuong and Hoang (2015) also investigated how employee motivation affects leadership styles by focusing on the context of auditing firms in Vietnam. By utilizing a quantitative method, the authors sampled 320 respondents who worked as auditors in various auditing firms in Vietnam. Nonetheless, instead of focusing on specific leadership styles as was in the case of Alghazo and Al-Anazi (2016) and Uddin (2019), the authors concentrate on various independent leadership variables including change-oriented, charismatic, participative, autocratic, relation-oriented, and task-oriented leadership among others.

In their findings, the authors observed that employee motivation and retention are highly influenced by leadership styles with relation-oriented, ethic-based contingent reward, and charismatic, leadership having a strong positive relationship with the motivation of organizational employees. More specifically, charismatic leadership was found to have a stronger positive influence on employees' motivation at a *Beta* value of 0.222. Therefore, a stronger correlation between leadership styles and employees' preferences can effectively be determined through a leader's personality and values. These findings are, however, contrary to the assumptions in MacGregor's X and Y theories. Theory X, for instance, views employees as

individuals who possess inherent dislike towards work tasks or roles, and thus, they must be compelled, coerced, threatened through punishment, and directed to perform their job roles (Badubi, 2017).

On the same tenet, Al Rahbi, Khalid, and Khan (2017) also conducted an inquiry to establish the possible implications of leadership methods on the motivation of workers within the Abu Dhabi healthcare industry. Nonetheless, the authors adopted a faintly changed tactic by concentrating on the general team motivation as opposed to individual employees' motivation by focusing on authoritarian, laissez-faire, and autocratic leadership styles. Using case study analysis and adopting dynamic leadership theory Al Rahbi, Khalid and Khan (2017) found out that dynamic leadership styles play an essential role in employees' team motivation as it effectively recognizes a path that leaders must take to realize organizational goals in addition to ensuring that their organizational teams remain motivated. These findings are in line with Herzberg's two-factor theory, often referred to as motivator-hygiene, which lists crucial aspects of the job that motivates employees to include recognition of employees by their leaders in addition to other work features like achievement and responsibility. According to Badubi (2017), Herzberg singled out leadership approach, the relationship of employees with their leaders at the workplace as well as supervision as essential factors that might demotivate employees if not well done.

Furthermore, Al Marhoobi and Attan (2017) also conducted an inquiry to determine the perceived impacts of leadership styles on employees' motivation. However, different from other authors, they specifically focused on both private and public industries in Oman, Ministry of Agriculture and Fisheries, and Oman Cable and Bahwan Automotive Group, respectively. Moreover, the authors also utilized Avery's Leadership model to include other modern leadership styles, such as organic and classical leadership styles, in addition to the traditional leadership styles like transactional leadership. In their inquiry, the authors utilized a

questionnaire survey on a sample of 661 employees drawn across Oman's private and public sectors. In their statistical and inferential analysis, Al Marhoobi and Attan (2017) found out that the relationship between employees' inspiration in both public and private sectors in Oman and organic leadership forms and classical transactional leadership styles is statistically significant. These findings are in line with Maslow's hierarchy of needs, which recognizes that individuals are not only motivated by physical needs, safety and security needs, and social needs but also by esteem needs such as getting acknowledgment from their leaders (Badubi 2017).

### 2.2.3 Impacts of leadership styles on employees' satisfaction

Employee satisfaction takes a vital role in a firm's success, mainly due to intense competition. Nonetheless, despite this, research on this area, especially with regards to how leadership styles influence employees' satisfaction have either remain scanty in literature and organizational practices. Only a few and scanty researches have been conducted in this area. For instance, Al-Jenaibi (2014) carried out an investigation to identify the impacts of leadership on job satisfaction by focusing specifically on the context of the United Arab Emirates multinational construction industry. The authors utilized a qualitative research method by surveying a total of 300 leaders drawn from various multinational construction firms in the United Arab Emirates. Through the assistance of case study analysis techniques, the authors found out that both consensus and consultative leadership styles are very much prevalent in UAE multinational construction firms. Further, the study also reveals that consultative and consensus leaderships are strongly and optimistically related to job satisfaction of workers in those firms. These findings are in line with the fact that consultative and consensus leaders often possess unique values and personalities, including integrity, self-discipline, sensitivity on their followers, selflessness, and humility and are thus in an effective position to motivate employees whom they lead.



On the contrary, Babalola (2016) carried out an inquiry on the leadership and job satisfaction roles on organizational obligation and job performance in general as opposed to the implications of leadership on employee satisfaction. To determine how the supervisor-employee relationship, as well as leadership styles and job satisfaction, impact organizational job performance and commitment, the author surveyed 255 media employees aged between 20 to 57 years. By utilizing stepwise regression analysis, Babalola (2016) finds out that organizational commitment is primarily determined by laissez-faire leadership styles, job satisfaction as well as the relationship between supervisor and their follower at a beta of 0.38, 0.53 and 0.41 respectively.

Further, Saleem (2015) also carried an inquiry into the effects of leadership on job contentment by determining the interceding roles of alleged organizational politics in job satisfaction as opposed to employee satisfaction. In their study, the author utilized a quantitative research method by a questionnaire survey of 250 teachers in Pakistan. Through a descriptive research design, the authors found out that job satisfaction is negatively and positively impacted by transactional leadership and transformational leadership, respectively. The implications of these findings are that through their motivating and inspiring behaviors, transformational leaders are in an effective position to induce the employees' psychological state, thus increasing their job satisfaction. Contrary to that, the negative association between job satisfaction and transactional leadership styles is due to the desire of transactional leaders to strive towards the achievement of the general aims of an organization through punishment and reward with little regard to the welfare of the people they lead.

Similar to Saleem (2015), Khalid, Shamsher, and Farooqi (2015) also conducted an investigation on how leadership styles impacts job satisfaction. However, in their study, Khalid, Shamsher, and Farooqi (2015) focused on the relationship between four various leadership aspects, including human resource, political, symbolic, and structural, on the job

satisfaction of their followers using a four-frame model approach. In their study, the authors sampled 160 respondents drawn from various firms using a questionnaire survey. Through the assistance of multiple linear regression analysis, they determined that about 45% in job satisfaction at the workplace is attributed to leadership styles. Most precisely, the study's outcomes indicate there was a strong connection between structural leadership and job satisfaction than other leadership styles identified in the four-frame model. Consequently, the study suggests that instead of depending on a particular leadership style, leaders should often portray varied different leadership styles depending on the varying organizational situations so as to be effective. These findings match the contingency leadership model, which assumes lack of best way of leading and effective leadership which matches the organizational situation (Vidal, Campdesuner and Rodruquez 2017). As such, different situations in an organization call for a leader in demonstrating different leadership styles to resolve such cases. For instance, employees strike, would call for a leader to show a different leadership style from a situation involving an introduction of a new product in the market.

Finally, Yahaya and Ebrahim (2016) studied the impacts of leadership approaches on organizational obligation as opposed to employees' satisfaction. Similar to other previous related studies explored in this section, the authors focused on a wide selection of leadership models, including transactional, laissez-faire, and transformational leaderships. Nonetheless, the study focuses specifically on the impacts on various variables, including employee satisfaction, extra efforts, and leadership effectiveness on organizational engagement. The study's findings reveal that workers' satisfaction results in significant organizational commitment. This is because highly satisfied employees in terms of adequate self-esteem and basic needs, such as shelter and clothing, make them highly committed to the organizations. These findings are in line with Maslow's hierarchy of needs, which specifies various

requirements that an individual must fulfill to remain committed at work to include basic needs such as shelter and self-esteem needs such as recognition.

### 2.3 Research gaps

The past literature highlighted in the preceding section and empirical enquires on the effects of leadership styles, and employees' motivation and satisfaction presents a number of research gaps that this current study endeavors to fill. The study on how leadership styles impact employee motivation has various limitations that render their generalization in the Finnish public sector very inaccurate, challenging, and inappropriate. For instance, Alghazo and Al-Anazi (2016) conducted a study within the context of the private sector and not the public sector. Moreover, the study is conducted in the context of Pakistan and Saudi Arabia and not Finland, thus making their generalization to Finland's public industry problematic and challenging. This is because each country is characterized by different cultures, and as such, what motivates employees in one context might not be the same in other contexts.

On the other hand, the study by Uddin (2019) is carried out within the private banking sector context but not public sector. Moreover, these studies are conducted in the context of Bangladesh and not Finland, thus making their generalization to Finland's public industry problematic and challenging. This is because the private and public sector is characterized by different leadership styles, while employees in the two sectors are also motivated by different factors and environmental conditions. Thus, the current study focuses on fulfilling this research gap by focusing specifically on the public in Finland, such as Posti Group Corporation. Further, just in the previous studies explored in this thesis, the study by Kjuong and Hoang (2015) is also conducted in the context outside Finland; Vietnam and as such its generalization to the Finnish public firms might be very challenging since it does not represent the true perception of Finnish employees. Finally, even though Al Rahbi, Khalid, and Khan (2017) focus slightly on team motivation, they mainly focus on the context of Abu Dhabi and not Finland.

Moreover, the authors also employ the use of case study analysis based on secondary data, which is not reliable as they are not up-to-date as surveys. Moreover, the study identifies modern leadership styles using Avery's leadership model and utilizes the inferential and statistical analysis method, which are more reliable and accurate. However, it fails to state some factors that are perceived to have influenced the constructive link between employee motivation and styles of leadership.

On the contrary, past theoretical literature on how leadership styles affect job satisfaction also reveals many research gaps. For instance, the study by Yahaya and Ebrahim (2016), though, focuses on the most common leadership styles, it fails to link them to employees' satisfaction as it mainly focuses on job commitment as opposed to job satisfaction. Moreover, the study by Khalid, Shamsher, and Farooqi (2015) indicates that leadership results only to 45% of job satisfaction and does not show what other factors contribute to the remaining 55% of job satisfaction. Further, even though Saleem (2015) effectively shows how transformational and transactional leadership impacts job satisfaction, the study is conducted in the context of Pakistan as opposed to Finland. Thus, it is this significant research gap the study aims to fulfill by focusing specifically on Posti Group Corporation Finnish Public Company. Based on limitations associated with case studies, this current study specifically adopts a questionnaire interview so as to gather up-to date information regarding the perceived impacts of leadership styles on employee's motivation.

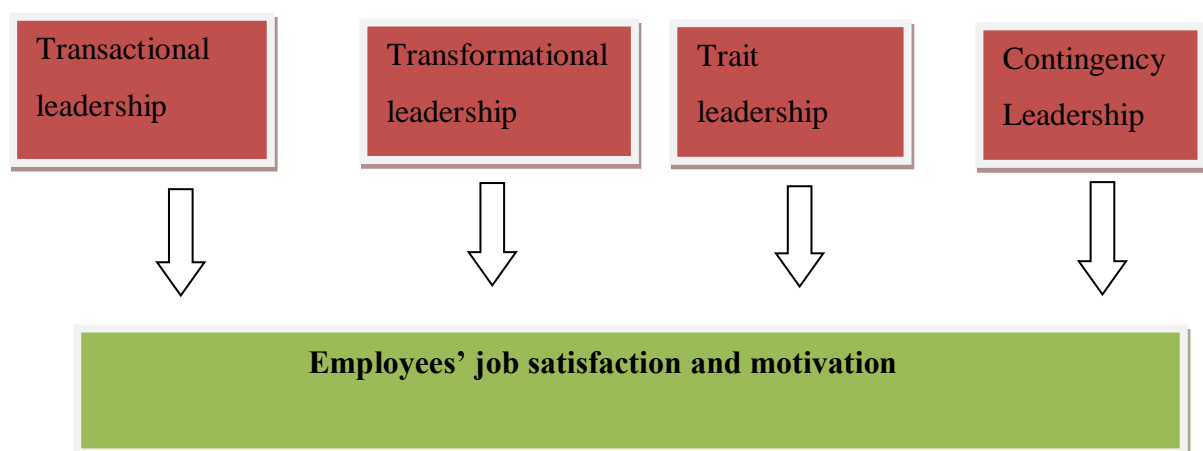
Moreover, the literature and theoretical discourses show leadership styles impact greatly on both employees' satisfaction and motivation. For instance, while transformational and transactional leaderships relate to employees' job motivation and satisfaction positively and negatively. The positive link concerning transformational leadership, and motivation and satisfaction of workers is particularly due to the motivating characteristics of organizational leaders which help them alter the psychological traits of employees. Moreover, the literature

review also indicates that some different leadership styles impact differently on employees' motivation and job satisfaction, depending on different situations. As such, a leadership style that is suitable under one situation might not necessarily be suitable under other situations.

Nonetheless, this literature also reveals that some are conducted with specific reference to the impacts of leadership on motivation and satisfaction of workers, which is similar to what this study aims to achieve. However, most of them are conducted in the private sector within the contexts outside Finland like Taiwan, Vietnam, and UAE, which makes their generalization in the context of public firms in Finland very problematic. Further, some of these studies also rely on secondary data, which makes puts their validity and reliability into questions. As such, this study aims to fulfill the research gap by focusing specifically on the public sector in Finland and using more valid primary data from interviews.

## 2.4 Theoretical Framework

The research aims to explore the impacts of leadership styles/theories and their impacts on workers' motivation and job satisfaction. Thus, the following theoretical framework in Figure 1 is developed to explain the link amongst trait, transactional, transformational, and contingency leadership approaches and workers' job satisfaction and motivation.



**Figure 1:** organizational leadership framework (by Author)

From the theoretical framework above, it is evident that job satisfaction and motivation of employees is impacted on by transactional theory, trait theory, contingency theory as well as transformational theory. Thus, this framework provides a basis in which primary data are collected and analyzed as it offers insights into some of the essential information to be gathered from the primary sources.

### **3 Research Methodology**

This constitutes the third section of the study and the research methodology applied. Also, the section entails a length description of the relevant aspects of the selected research method. These include research design, sample and sampling techniques, data collection instruments and procedures, data analysis as well as ethical issues and considerations as discussed below.

#### **3.1 Research approach and context**

Research design is defined by Bui, Qates, and Gonzalez (2000) as a research framework that identifies the type of research being undertaken. The major research design employed was a qualitative approach. However, for this thesis, a qualitative research design using interviews from the single case company is employed. One of the rationales for the use of this particular method with the help of interview questions is because of its anonymity, which enables respondents to express their views, opinions, and perceptions candidly without any fear whatsoever (Bui, Qates and Gonzalez 2000). As such, it enabled the researcher in this current study to gather honest opinions and perceptions of employees working in the Posti Group Corporation. As already mentioned in this study, the thesis aimed at determining the impacts of various leadership styles on employees' job satisfaction and motivations.

#### **3.2 Data collection**

Specifically, a convenience sampling technique was applied in the study. The rationale for using the convenience sampling technique in this study was due to its capability, little costs,

and less sampling time that is required (Gravetter & Forzano 2018). Thus, the use of convenience sampling ensured that only employees whose motivation and job satisfaction are recruited into the study as much as possible as they could give adequate and valid opinions and perceptions regarding the phenomenon under investigation. However, despite its relevance in this current study, the convenience sampling technique also has some drawbacks. For instance, the method is highly susceptible to sampling errors, which reduces its credibility. As such, its application in this current study is likely to have affected the validity of the primary data collected in the interview transcripts. The researcher in this current thesis was limited by time and resources, for that reason, convenience sampling technique was selected as the most appropriate sampling technique as it enabled the researcher to arrive at the most appropriate sample population faster and at lesser costs. Moreover, the convenience sampling technique was also chosen for this thesis because of its capability to ensure that only relevant respondents are recruited into the study.

Data was collected from a sample of employees from Posti Group, and it was done in April 2020. The interviewees had varying experiences ranging from one year to more than thirty years, concisely, 1, 1.5, 2, 12, 18, and 34 years of experience. Also, the respondents held various positions including delivery and supervisory role. Interviews were mainly carried out through the use of electronic channels (emails and telephone) and normal discussion sessions over a period of 2-4 weeks. For the face-to-face sessions, each interview session lasted for approximately 15-20 minutes, and they were recorded for transcription verbatim. However, the recording was done with prior consent from the interviewees to ensure the discussion was conducive. The application of interviews in this thesis was because of its capability to enable the researcher to gather more detailed data regarding individual views, opinions as well as perceptions (Gravetter, & Forzano 2018). The interview questions were presented in English language, thus, the participants were supposed to have the basics or intermediary level of

English literacy. Accordingly, the study on the impacts of leadership styles on employees' motivation and job satisfaction within the public firms in Finland necessitated the researcher to seek the opinions of employees who are mainly affected by those leadership styles. Another rationale for the use of interviews was because of its capability to enable the researcher to gather not only detailed but also other insights that were not previously in mind. As a result, this allowed the researcher to have a more comprehensive view of how various leadership styles in the public sector in Finland impacts on employees' motivation and job satisfaction.

The data collection was carried out mainly through well-prepared questions, including open-ended questions, and they were distributed to employees online. These questions were designed in different sections, with the first section detailing the nature of the study and their consent to participate in the study. The second section constituted questions touching on the bio-data of the employees, including their names, years in employment, and their work roles in Posti Group Corporation. The third section included inquiries related to how their motivation has been impacted on by the leadership styles portrayed by various leaders in the Posti Group Corporation. Lastly, the last part of the interview asked employees to state and describe how different leadership styles by their leaders in the Posti Group Corporation have impacted on their job satisfaction. The interview questions used in the study are provided in the appendix below.

### 3.3 Data analysis

Data analysis plays a very central role in a study by giving better insights into the primary data gathered from the sample population. However, for this study, a thematic analytical review approach is chosen as the appropriate data analysis method. According to Guest, Macqueen & Namey (2012), thematic analysis is a technique that is often employed in the analysis of qualitative data such as interview transcripts. Under this method, the primary data are examined by the researcher who identifies major themes or topics or pattern of



meanings that emerge from such data. The use of thematic analysis in this thesis was due to the fact that it is often regarded as the most appropriate method for analyzing the views of others (Guest, Macqueen & Namey 2012). As such, this method was chosen as the most suitable data analysis method since the current study aims to gain insights, opinions, and views of others, including employees and organizational leaders regarding how employees' satisfaction and motivation are impacted by various leadership styles. Nonetheless, just like any other data analysis method, thematic analysis has its drawbacks. According to Guest, Macqueen & Namey (2012), one of the significant disadvantages of thematic analysis is that the method is very subjective and relies on the interpretation of the researcher. As a result, this makes thematic analysis too susceptible to the researcher's biasness in a study.

To carry out thematic analysis in the current study, many steps were taken. Firstly, familiarization which entailed going through the entire interview transcripts collected by the researcher so as to understand the data. The task involves reading through all the recorded texts and physical examination of the interview transcripts to gain deeper insights into the data. The second step entailed development of themes, consisting of some of the essential sections of the interview transcripts, including some phrases and paragraphs so as to come up with particular sub-themes that are captured in the data. By doing so, this allowed the researcher to gain a condensed overview of the major themes highlighted by interviewees. The third step was exploration of each theme with a view to responding to the research question and achieving objectives of this study. Finally, the researcher carried out the write-up, and this entailed describing the research questions under each theme, research aims as well as a research approach.

### 3.4 Ethical considerations

Just like any other research, this study was also impacted by several ethical issues that were taken into account by the researcher. These included confidentiality, access, enormity,

legality, and openness, among others. Firstly, maintaining issues of confidentiality and privacy of the study participants plays an essential role in ensuring that the study participants are protected, which in turn encourages them to offer their views and opinions without fear (Mazur & Berg 2020). In this thesis, the confidentiality of the interviewees has been prioritised hence the necessity of seeking consent from the study participants and informing them that their information would remain private and confidential. This is due to some employees expressing their concerns that their honest opinions may be publicized, and their leaders may resort to punish or penalize them. To resolve such confidentiality issues, some considerations were taken by the researcher, for example, the researcher effectively explained the purpose of the study to employees who took part in the study before the study commenced. Moreover, the researcher also promised and assured the study participants that their inputs would only be utilized for the academic purposes in which the study was meant and not for any other purpose.

Another essential ethical issue that emerged during the study was with regard to anonymity. Accordingly, some employees of Posti Group Corporation Finnish Public Company who took part in the survey feared that some of their details such as income, age, occupation, educational levels, and names could be used by the researcher for other commercial purposes other than for the academic purposes that the study was meant to achieve. Thus, to resolve such an ethical issue, the researcher omitted the names of the interviewees in the interview transcripts to enable the responses by the respondents to remain anonymous.

Finally, the researcher also encountered issues with information access that, according to Mazur & Berg (2020), is often experienced both during the literature review and primary data collection. There were a number of related and appropriate materials touching on leadership styles and their impacts on job satisfaction and motivations from many company websites. However, access to such information was restricted, with only necessary information being available. On the other hand, during the interview process, the researcher encountered

issues of accessing employees of Posti Group Corporation Finnish Public Company. To resolve such problems, the researcher asks for permission from the leaders of the firm before they could conduct the interview.

## **4 Results**

As already mentioned in the previous sections of this thesis, the research aim was to investigate the impacts of leadership styles on employees' job satisfaction and motivation in public companies. Thus, the researcher sought the views and opinions of the selected interviewees to help in synthesizing and analysing the findings accordingly. It is crucial to point out that these findings would form the basis on which a thematic analytical review would be undertaken in the next section. Respondents were not restricted to express their opinions based on their competence, departments worked for, and the number of years worked at Posti Group, and they were guaranteed that their details would remain private and confidential. By doing this, the discussion with the respondents was enriched with divergent views in regards to organizational structure, management, company ethos and values, and the present leadership styles.

### **4.1 Views on leadership style – organizational Structure**

It was apparent that the experience of respondents at Posti Group Corporation influenced their opinions in their process of interacting with supervisors, leaders and managers. The respondents pointed out a variety of leadership styles portrayed by the departmental as well as senior managers at the company. As per this particular respondent, transactional and transformational leadership traits manifested among the team leaders and divisional managers. Posti Group allows various functional divisions to operate as teams to ensure full participation and a feeling of belongingness among the members. Within two years, the respondent was part of a team that was implementing changes in their department and overall organization. Given

that, transactional and transformational leadership were observed to be key to enacting those changes. The first element associated with the two leadership styles was transparency between the managers and the members. More so, important communication from the executives meant for the subordinates was cascaded down transparently. Apparently, some leaders used their traits to showcase their leadership styles, a concept known as trait theory in leadership. Thus, some leaders were seen to have some good characters while others had some bad ones. Respondents agreed that leadership styles affected their way of working, but the type of leadership portrayed was dependent on certain situations. For instance, most respondents revealed that transformation leadership was ideal in a team context given that managers operated closely with members providing an environment of maximum yields.

Respondents also observed that the culture of flexibility inculcated by transformational leadership undermined the reporting structure as provided for in transactional leadership. According to the respondent's views, managers exhibited transactional leadership when certain company objectives or goals had to be implemented by all members. This was to avoid individual interests and goals clouding the strategic goals of the company. Members that did not comply with the set rules and regulations governing organizational operations were subjected to the summons from supervisors and departmental head(s). The interviewees claimed that managers that depicted strong transaction leadership characteristics preferred a vertical organizational structure to maintain some aspects of bureaucracy. Succinctly transactional leadership works well with vertical distance, and the same thing was observed at Posti Group Corporation.

#### 4.2 Views on leadership styles - Work Experience Perspective

Looking at the years of experience of the respondents, 50 percent had worked for 2 years or less at the company while the other 50 percent had longer experiences. Also, those with less experience worked at the subordinate level while the staff with more experience worked at the

supervisory level implying that they had to practice some leadership skills themselves. Those working as delivery staff, either for mails or newspapers had not interacted significantly with many middle- and senior-level managers, but still got a glimpse of their respective team leaders. For those doing the delivery services, they felt more flexible when performing their roles since some of them worked in the morning. They stated that the managers and supervisors did not follow much on them provided they delivered the packages within their respective distribution zones. At this juncture, contingency leadership becomes evident since the respondents indicated that their managers and supervisors focused on other responsibilities other than the delivery and distribution services done by the subordinate staff. However, this type of leadership posed some challenges to the respondents because they argued that they did not understand the mode of working of their managers. Some of the respondents state that the reaction or response of some managers to certain situations was different from their initial impression; some middle-level managers could not control practice emotional intelligence when there was pressure from the top management or there was an urgency to meet a particular target.

The respondents working at the supervisory levels posited that they experienced significant challenges trying to balance between the company interests while creating a flexible teamwork environment. They stated that blending the bureaucratic agendas of the corporation and fostering a dynamic environment for teams to operate flexibly in tandem with market forces. Acting as liaison officers, the respondents said that they had to balance carefully by giving the ideal direction to the team members at different times. However, they pointed out that their long stay at Posti Group helped them maneuver various situations that they faced such as conflict resolution, and building positive values and ethos among team members. Despite their experience or position, the respondents unanimously agreed that workers were significantly motivated where the relationship between the managers or team leaders and the

members. Workers felt more satisfied when they aired their concerns and ideas to the managers, and the middle- and top-management followed up and took action on the same. Further, the respondents confirmed that the culture of top-down-top information processing satisfied and motivated them rather a uni-directional movement of direction.

In view of that, transformational leadership emerged as pertinent in enforcing change among various teams working at Posti Group Corporation and the organization as well. Interestingly, the transactional leadership style was effective in motivating employees to achieve targets because of the attached bonuses and incentives. In a way, the respondents felt that the management attended to their financial needs by compensating extra hours worked or meeting targets. In addition to that, the workers had a clear picture of the direction that the company is taking based on the communication passed from the executives through the middle-level managers and supervisors; other times, such information would be posted on the website or passed through internal memos posted on communication boards. As one respondent indicated, transparent and prompt communication from the executives regarding important changes at the company that affected workers directly satisfied and motivated them, especially, if it was positive news about the growth and development of the corporation. Despite that, workers appreciate such a model of communication because they understood the present situation of the company in a better way. At the departmental level, the interviewees observed that the ability of the subordinate staff making some decisions regarding their roles and responsibilities without micro-management improved their decision-making and organizational skills, and this made them feel satisfied.

On their part, the respondents obligated with supervisory skills learnt ideal leadership principles and values from some of their senior managers, and that is what has kept them going on up-to-date. Given that Posti Group Corporation has experience changes during their tenure, they have embraced and favour transformational leadership in elevating the agency to another

level. Continuous improvement programmes organized by the management for the members such as skills and capacity development and training were seen as transformative strategies, which aligns with the transformational leadership style. With time employees feel competent enough having worked for years and they are confident to execute their duties with less supervision as well as making right decisions as one interviewee indicated that *“many leaders working in the Helsinki area give many directions to us though we can still make our arrangements because we are professionals in this area. We know the system how we’re working here”*

#### 4.3 Views on leadership style - emotional intelligence and principles

Respondents felt that their job satisfaction and job performance was strongly influenced by the managers’ competence to control their emotions and those of their subordinates. Particularly, the ability of team leaders to make rational decisions when resolving conflicts. Other than emotional feelings such as empathy, kindness, and respect, the key four areas that the respondents picked from their managers that they liked were relationship management, self-management, self-awareness, and social awareness. The interviewees stated that the four elements were evident across all spectrums of leadership styles. For example, transactional leadership portrayed relationship management by the way managers and supervisors were at hand to provide advice(s) and assistance to the members; there was also an expression of kindness and empathy from such leaders. This is indicated by one of the responses which state that *“Right now if there are any changes in the organization or if we need some assistance from our manager or supervisor, then he’s always available or ready to assist us.”*

There was also a view that managers that built trust between themselves and the members fostered a positive relationship, and this was reflected among the team members also. It was not easy to see the department miss its target(s) because of the failure of one member because other employees would come in to cover the gap. The contingency leadership aspect

was present in such contexts because the managers and supervisors had confidence in their members. In some instances, the interviewees claimed that some managers were not practicing self-awareness and self-management because of various disciplinary cases touching, mostly, on moral ethics. They were seen to portray unbecoming leadership traits that demotivated the employees, especially where issues of reward and bonuses were biased either on gender basis or other favors. In regards to that, one respondent intuited that *“It affects my motivation badly because, with this kind of leadership, I cannot trust and look up to the behavior of my manager as a team member.”* Another respondent that some managers always perceived and judge some employees negatively that they were incompetent and cannot deliver as shown by this response; *“They are bipartisan and view workers differently claiming some are more good than others and they affect the motivation and working style of employees.”* Given the diverse personalities of the staff at Posti Group, managers that portrayed strong leadership skills had their traits supported by the four elements of emotional intelligence. Interview participants stated that they were satisfied to work under such managers because issues such as work-related conflicts between members would be solved amicably by such managers. The table below summarises some of the competencies and domains under each of the four elements of emotional intelligence, which have been discussed in this section.



**Table 1:** Elements of emotional intelligence (EI) and their respective domains (by the author)

<b>Relationship Management</b>	<b>Self-Management</b>	<b>Self-Awareness</b>	<b>Social Awareness</b>
<ul style="list-style-type: none"> <li>-Coaching and Mentorship</li> <li>-Influential managers/leaders</li> <li>-Managing conflicts</li> <li>-Leaders/managers that inspirational</li> </ul>	<ul style="list-style-type: none"> <li>-Ability to have emotional self-control</li> <li>-Managers/leaders with a positive outlook</li> <li>-Adaptability to change(s)</li> <li>-Achievement-oriented managers</li> </ul>	<ul style="list-style-type: none"> <li>- Emotional self-awareness</li> <li>-Living by self-principles, morals values, and ethos</li> </ul>	<ul style="list-style-type: none"> <li>-organizational awareness</li> <li>-Empathy</li> <li>-Kindness</li> <li>-Compassion</li> </ul>

Overall, the interviewees had a consensus that practicing all leadership styles is paramount since the challenges emerging every day are dynamic. This is corroborated by a statement by a respondent that *“I think an inclusive style of leadership is a better one because of the diversity of workers in the various line of duty”*. While a single manager may not have all the leadership styles highlighted here-in, the respondents agreed that working as a team of managers, supervisors, and the subordinate staff helped the diverse leadership styles to develop in various leaders. Therefore, besides the intrinsic personal traits that helped a manager to lean towards a particular leadership style, other factors such as company ethos and values, the goodwill of executives, and organizational structure played a key role in realizing all leadership styles.

#### 4.4 Response to the decision-making process

Another key area that the respondents emphasized was the decision-making process and the quality of decisions made based on the style of leadership manifested by their managers and supervisors. In this case, there were different opinions though some appeared to converge

especially on certain types of leadership styles. The interviewees opined that they were able to make quick decisions under the transactional leadership set-up because of the vertical structure in the organization implying that the responsibility of the middle- and lower-level workers were to implement the decisions made at the top. Unfortunately, some of the decisions may not be beneficial to the welfare of the employees, but specifically the interests of the corporation. The respondents unanimously agreed that while the time to make and actualize decisions was short, some of the decisions were irrational and not quality per se. For example, the decisions to cut costs at the expense of workers' health and safety were perceived to be unreasonable. Such decisions would augur well with a bureaucratic style of leadership, particularly, transactional leadership. The research participants agreed that the environment of change, transformation, and innovativeness worked well with the diversity of ideas. It was apparent that through a collaborative approach, wonderful ideas on how to perform various obligations in the team were generated as showcased by this response;

*“I think when we discuss issues, we try to figure out how we can deal with different situations and it is very important for us. Sometimes when there is a bad situation, our leaders/managers consult us on how to handle such a situation. I think this is very important for our job”.*

This is something that transformational and contingency leaders fostered because of the independence and flexibility of members in making decisions. Regrettably, there was an observation that such an environment was time-consuming taking into account the several disagreements that arose among the team members. The interviewees postulated that a hybrid system that integrated various leadership models would be ideal in generating appropriate decisions to meet particular objectives within a stipulated period.

## 5 Discussion

### 5.1 Introduction

On the backdrop of the findings articulated in the previous section, an in-depth analysis is provided here-in. In essence, this analysis will be attempting to respond to the research question and objectives at the beginning of the study. Further, the interpretation of the findings will assist in generating ideas on the social, personal, organizational, and industrial motivations of conducting this particular investigation. With the help of a thematic analytical review approach, various themes and domains pertaining to various leadership models are underlined and analysed comprehensively. At the same time, the analysis will be augmented with findings and empirical evidence from the present and previous literature as well as contemporary organization practices in various industries.

### 5.2 The impact of leadership styles on employees' motivation and job satisfaction

One of the key findings, based on the views of the respondents is that Posti Group Corporation employees have a general opinion regarding their relationship with most leadership styles portrayed by their managers. They intuit that the various leadership styles portrayed their managers and supervisors have impacted their job motivation or satisfaction either positively or negatively. The findings also show that the interaction of employees of Posti Group Corporation with their managers is mainly professional with the leadership styles depicted by their leaders being flexible enough though this depended on various contexts in the firm.

Premising on the opinions of the research participants, it was evident that employees' motivation and job satisfaction was strongly linked to management practices that were endowed with transformational attributes. This is mainly due to the ability of transformational

leadership styles to foster a group culture or teamwork by employees. Consequently, a collaborative style of working entrenched in a team setting played an essential role in motivating employees to perform so as to realize the overall goals of the group and that of the company as a whole. Moreover, findings also show a significant strong positive relationship between transactional leadership styles and employees' motivation and job satisfaction, especially, on matters incentives, bonuses, and penalties. The association is notable given the history and the quest by the state agency to retain its brand image in a competitive market. For instance, due to reward associated with this kind of leadership style by organizational leaders, employees appear to be motivated to perform since they know they will be appreciated once they achieve a certain milestone or target; on the contrary, they are aware that they are liable to negative rewards such as penalties in case of negative work-related behaviours.

Furthermore, trait leadership was also found to exert significant influence on employees' satisfaction, exclusively, on issues such as coaching and mentorship; this is likely to occur to the employees at the supervisory level even as they prepare to take up senior positions in the future. In the scenario where poor decisions are made by leaders in gauging the performance of the members, a negative working relationship is likely to develop. Due to pitiable personal traits exhibited by some managers, a good structure or system put in place by the company may not be utilised accordingly when rewarding diligent workers; this is a culture known as micro-management and it impairs workers' morale significantly. Such a culture is evident where managers or leaders surround themselves with a group of workers that always agree with his/her mode of operation(s) despite the outcome. Employees that attempt to question some of their ideas are categorized as 'enemies' and are likely to be victimized by such leaders. At this point, transactional leadership turns out to be an autocratic style of leadership because of vested personal interests. Findings also reveal that a matrix of various leadership models is necessary to achieve optimum yields from the workers because each leadership style affects either

worker's motivation or satisfaction or both aspects of work. However, the contingency leadership style does not show a strong association between the managers' input and workers' yield because workers are given considerable autonomy to perform their tasks. The figure below shows a spectrum of leadership models in terms of a manager's influence on workers' performance, viewing it from the perspective of motivation and satisfaction.



**Figure 5.2:** A spectrum of leadership styles and their effect on workers' motivation and satisfaction (By Author)

The spectrum above reflects the views gathered from the interviewed participants, but it may not necessarily reflect the real scenario in a typical organization. However, some crucial aspects can be picked from the diagram. Transformational leadership seems to be effective in the way the managers' input boosts employees' motivation. Nevertheless, leaders or managers that are perceived to be transformational possess unique traits that endear them to their members hence a strong manager-junior bond; otherwise, negative personal traits may fend off employees because they are unsatisfied with the character of such managers. A bond between the managers and the junior employees that are built on trust implies that the team members can perform their roles without being followed around, for that reason, the aspects of contingency leadership set in. On the other end, transactional leaders want to maintain the status quo and are a bit hesitant to move with the dynamics of the market forces. This is quite popular with government agencies and corporations because they operate within a certain

bureaucracy, which has default rules and guidelines. More so, the component of rewards and penalties in such a system is somewhat different from the corporate entities. The implementation of incentives and rewards is more articulate and robust in private corporations compared to public companies. Though workers at Posti Group may be satisfied with some benefits such as retirement benefits and job security, they may not be necessarily motivated hence a lack-lustre working environment.

Also, the power distance between employees in various cadres signifies minimal interaction between the senior level management and subordinate staff. Seeing it from the angle, the decisions at the top are mostly final and implementers at a subordinate level rarely have an opportunity to provide their input. This observation is supported by Odumeru and Ogbonna (2013), who argue that through a hierarchical structure, leaders are capable of instituting organizational bureaucracy, authority, power, and policy to create a system that makes junior employees view them as authoritative figures that need to be respected. Consequently, employees work from a passive-oriented approach rather than being proactive. Some domains of emotional intelligence (EI) like inspiration, positive outlook, coaching, mentorship, and influence hardly manifest in such an environment because work setting is not dynamic. After all, workers are used to a culture where change is very slow. Unfortunately, some facets of contingency leadership work well with bureaucracies because senior managers or directors rarely follow what their juniors are doing. It is on this basis that the spectrum of leadership styles shown above was developed. Therefore, it can be deduced that among the four leadership styles exhibited by the managers at Posti Group Corporation, transformational and trait leadership styles seem to be more effective in motivating and increasing employees' job satisfaction. However, contingency and transactional leadership have less effect on spurring the performance of employees because of less motivation and satisfaction.

Thus, to effectively motivate employees and enhance their job satisfaction, leaders need to foster a personal and positive relationship with employees besides a reward and penalty system. On its part, the reward system plays a substantial role in motivating workers as opined by Chao et al. (2011) who opined that through rewards and punishment, employees get recognition, merits, and bonuses when they meet specific goals. The danger with too much emphasis on rewards is that it may backfire when financial incentives and bonuses miss; in that case, it becomes apparent that the motivation to work is solely dependent on rewards. There is no longevity of employees' satisfaction and motivation compared to self-drive, inspiration, and the ability to cope even when situations change for worse. More so, the findings indicate that to enhance employees' motivation effectively and job satisfaction, leaders of Posti Group Corporation should endeavor to develop and establish changes that would facilitate organizational and employees' growth. This can be achieved through inspiration, motivation, and encouragement with employees being considered as important stakeholders in initiating change in the organization. These sentiments are confirmed by Warrick (2011) who maintains that by portraying transformational leadership styles, and organizational leaders create an ambience where employees have a feeling of identity and belongingness.

### 5.3 Limitation and Recommendations for Future Research

Completing this study was not an easy task especially seeking consent from various people to participate in the research. It was time consuming getting the research candidates with some showing non-commitment even after initially confirming that they would participate in the study. The number of research participants (6) was quite low hence their views were not to be generalized to the large workforce of Posti Group Corp. Since the study takes a qualitative approach, there is no empirical evidence to support the findings recorded in this study. Furthermore, it is not possible to know whether the participants were giving their opinions from a personal view or the real work environment. An assumption can be made that the opinions of

the research subjects with less experience may have not necessarily reflected the true status of the leadership culture at Posti Group compared to the more experienced staff. The study provides a good framework on the dynamics of leadership models in a public organization. Therefore, the insights from this research are meant to provide a basis on which specific areas pertaining to management systems and leadership structure can be explored in the future. In addition to that, a comprehensive comparative analysis between the managers of such a public corporation and a private entity in the same line of business can be done to identify potential leadership gaps that should be addressed in public institutions.



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## Appendices

### Appendix 1.

#### Interview Questions

##### Part A: Demographic information

1. For how long have you been employed at Posti Group Corporation?
2. What are your work-roles in Posti Group Corporation?

##### Part B: Leadership Styles

1. What are the forms of leadership styles portrayed by some of your managers?
2. What are some of the best leadership styles portrayed by some of your organizational leaders and why do you think they are good?
3. What are some of the leadership styles you would portray if you were the manager and why?
4. Under what circumstances would you regard transactional theory, transformational, trait, contingency leaders and leadership styles to be effective?
  - **Transactional theory:** Is a form of leadership in which leaders promote loyalty to followers through both rewards and punishments. A mixture of rewards and penalties allows the transactional leaders to retain followers centered for the short term.
  - **Transformational theory:** Is a form of leadership where a leader works with colleagues to identify the necessary change, create a vision to direct the change through motivation, and execute the change in partnership with devoted community members; it's an integral part of the Full Range Leadership model.
  - **Trait theory:** Is an early assumption that leaders are born and due of this perception all who possess the required features and qualities are better suited for leadership. This theory also explains conduct trends prevalent in leaders.
  - **Contingency theory:** As per this theory, the success of a leader depends on how his or her style of leadership suits the current situation and a leader aims to create styles of leadership that fit each circumstance.



**Part C: Impacts of leadership styles on employees' job satisfaction and motivation**

1. How is your motivation and job satisfaction affected by transactional leadership styles portrayed by some of your organizational leaders?
2. How does transformational leadership styles portray by some of your organizational leaders?
3. In what way would you explain contingency leadership styles by some of your organizational leaders to have affected your job satisfaction and motivation?
4. How leaders have whose leadership follows trait theory impacted on your job motivation and satisfaction?