



Exploring the role of leadership and financial incentives in enhancing job satisfaction

Bilal Nawaz^{*1}

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Abstract

The fundamental problem of this study was to examine the impact of leadership on job satisfaction of employees, with the moderating role of monetary benefits, by examining the propensities of leadership traits alongside HRM functions. The study is being carried out on a selected 234 officers, managers, and senior executives working in different capacities, including private Banks and telecom operators, using 360-degree feedback tools. Statistical analyses, including descriptive statistics, Pearson correlation, and regression, were conducted using SPSS. The findings pointed to a positive relationship between leadership and job satisfaction, while monetary benefits showed a limited direct impact but played a significant moderating role. Results of this study indicated that the competencies in leadership roles should be inculcated by the human resource departments to enhance job satisfaction and support organizational innovation.

Keywords: Leadership, HRM, Communication, job satisfaction, monetary benefits.

1. Introduction

Effective leadership is a particular role that entails the mixing of motivational, management, and tactical skills to focus energy and drive while forming a culture that inspires individual thinking and achievement. Ultimately, leadership is about assertive ideas and thoughts forward, accepting responsibilities, and revealing hidden drivers and ambitions to bring out the confidence of others.

Carter et al. (2017) convey the overview of leadership roles and try to include the specific activities that leaders undertake in organizations. Demir (2020) proposes that for people to follow someone willingly, the majority of constituents believe the leader must be Honest, Forward-looking, Motivating, and Knowledgeable. Necessary leadership skills can be identified for leaders

*Correspondence: Bilal Nawaz

1- National Defense University, Pakistan, Email: bilal.nawaz@bop.com.pk/bilalnawazz@yahoo.com

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are Knowledge of business, Effective communication, Strategic thinking and logical thinking, change, HR and organizational processes, results-oriented and determination for performance, Ethical conduct, Trustworthiness, and Persuasiveness, and the talent to inspire others.

For centuries, job satisfaction of employees has been the target of research. The earliest study of employee duties was to develop better means to train employees (Tamer et al., 2023). Few other researchers demonstrate that studies of job satisfaction tracked back almost 200 years, the emergence of studies related to job satisfaction continued, and outcomes are regularly appreciated both for financial and humanistic benefits. Satisfied employees tend to be more productive in their work (Smith et al., 2022). Johnson (2021) states that further ongoing research is needed in the area of job satisfaction.

The quest for excellence in management is endless and universal. It is well established that strong and dynamic leadership management is the primary factor that determines the effectiveness of an organization. Pakistan's administration is set up to maintain the status quo; to meet the difficulties of progress, it must be modernized and streamlined. This study is the first step in improving the quality of HRM management in Pakistan, both at the public and private levels, so that it may confidently and successfully tackle the contemporary problems of survival and development.

In Pakistan, a traditional and classical personnel department is used to administer the majority of organizations. This department has been renamed the Human Resource Management Department by some of them. All management is studying the distinction between a manager and a leader, but as of yet, no constructive attempt has been made to integrate the leadership concept into the HR management of the firms. Understanding the part a leader should play in HR management is necessary for the growth and improvement of both enterprises and their workforce.

In this study, the role of leadership in HRM deals with the responsibilities, roles, behaviors, and importance of leadership. Managers have historically been seen as leaders, but as words affect perception and practice, it has become increasingly important to distinguish between the two. Due to this business, all over the world have seen the difference and are incorporating leadership ideas more and more into their operational plans, especially in HRM Frameworks. It has also been observed that private organizations' managers and leaders show a higher level of loyalty towards work; as a result, attention is required in our country to identify and fill the gaps.

In Pakistan, this investigation aims to bring transformation to organizations. In the service sector, two private sectors were chosen to measure dissimilarity between performances. Finance (Banks) and communication (Telecom operators). It is expected the current study will appropriately deliver and the exact image of the private sector will be shown. Research results also show an accurate picture of a leader's performance and enable in identification of gaps and means of fulfilling them to reach significant transformation in old beliefs, mindset, and fashions. This will enable us means of lead and achieve forward towards a positive prospect.

Wajdi (2017) studied the relationship between leadership and management with a focus on planning, command, control, and organizing. In our opinion, the study is on broader perspective of management, whereas in the current study emphasis has been paid on impact of leadership traits

(communication, knowledge, strategies & priorities and delegation of authority) on specific area of management, i.e. HRM function (job satisfaction) with moderating role of monetary benefits. Based on the limitations of the previous studies, the current investigation will focus on the impact of leadership traits on specific HRM function job satisfaction, with the moderating role of monetary benefits in the service sector of Pakistan.

The objective of the current investigation is to see the impact of leadership comprising these facets (communication, knowledge, strategies, relationship, and delegation of authority) and the moderating role of monetary benefits on job satisfaction within in services sector of Pakistan.

In the current study, we have focused on leadership traits (communication, knowledge, strategies, relationships, and delegation of authority), monetary benefits, and job satisfaction.

Adopting this idea in Pakistan is becoming more and more necessary as the global paradigm shifts away from management methods and toward an emphasis on "Leadership" to improve organizational effectiveness and efficiency. It is clear that there is still a lack of research on leadership and that many businesses still function using outdated, traditional hierarchical structures. The purpose of this study is to fill the knowledge gap on the precise function of organizational leadership in Pakistan's private sector.

This study contributes in important ways: first, leadership facts have been linked with job satisfaction without considering monetary benefits in many studies. Here a question arises how monetary benefits show a moderating part. The current study tests this question, and moderation has been evidenced among leadership as well as job satisfaction. There are not many studies which tested the correlation and impact of leadership on job satisfaction. Researchers studied leadership and job satisfaction, but not together, especially in Pakistan.

A survey on the service sector makes an additional distinctive feature of this study. The current study offers new avenues in the exploration of leadership and management by opening a discussion on the importance of leadership in organizations and the performance of employees. Statistically significant correlation and regression outcomes show that leadership makes positive contributions towards job satisfaction. Hence, the study helps in defining the relationship between the leader and employees. The study will investigate the role of leadership in improving and enhancing the job satisfaction of employees. This study examines the moderating effect of monetary benefits on job satisfaction. Through this study, the top leadership of the organization can better evaluate the performance, efficiency, and effectiveness of the leaders. Leaders can use the results of the study to appraise how their behavior affects the decision-making process in translating the mission and vision of the organization. Through training, development and leadership coaching, leaders can better share and understand the values and vision of the organization.

2. Literature Review

The overall aim of the current investigation is to document Leadership and job satisfaction. The main goal of this section is to summarize and review literature related to the understanding of leadership, leadership roles in HRM, the role of monetary benefits in job satisfaction, and job

satisfaction. Present opinions regarding measurement, definition of leadership, and job satisfaction will be deliberated, and selected leadership and job satisfaction concepts will be studied. Research on the sightseeing leadership role in organizations and job satisfaction will be addressed, with the exact focus being placed on leadership roles, monetary benefits, and job satisfaction variables specific to the current study.

2.1. Leadership Theories and Practices

Leadership is all about the process of motivating others to work and achieving the task. It also entails building obligations and passion required for the individuals to put their abilities completely to achieve their plans. Latham (2014) maintained that the Center of tendency is always the leader, on the other hand if closely examined all the social movements we will find such nuclei consist of such tendencies. Bass (1990) proposed that certain definitions view “leadership as the focus of group processes”. Jing and Avery (2016) proposed skill required for leadership must contain elements such as goals formation, communication, foreseeing of future, assembling employees to support vision, making plans to implement and executing plans.

2.2. Leader-Member Exchange Theory

Most of the leadership theories are either developed from the leaders or from the follower’s point of view. Leadership-Member Exchange (LMX) theory intellectualizes leadership, being a process which is a center connection between follower and leader. The study focused on how the excellence of this theory outcome of leaders, groups, followers and the organizational in general are positively related (Yu et al., 2018). Researchers found excellent leader-member exchange produced low employee turnover intentions, performance appraisals is positively increased, organizational commitment increased, promotions are seen of high rate, Leader’s support and attention increased, desire for task has increased, attitude towards job has improved, career progress paced up and participation increased over 25 years (Graen & Uhl-Bien, 1995; Seo et al., 2018).

2.3. Team Leadership Theory

Leadership in organizations teamwork is rapidly growing and becoming one of the most popular areas of leadership. The rapidly changing conditions such as organizational structure, economic environment, market competition, increasing diversity in the workforce and expanding technology have focused on the concept on the work teams. Within this changing environment it has been found that use of organizational teams leads to effective resource usage, good problem solving and improved decisions, better outcomes, improved creativeness and novelty, improved quality of services and products (Parker, 1990) offers framework which is useful in understanding present theories of team leadership and team work.

In the modern-day workplace, which is complex and multi-dimensional, the leader is to take a long-term vision and achieve short term goals of performance. Supporters of leadership argue roles of leaders are accountable for decisions making which helps organizations in prospering and familiarizing in competitive situations (Pananrangi et al. 2020).

2.4. Leadership Model

Four Framework Method: In this method, Bolman & Deal (1991) suggests leadership displays leadership behaviors in one of the following types of frameworks:

- *Structural Framework*. This framework suggests that a leader is a social architect.
- *Human Resource Framework*. In this framework, a leader is a servant or a catalyst.
- *Political Framework*. These leaders build coalitions and linkages to other stakeholders.
- *Symbolic Framework*. They have a style of inspiration.

2.5. Communication

Dran (2004) has highlighted that a leader's role is that of a communicator and further says that he should be a pump station, not a bottle neck. Huston (2018) narrates that leader as communicator for an effective leader one must examine and master many roles based on communication. These roles comprise of provocateur, building trust, critic, guide, renewal expert and educated supporter. Bradberry (2018) narrated the importance of communication and wrote that vision that says locked inside your head is useless. If you really care about your vision you will want to share it with others. It will inspire and excite you to the point where you cannot help telling other people about it. Kohles (2000) worthy communicators are always better leaders, so to become good leader communication skills are essential requirement.

2.6. Knowledge

In the Sage (2005) role of leader it is expected it is expected that he is man of knowledge and wisdom. He performs these; while other sees chaos he sees patterns and direction, Knowledge expansion through developing wisdom, continuing learning and withstands curiosity, Being acquainted of the present, past and future he designs plan, Is eager to comprehend difficult, and find the best path in vague circumstances, Remains encourage new ideas and innovative thinking.

2.7. Strategy

Pajunen (2006) considers the changes made in strategic leadership in the past century to derive learning from the past. His findings indicated that from upper-level strategic leadership is expected to remain transitory and dependent, and at but at a deeper level it is based on other firm basics.

2.8. Relationships

Rajagopalan et al. (1993) and Schwenk (1995) examined manager of non- north American as field study through connecting decision-making variable while considering strategic decision-making model. Using variable interaction and integrative models' evidence of support is found through results. Study determines that, together with variable connections and mixing numerous viewpoints improves our knowledge about the process of strategic decision making and before knowing which facets of tactical decision are comprehensive and which are not further research is needed.

2.9. Delegation

Petry (2018) proposes that in software development projects organizations virtual teams are becoming important. Though, many problems arise due to the difficulty and novelty of the framework of virtual team. One big issue is to whom and when should leaders delegate authority and accountability to the team. Conflicting results have been produced by previous studies. The goal of this study is to answer this question about allocation by studying the moderating effect of team distance and team development on the association between leader delegation and team outcomes. Specific propositions and a research model are presented.

In conclusion, it is still a debate and competition of struggle who will take lead in fields academic or professional however apparently seems that it would be clear with time that which of these or other possible challenging situations determination further precise report of the authenticity in forthcoming. Down or right-sizing, change in technology and denationalization organizations can similarly show role for upcoming development and admits the challenges of the prospect.

2.10. Human Resource Management

Leadership on a comprehensive concept has existed since the beginning of early connections of mankind (Stefurak et al.2020), and since ancient time management has been practiced, the early civilization's records show its evident (Hodgetts, 1975; Wren, 2005). The recorded literature relating to management and leadership is comparatively new (Nienaber, 2008). Hence understanding of Leadership traits in HR Management functions is required.

2.11. Job Satisfaction

Job satisfaction is the attitude and feelings individuals have towards their work. Wang (2019) defines morale as a degree to which an individual's requirements are satisfied and the level of satisfaction perceived by individuals. Judge et al. (2017) suggests that morale „is the feeling of being accepted by and belonging to a group of employees through adherence to common goals. It is commonly believed that performance improvement has resulted from an escalation in job satisfaction.

2.12. Training and Development

According to Kehoe & Wright (2013), the skills needed identification and dynamic administration of workers educated for clear long future in relation company and business strategies. It is vital whether the management hierarchy is willing and capable of recognizing the importance of these relationships.

2.13. Turnover

The frequency on which an employer loses and gains employees. High turnover for an employer as compared to his competitors is when compared to the competitor's employees of the company have a short average turnover. Challenges and absence of career prospects, low job satisfaction or management conflicts are the predictors of high turnover Garcia et al. (2018). Smith et al. (2022) discussed the cross-study difference and the contributions of attitudes to work to the process of

turnover directed them to guesstimate relations between organizational commitment, job satisfaction, turnover intention/extraction reasons using meta-analysis.

2.14. Role of Leadership in HR

Leaders are needed to assert and prove their eligibility to lead. For a dynamic and forward-looking organization, high performance HR management is essential. Through generating passion of employees and enhancing their skill leads to achieve it (Anwar, 2017). He argues that creating direction is the initial point in leadership.

2.15. Monetary Reward System

Compensation is the monetary and non-monetary reward given to the employees for their activities. It enhances effectiveness of organization and motivation of employees plays an important role (Hassan et al. 2020). While rewarding an employee different aspect needs to be addressed, i.e. individual needs, relationship with supervisors, team relationship and performance. Monetary reward is used to keep competent employees, reduce turnover, enhance satisfaction, encourage top performance and create loyalty. Monetary reward depends on the level and type of work it is different at each level depending on the education, training and experience (Alrawahi et al. 2020). Many equity-based reward plans are normally used for staff. These plans include worker option for stock, worker stock buying plans, controlled stock policies, worker stock ownership policies, and various qualified retirement policies. These are extensive plans and can be classified as non-retirement and retirement plans based on when the worker is entitled to get benefits (Lubis, 2020).

Although not much work has been done on this issue, some researchers have shown significant association between rewards and incentives tied to organizational performance. A study by Andavar and Ali (2020) found that there was an association within the organizational life cycle especially in the reward and incentive systems.

Different extrinsic reward policies are adopted by different organizations. Sometimes, uncertainty pushes the organizations to adopt the compensation packages according to performance, and this act strengthens a culture of performance and performance improvement in an organization (TMC news, 2009). On the basis of literature, the Compensation System has been considered as one of the independent variables in current research.

2.16. Job Satisfaction

Job satisfaction shows the effect of numerous elements on employees with respect to his/her job. The level of job satisfaction of an employee can be influenced by various factors; for example, the income and other benefits, the working environment, leadership, peer relations and the job itself. Anwar (2017) concludes the Job satisfaction as it is considered to be very important feature which can be studied and measured by organizations to improve working environments for improved quality and productivity. Anwar & Qadir (2017) claims that lack in job satisfaction may have serious consequences.

In management, Job satisfaction is a significant matter and has received considerable attention. Job satisfaction in organizational behavior and industrial psychology has been studied

dependently and independently both for many years (Fisher, 2000). Smith et al. (2020) has given two main factors which play a vital role in job satisfaction. First, Motivational factors which include achievement, advancement, work itself, possibility of growth, recognition, responsibility, and preceding are hygiene elements which are supervision, working conditions, company policy, administration, interpersonal relations, factors in personal life, job security, and status. Edwin Douglas McGregor has given two well-known theories known as “theory X and theory Y” in his manuscript “The Human Side of Enterprise” in 1960, which describes the management policy to show outstanding performance and make employees work hard in centralized and non-centralized environment. Moreover, job satisfaction find outs pleasure and happiness with one's work.

2.17. Job Satisfaction Theories

Numerous theories appeared attempting to describe the theory of job satisfaction, but three conceptual frameworks seem more prominent and discussed in detail below. The first one is content theory following Maslow's need hierarchy model, states that when the need of a person for his/her growth and his/her self-actualization fulfills by his/her job then job satisfaction occurs. Second theory is a process theory. This theory describes job satisfaction by studying one's expectations and values that his/her job fulfills and meets them or not. Third framework describes situational theories. It states job satisfaction is an outcome of the interaction between an employee's personal characteristics and organizational characteristics. All of above conceptual structures have been extensively studied by numerous researchers. The purpose of this literature is to give a highlight of the main concepts and researchers in each structure, to eliminate ambiguity and to give direction to this study, significance, and clarity.

2.18. Measurement of Job Satisfaction

Job satisfaction's measurement is not an easy task as it is a concept of an individual's intuition that lies only in one's mind. One must have a clear understanding of the concept of measuring job satisfaction in the event of deciding what indirect factors are to be measured. As there is not any consensus on the definition and job satisfaction theory there is also no widely accepted method to evaluate and measure it (Wanous & Lawler, 1972). The typical means of evaluation and measurement are like a single-item measure, a workplace observation or interview, can be used, but most researchers choose an in-depth and more objective survey instrument (Spector, 1997). Questionnaires are easy way, as questionnaires can be easily distributable, there is less chance of biasness, more secrecy, and more time and money saving than interviews (Pedhazur & Schmelkin, 1991). Questionnaires can also measure multiple factors that have theorized effect on JS, even though the disagreement on definition and theories may generate challenges during weighting and interpreting each facet and result (Evans, 1969). The most widely used instruments of job satisfaction found in the literature include “*The Job Satisfaction Survey (JSS)*, the *Job Descriptive Index (JDI)* and the *Minnesota Satisfaction Questionnaire (MSQ)*”.

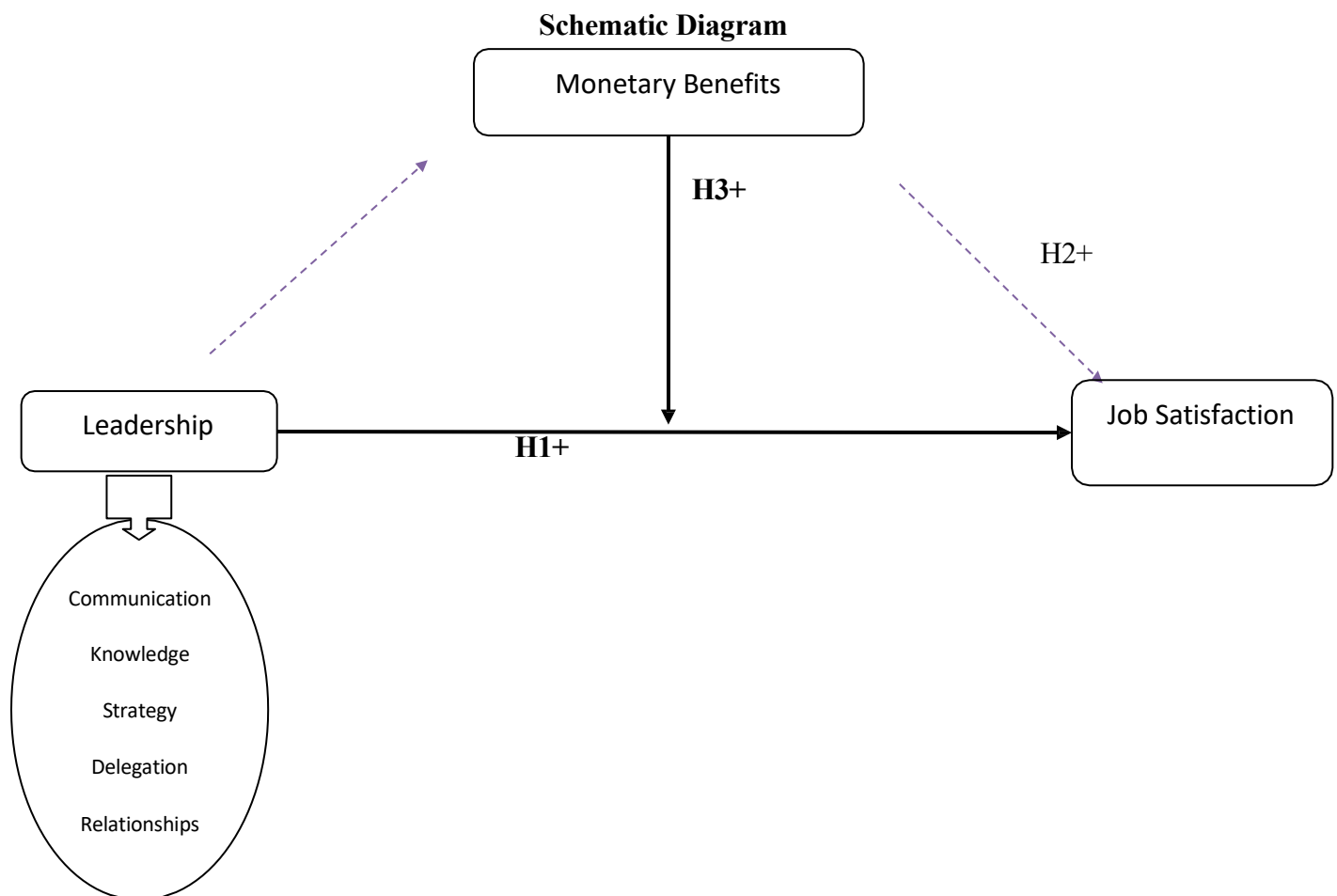
2.19. Research model and variables.

Grounded on brainstorming and extensive literature review of leadership and HRM, leadership

was selected as independent variable, intervening variable monetary benefits was used to test moderation and job satisfaction was selected as dependent variable.

2.20. Theoretical framework

Variance in the dependent variable, job satisfaction can be explained by independent variables, leadership traits (communication, knowledge, strategy, delegation of authority and relationships). Leadership is a low focused activity in the organization. This mythical or real thinking has become a reason of low confidence in leadership activities in profit attainment. This lack of focus on leadership practices becomes a reason of lower motivation and ultimately lower job satisfaction. By enhancing employee skill to achieve expected results, practices pertaining to leadership need to be exercised to attain job satisfaction. Therefore, the independent variable considered in this study will significantly enlighten the change, besides these monetary benefits were treated as moderating variable among independent and dependent variables.



On the basis of the above diagram the effects and impact of leadership traits (communication, knowledge, strategies, delegation of authority and relationship) will be analyzed on job satisfaction. Similarly, the moderating role of monetary benefits will be seen on the relationship

of both dependent and independent variable.

The following hypotheses were formulated in the light of literature review and theoretical framework:

H 1: *There is a positive relationship between leadership and job satisfaction.*

H 2: *There is a positive relationship between monetary benefits and job satisfaction.*

H 3: *The positive relationship between leadership and job satisfaction is moderated by monetary benefits.*

Leadership: Dran (2004) “The ability to influence a group toward the achievement of goals”. Leadership was selected as an independent variable, leadership covered different specific traits such as communication, knowledge, strategies, delegation of authority and relationships.

Monetary Benefits: Employee reward usually contains numerous elements: “a base salary, annual bonus, stock options and other long-term incentive plans. Employee stock options (ESOs) are used to motivate staff to high levels of performance and retain talented employees” (Ying, 2003).

Job Satisfaction: Smith et al. (1969) defines it as emotional reaction to a job. Job satisfaction variable covers 20 different aspects of job satisfaction.

3. Methodology

The current study is to investigate the effect of leadership on job satisfaction of employees and also to see the moderating role of monetary benefits between leadership and job satisfaction. This section is also about methodology used for testing theoretical design and hypotheses development in relation to it. Additionally, this section also includes research design, target population, sample size, data collection, instrumentation used for the proposed study.

3.1. Research Design

The data was collected using a cross-sectional method from services sector (Banking and Telecom) of Pakistan. As the cross-sectional study method takes lessor time to collect data from a large number of respondents and is also less expensive. In addition, the current study involves descriptive evaluation of the role of leadership towards constructive job satisfaction. Three different questionnaires were used to get primary data for making the research analysis possible as the research questions to be answered by the employees are based on subjective variables. Being a field study makes it non-contrived with minimum interference of the researcher.

3.1.1. Population

The target population comprises different departments of PTML (Mobilink), PMCL (U- fone) and Telenor, Summit Bank Ltd, Habib Bank Ltd & Faysal Bank Ltd. Only personnel working as officers/managers/leaders' capacity have been assessed on the scale of selected roles by their supervisors/peers and subordinates. The target population was approached through personal contacts, email and physically collecting primary data.

3.1.2. Sampling/ Participants

The current study is a survey type of research in which a sample from the targeted population is used for the proposed study. A non-probability sampling which is a form of purposive sampling technique was used in the current study. Moreover, total samples of 234 elements were selected from the target population with 39 participants from each organization out of a total of six. To conclude, according to Kerlinger & Lee (2000), valid and reliable data gathered from the sample selected can also be generalized over the entire population.

3.1.3. Instrumentation

We have used three separate instruments for assessing leadership, monetary benefits and job satisfaction which are discussed in ensuing paragraphs.

The concept of leadership was measured by using 360-degree leadership tool developed by Gorham (2002) and the scale consists of 23 items. The questionnaire was anchored at “five-point Likert scale, fluctuating from 1 (strongly disagree) to 5 (strongly agree)”. We can provide participants, leaders and organization information unattainable from other conventional assessment tools by surveying 360 degrees across, up and down. As no personal information is asked makes this activity totally anonymous.

The model as tool for current study is developed by Richard Gorham, in the assessment and development of leadership this tool plays a very vital role. Most modern skills, traits and behaviors which are essential to be assessed and developed for improvement of an individual and organization are measured through this instrument. Model by Gorham is mainly preferred because, It contains ten very sensitive, needed and humanitarian behaviors, skills and for conductive working environment in organization development and assessment of these ten facets are paramount, it is very effective and innovative tool of assessment, written comments are not included in the instrument, gathering of information is totally anonymous, under each behavior small question have been intelligently designed which deal with human, attitude, nature and daily base dealings.

The concept of job satisfaction was measured by using modified Minnesota satisfaction questionnaire short version 1977 as instrument, this questionnaire was anchored at “five-point Likert scale as well, ranging from 1 strongly dissatisfied to 5 strongly satisfied”. Additionally, a demographic form containing gender, age, degree level, experience and designation was also filled by the participants.

Anderson (1982) claims many job satisfaction studies have used MSQ, as it shows strong simultaneous rationality and consistency estimates. It was intended to inspect the bases for job satisfaction and work reinforcement by assessing 20 domains of job satisfaction. To estimate the overall JS the 20 subdomains of the MSQ remained as, full utilization of abilities, sense for accomplishment, activity base, progression, power, scheme policies implementation, monetary benefits, relationships with colleagues, originality, individuality, ethical beliefs, acknowledgment, accountability, job security, ability to help others, societal standing, supervision-human relationships, supervision knowledge, Diversity, work environment.

The concept of monetary benefits was measured by using compensation system developed by Singh (2004) and Tahir (2006) is selected for collection of data and the scale consisted of ten questions inquiring the respondent to specify the level to which the monetary benefits were related to job performance. This Questionnaire was anchored at “five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree)”.

3.2. Method and Procedure of Study

Although HRM departments of all the six organizations are complex and distinguished in nature from each other but their location of being at Islamabad, Pakistan has been an added advantage for our study. The data was collected in field and used as the basis to find impact of leadership on job satisfaction with moderating role of monetary benefits. Methodology adopted to obtain sufficient information required was correspondence with the universe of population through visiting lower, middle management and upper middle management. The study is being conducted in three phases.

Phase 1: Preparing & planning.

- i. Dynamics and HRM departments of relevant organizations.
- ii. Correspondence with the study population.
- iii. In-depth understanding of role and literature on leadership, job satisfaction.
- iv. Libraries, internet and other relevant literature were reviewed.

Phase 2: Data collection

- i. Request letters were sent to these organizations for their cooperation and meaningful response.
- ii. The middle and upper management of the selected organizations were personally met.
- iii. After receiving a response, a competitive analysis in relation to leadership role in job satisfaction was conducted.

Phase 3: Data Entry and Analysis

- i. Data entry.
- ii. Analysis and graphical presentation

The data will be statistically analyzed on SPSS version 24 for results through one Sample Test, Pearson Product Moment Correlation Coefficient. Cronbach alfa to check the reliability of tools, correlation, regression.

A total of 234 respondents were contacted of six selected companies from the service sector (banking and telecom). In the initially phase of survey only 46 replies were received through e-mail, but as most of the executives were slow and reluctant in their response and to achieve the better results and cut down time, physical visits were made to distribute the questionnaire to executives and managers of these organizations as these selected organizations were located in twin cities. A concrete study demands full information asked to be provided in the questionnaire

with reference to their job and the leadership practices in their organization. No bounding were made who can fill and who cannot fill the questionnaire any once working at officer level or above can participate.

Returned questionnaires were data entered into SPSS 24. As the data was collected through mailed questionnaires there was no possibility for the researcher to ensure that respondents answered all the questions. A small number of questions were not answered in some of the questionnaires.

In current approach used for missing data were as; First, if ten items were unanswered, they were deleted list wise, through this approach six questionnaires were omitted. Second, respondents were physically visited to fill the blank portion of questionnaire as all of them belong to twin cities, twelve unfilled forms were completed through this approach. Third, one item was unanswered in twenty-three questionnaires, missing information was filled through mean value of tool. Through this approach sixteen were omitted of 250 total sent, residual 234 equal to 75 % were examined. *“This response at this rate is considered very good. Babbie (1998) recommended that more than 70% response rate is very good, 60% rate is considered good and 50% is adequate”*. This high rate of response is because of strong follow-up and the output shows the survey was successful. *“Completely filled items give prejudice-less results and give substantial representation where different statistical test can be tested” (Fronlich, 2002)*.

Table 3.1: Industry response rate

Organizations	Sample	Responses	Responses %
Faysal Bank Ltd	45	31	68.9
Habib Bank Ltd	45	36	80.0
Summit Bank Ltd	65	57	87.7
PTML	60	43	71.7
PMCL	50	38	76.0
Telenor	45	29	64.4
Total	310	234	75%

Out of the 310 forms distributed, 155 sent to the banks (124 responses received 80%), 155 sent to the telecom concerns (110 responses received 71%, Total response rate is 75 %.

The sample consist of three different private commercial banks i.e. 31 respondents were from Faysal Bank Ltd, 36 respondents were from Habib Bank Ltd and 57 respondents were from Summit Bank Ltd while three telecom operators were also part of the sample i.e. 43 respondents were from PTML, 38 respondents were from PMCL and 29 respondents were from Telenor.

4. Results

4.1. Description of variables

This section contains information pertaining to data gathered from primary and secondary sources. Findings related to demographics, leadership, monetary benefits and job satisfaction are included here. Analysis is finished in two portions; first relates to demographics and following covers

examination of replied answers.

Core emphasis of the current study was to find answers to the following:

1. What is the relationship between leadership and job satisfaction?
2. What is the relationship between monetary benefits and job satisfaction?
3. What is the moderating role of monetary benefits between leadership and job satisfaction?

Total 234 officer and middle level employees working in different organization from service sector of Pakistan were presented with questionnaire with 75% response rate. Demographic variables and their frequencies are shown in the tables below.

Table 4: Respondents' gender

Gender Type	Frequency	Percent	Valid %	Cumulative %
Male	186	79.1	79.5	79.5
Female	48	20.4	20.5	100.0
Total	234	99.6	100.0	

Gender information was asked in the questionnaire. Sample specified in below Table 4 shows that male being majority respondent were (n=186) and female made-up (n=48) representing 79.1% and 20.4% of the sample respectively.

Table 5: Respondents' Age

Age in Years	Frequency	Percent	Valid %	Cumulative %
18-25	22	9.4	9.4	9.4
26-40	169	71.9	72.2	81.6
41-55	38	16.2	16.2	97.9
>55	5	2.1	2.1	100.0
Total	234	99.6	100.0	

The age of respondents was asked in four age brackets, ranging from 18 to 55 plus. Out of a total of 22 falls in 18-25 years, the majority of 169 were from the 26- 40 years were from age bracket, 38 were from 41-55 years and only 5 were more the 55 years.

Table 6: Respondents' Education

Degree	Frequency	Percent	Valid %	Cumulative %
Graduation	52	22.1	22.2	22.2
Masters	176	74.9	75.2	97.4
Others	6	2.6	2.6	100.0
Total	234	99.6	100.0	

Education was measured through degree level education-wise, 52 were graduates, while 176 were holding master's degrees, and only 6 had done M.Phil.

Table 7: Respondents' designation

Designation	Frequency	Percent	Valid %	Cumulative %
Officer	36	15.3	15.4	15.4
Assistant Manager	91	38.7	38.9	54.3
Manager	102	43.4	43.6	97.9
Other	5	2.1	2.1	100.0
Total	234	99.6	100.0	

From the designation level, 36 were at the officer's level, 91 were at the assistant manager level, and the majority with 102 at the manager level, and only 5 were vice presidents.

Table 8: Respondents' experience

Experience	Frequency	Percent	Valid %	Cumulative %
<4 Years	46	19.6	19.7	19.7
5-8 Years	116	49.4	49.6	69.2
9-12 Years	39	16.6	16.7	85.9
>12 Years	33	14.0	14.1	100.0
Total	234	99.6	100.0	

Experience was measured in years, which ranged from less than 4 years to more than 12 years. 46 respondents had less than 4 years of experience, 116 respondents had 5-8 years of experience, 29 respondents had 9-12 years of experience, and 33 respondents had >12 years of experience.

4.2. Descriptive statistics

Harmonizing opinions for distribution is the standard deviation. SD functions by means of elementary degree of changeability. In the data utmost comments are near to mean are indicated by the smaller value of the standard deviation, while a large value suggests that comments are sprinkled broadly about mean. Mean values and standard deviation of different variables are shown in Table 9 below.

Table 9: Descriptive statistics

	Minimum	Maximum	Mean	Std.Deviation
Job Satisfaction	49.00	100.00	76.5556	10.49
Leadership	57.00	105.00	76.6197	10.91
Monetary Benefits	29.00	50.00	40.2479	4.82

The descriptive statistic of 234 questioners and its summary as in table 9 shows the computed values of mean, standard deviation and other descriptive statistics. For job satisfaction statistics shows a minimum score of 49 and maximum score of 50, with mean value of 76.5556 and standard deviation of 10.49. For leadership minimum and maximum score of respondents found were 57 and 105 respectively, with means value of 76.6197 and standard deviation of 10.91. Monetary

benefits maximum and minimum score of respondents were found to be 50 and 29 respectively with mean value of 40.2479 and standard deviation of 4.82.

Table 10: Reliability of the instruments

Variable name	Cronbach's alpha	Number of items
Job Satisfaction	0.878	10
Leadership	0.921	21
Monetary Benefits	0.824	20

Coefficient alpha (Cronbach, 1951) was applied at initial stage. Reliability was measured through data analysis. Combined and separate reliability estimates were computed in the study, which is similar to usually used coefficient alpha information. More than 0.7 Cronbach value indicates satisfactory reliability (Cuieford, 1965), (Weiss et. al., 1967), (Sekaran, 2000), & (Davis, 2000). The present study Cronbach alpha measured was in order to compute reliability of the instrument, Alpha reliability values of all the constructs are within acceptable range. One dependent, one moderation and one independent variables Cronbach alpha reliability coefficients were attained; it was observed to be beyond .70. Table 4.4.1 shows Cronbach alpha values. Leadership measured by 21 items and had which had Cronbach alpha of .766, Monetary benefits being moderate variable measured through 10 items and Cronbach alpha was .808. DV job satisfaction was measured by 20 items with Cronbach alpha of .742. The complete consistency for each question in distinctly specified in table 4.4.1 representing that Cronbach alpha value is more than ($>.80$) for 51 different questions asked in the questionnaire indicating the satisfactory reliability limit. Distinct Cronbach alpha of all items is greater .80, therefore, internal reliability of the instrument castoff in current study is considered reliable.

Table 11: Correlation analysis

	Job Satisfaction	Leadership
Leadership	.182**	
Monetary Benefits	.118	1.43*

**p < 0.01 , *p<0.05

Correlation results are shown in Table 11. Correlations between variables are positive. The clarification of correlation is grounded Franzblau (1985) traditional rules ($r = 0$ to 1) shown no correlation to high degree of correlation respectively.

All variables are treated equally, i.e. there is no distinction between dependent and independent variables. Two variables are said to be correlated when they tend to concurrently vary in the same course. There is positive or direct correlation when both variables tend to move in same way. Relationships are inverse or negative when one variable increases and the other decreases.

To determine the relationship of direction between variables correlation analysis is used in

the current study. Correlation coefficient is used to determine that was developed by Carl Pearson and it is represented by r . Table 4.5 summarizes the correlation analysis. In the current study the values of correlation coefficient for the leadership and job satisfaction were found to be 0.182 with significant value of 0.01 and shows a significantly positive relationship among them. Furthermore, monetary benefits have a positive relationship with job satisfaction as the value of correlation coefficient computed was to be 0.118 with a <0.06 significance moderate degree. It is shown in the above table monetary benefits have a significant positive effect on leadership and the computed value for correlation coefficient is 1.43 with 0.05 significance moderate degree.

4.3. Regression

Strength of relationship between independent and dependent variables is shown in the above regression analysis, in previous studies this was first time developed by Sir Francis Galton. Variation of 3.3% in models shown is because of leadership. However, the significance level for F is less than 0.006, meaning that outcome is not by chance.

Table 4.12: Regression analysis for leadership and job satisfaction

Model	B	Std. Error	Beta	t-value
1 (Constant)	63.166	4.804		13.149
Leadership	.175	.062	.182	2.815
$R^2 = 0.033$, $R^2 = 0.033$, $F = 7.925$, $df = 1$, $p < 0.006$				

Table 4.13: Regression analysis for leadership and monetary benefits

Model	B	Std. Error	Beta	t-value
1 (Constant)	35.402	2.222		15.936
Leadership	.063	.029	.143	2.203
$R^2 = 0.02$, $\Delta R^2 = 0.02$, $F = 4.855$, $df = 1$, $p < 0.03$				

The above table 13 result shows 2% variation in model is caused by leadership. Furthermore, the significant level for F statistics is less than 0.03, meaning that the result occurrence is not by chance.

Table 4.14: Regression analysis for monetary benefits and job satisfaction

Model	B	Std. Error	Beta	t-value
1 (Constant)	66.238	5.752		11.516
Monetary benefits	.256	.142	.118	1.807
$R^2 = 0.014$, $\Delta R^2 = 0.014$, $F = 3.264$, $df = 1$, $p < 0.073$				

The above result shows 1.4% variation in models caused by monetary benefits. Additionally, the level of significance for F statistics is less than 0.073, meaning that effect is by chance event.

Table 4.15: Regression analysis for leadership, monetary benefits and job satisfaction

Model		B	Std. Error	Beta	t-value
1	(Constant)	55.948	6.937		8.066
	Leadership	.162	.063	.168	2.587
	Monetary benefits	.204	.142	.094	1.439
$R^2 = 0.042$, $\Delta R^2 .042$, $F = 5.017$, $df = 2$, $p < 0.008$					
2	(Constant)	57.185	6.747		8.066
	Leadership	.135	.061	.141	2.214
	Monetary benefits	.215	.138	.099	1.560
	Interaction term	2.440	.636	.242	3.839
$R^2 = .099$, $\Delta R^2 = .058$, $F = 8.456$, $df = 3$, $p < 0.000$					

To test the third hypothesis and to determine whether monetary benefit moderates the relationship between leadership and job satisfaction, moderate regression analysis was used. Arnold (1982), debates that “*most significant direct method for testing hypothesis through which an interaction term is applied is moderated regression analysis*”. The effect of leadership was first entered, followed by the interaction term of monetary benefits. According to (Stone and Hollenbeck, 1989) this process abolishes the effect of leadership proceeding to examine the interaction outcome. The evidence of moderation is present if significance in remaining variance in the dependent variable is justified by interaction term (Fernandez & Sabherwal, 2001). Moreover, on the way to curtail multicollinearity, the IV were concentrated and interaction term was made by way of multiplying composed two centered terms (Cronbach, 1987; Hair et al., 2006). Therefore, for each step the variation in R square and F indicator are observed. To see if statistical significance for the hierarchical step consideration was paid to the uniform coefficient throughout the analysis.

As shown in the above table, when the interaction term (L*JS) were familiarized in step two, no significant increase in R square were establish, hence representing that MB does not affect JS directly as shown by low significance level. Therefore, H2 was not supported. However, H3 was strongly supported as shown in the table in moderated regression of L on JS, the interaction term of hierarchy was significant, outcome showed by statistically significant upsurge in R square values after interaction term was introduced. In other words, we can say that these dimensions of MB appear to moderate the effect of leadership on JS significantly. Aiken and West’s (1991) reference, to understand interaction term effect, “*the value of interaction variable was chosen to be one SD below the mean, at the mean, and one standard deviation above the mean*”.

4.4. Discussion of the Results

The outcome of current research advocates mutually leadership as well as monetary benefits absolutely correlated to job satisfaction. The results are in line with previous research. Politis (2001), Crawford’s (2005) “*recent arguments that the leadership behaviors are positively related to job satisfaction*”. The results obtained from the current investigation also explain that overall job satisfaction is influenced by leadership and rewards. The above-mentioned arguments are also supported by previous studies of JS (Lam, 2002; Chang and Lee, 2007). Their research suggests reward and leadership both contribute in the enhancement of job satisfaction of employees. Similar

to other classical theories presented in the literature that effective type of leadership effects job satisfaction (Bryant, 2003).

Another study by Yousef (2000) and Appelbaum et al. (2004), shows higher consideration has been given to leadership and JS in past, yet, conclusions have been varying or in other words conclusions were uneven as well (Savery, 1994; Pool, 1997; Yousef, 2000). Therefore, no exact attribute of leadership has been directly linked with job satisfaction in research. Instead, numerous research suggests to lower dissatisfaction of employees, leaders are required to change according to situation or culture. Referring to a comprehensive literature review by Yousef (2000), there are very few studies which says that in performing high structure tasks at steel industry and EMS stated higher satisfaction under directive leadership, where as supportive leadership is preferred for unstructured problems (Downey et al., 1975; Kahai et al., 1997). Outcomes of inquiries of past history of obligation have not been completely reliable (Yousef, 2000). Blau (1985) and Williams & Hazer (1986) states thought leadership had more impact on commitment than a organized or task-oriented one, while Kim (2002) also recognized a positive association among participative management and job satisfaction.

Interestingly, the contribution of monetary benefits directly has low significance on job satisfaction. The findings were a bit surprising since the traditional theoretical advice mentioned in literature shows that monetary benefits increase job satisfaction. Previous studies such as Donohue and Heywood (2004) and Artz (2008) found that monetary benefits like pension do not have significant effect on job satisfaction. Other studies by Bender et al. (2005), Uppal (2005), McCausland et al. (2005), Heywood and Wei (2006), Green and Heywood (2008), and Theodossiou (2009) they used measure which involved number of fringe benefit and found positive effect on job satisfaction. Few other studies which findings say Corenelissen et al. (2008) and Pouliakas (2009), the monetary part of the compensation has more effect on job satisfaction. However, finding of the current study negates the literature which means that in Pakistani context monetary benefits has importance but it is not the sole determinant of job satisfaction. These findings suggest us that it's the whole compensation system that matters, monetary and the non-monetary benefits, or other factors like job environment, supervisor roles, relationship, promotional opportunities etc. are of as much importance as the monetary benefits. We can also assume that monetary factors may matter at low-level jobs but as the level of job increases other factors got importance as well besides monetary factors. Other factors, as many studies suggested, lead to job dissatisfaction (Herzberg et al., 1957; Levinson, 1983; Levinson et al., 1988; South, 1990).

5. Conclusion

A large number of much related studies in terms of leadership role, behaviors and their effect on job satisfaction of employees have been researched out to support our hypotheses in previous section. However, the moderating role seen in our study makes it unique study. Almost a very negligible, research work which could be termed similar to our study have been conducted so far in Pakistani context. In conclusion, leadership development is an important component to increase the employees' job satisfaction as well as the organizational infrastructure. Training in the private

sector professionals should add leadership abilities and information to expand the complete abilities of staff. Despite all concerns, we believe that the enhancement of leadership role and competence is a unique and groundbreaking contribution which is proven by breaking the myth of monetary benefits significant role in job satisfaction, which can be used by the private services sector organizations. Developing qualified leaders is an acute footstep in building the organization desired to speak organizational challenges.

Similar to other studies, the paper is limited by few research limitations. Few of the limitations of study are, no part time employees were considered, the study cannot account for personal attributes contributing towards leadership, this study was limited by the normal problems related to leader's behaviors associated staff, the measurement of leadership behavior was based upon perceptions and was a limiting factor. This study indicates that certain leadership qualities can affect job satisfaction, but it does not talk much about how to or through which system or tool this can be achieved. Forthcoming investigation may contain longitudinal studies to establish a causal relationship between variables. Furthermore, future research could look into other leadership traits like (confidence, trust, integrity and competence) and other HRM functions (Turnover & Training and development). Future research can use some other tools for leadership, another popular one is Multi Factor Leadership Questionnaires developed by Avolio and Bass (2004), and for job satisfaction another tool Job Satisfaction Survey (JSS) developed by Paul E. Spector. Other social & economic dimensions are unable to be operationalized due to time limitations and the nature of research.

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