

Leadership Styles as Predictors of Job Satisfaction: Evidence from Rural Banks in Tandag City

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Abstract

This study examined the influence of leadership styles on employee job satisfaction in rural banks in Tandag City, Surigao del Sur. Specifically, it assessed the extent to which transformational, transactional, affiliative, authoritative and participative leadership are practiced; evaluated the perceived impact of these styles on job satisfaction; and analyzed the relationships between each leadership style and satisfaction outcomes. A quantitative, descriptive–correlational design was employed using a validated survey administered to 75 employees selected through purposive sampling. Descriptive statistics were used to measure leadership practices and satisfaction levels, while Pearson's correlation and hierarchical multiple regression determined the strength and predictive power of the relationships. Results showed consistently high mean scores across all leadership styles, with participative leadership rated highest. Job satisfaction indicators also received high ratings, indicating a strong perceived influence of leadership. Correlation analysis revealed significant positive associations between all leadership styles and job satisfaction, with participative and affiliative leadership showing the strongest correlations. Hierarchical regression demonstrated that participative, affiliative and transformational leadership significantly predicted job satisfaction and collectively explained a substantial portion of its variance, while transactional leadership contributed minimally after accounting for other styles. The study concludes that leadership in rural banks is most effective when it integrates participatory, relational and developmental behaviors that foster employee engagement and satisfaction.

Keywords: Employee Attitudes, Hierarchical Regression, Job Satisfaction, Leadership Styles, Participative Leadership, Rural Banks.

Introduction

Leadership plays a central role in shaping organizational effectiveness by influencing employee attitudes, motivation and work-related outcomes. Among these outcomes, job satisfaction remains a critical determinant of workforce stability, engagement and productivity. Empirical evidence consistently shows that satisfied employees demonstrate stronger morale, higher performance and lower turnover intentions (1-3). Leadership styles influence how employees interpret organizational goals, manage stress and evaluate their overall work environment (4, 5). Transformational, transactional, affiliative, authoritative and participative leadership styles represent distinct behavioral approaches that may generate varying effects on employee satisfaction (6, 7). Understanding their comparative influence is essential for identifying leadership practices that most effectively enhance employee well-being.

Although numerous studies confirm positive

relationships between leadership styles and job satisfaction, important gaps remain in the literature. First, many investigations examine leadership styles individually or rely on simple correlational models, without determining their relative predictive strength within a unified analytical framework (8, 9). As a result, organizations receive limited guidance regarding which leadership behaviors exert the strongest independent influence when multiple styles coexist. Second, empirical research has concentrated heavily on healthcare, education and aviation sectors (10-13), while the banking sector, particularly rural banking institutions, remains comparatively underexplored.

Banking organizations operate within highly regulated environments characterized by compliance pressures, performance monitoring and continuous customer interaction.

In such contexts, leadership clarity, relational

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(Received 11th January 2026; Accepted 06th March 2026; Published 08th April 2026)

support and participatory involvement may play distinct roles in shaping employee satisfaction.

Studies conducted in financial institutions across Nepal and Sierra Leone confirm the importance of leadership styles in influencing employee outcomes (14, 15). However, limited evidence exists regarding how multiple leadership styles interact within small rural banking institutions operating under localized economic conditions.

Within the Philippine context, research examining leadership–satisfaction dynamics in rural banks is scarce. Rural banks in Tandag City play a vital role in promoting financial inclusion and local economic development. Employees in these institutions operate within small organizational structures where leader–employee interactions are frequent and highly visible. In such settings, leadership behaviors may exert a more immediate and relationally grounded influence on job satisfaction compared to larger and more hierarchical institutions. Despite this contextual relevance, no prior empirical study has systematically compared the predictive influence of transformational, transactional, affiliative, authoritative and participative leadership styles on job satisfaction in rural banks in Tandag City.

This study addresses these gaps by examining the relative contribution of five leadership styles in predicting employee job satisfaction within rural banking institutions. Rather than limiting the analysis to bivariate correlations, the study employs hierarchical multiple regression to determine the incremental explanatory power of each leadership style after controlling for others. This approach enables the identification of leadership behaviors that uniquely contribute to satisfaction beyond shared variance, thereby clarifying their comparative effectiveness.

The study is anchored in Social Exchange Theory and Leader–Member Exchange theory, which explain how leadership behaviors influence job satisfaction through reciprocal relationships and the quality of leader–employee interactions. Social Exchange Theory posits that supportive and fair leadership behaviors generate reciprocal positive attitudes, including satisfaction (16). Leader–Member Exchange theory further emphasizes that high-quality relational exchanges characterized by trust and mutual respect enhance employee attitudes and organizational commitment (17). By empirically testing the comparative strength of

multiple leadership styles within this theoretical framework, the study contributes context-specific evidence clarifying how relational and directive behaviors operate simultaneously in regulated financial environments.

Specifically, this study aims to (a) identify the leadership styles practiced in rural banks in Tandag City; (b) assess employees' job satisfaction levels; and (c) determine the relative predictive influence of each leadership style on job satisfaction using hierarchical regression analysis. By situating the investigation within a localized rural banking context and applying a structured comparative model, the study contributes empirical evidence to leadership research while providing sector-specific insights into employee satisfaction in small financial institutions.

Conceptual Framework

This study conceptualizes leadership styles as primary behavioral determinants of employee job satisfaction within rural banking institutions. Drawing from Social Exchange Theory (SET) and Leader–Member Exchange (LMX) theory, the framework posits that leadership behaviors influence job satisfaction through relational reciprocity and the quality of leader–employee interactions.

SET explains that when leaders demonstrate supportive, fair and empowering behaviors, employees reciprocate through positive attitudes, including higher job satisfaction. LMX theory further emphasizes that high-quality exchanges characterized by trust, communication and mutual respect strengthen employees' emotional attachment to their work environment. In small organizational settings such as rural banks, where leader–employee interactions are frequent and highly visible, relational dynamics are likely to exert a stronger influence on employee attitudes.

Within this framework, transformational, transactional, affiliative, authoritative and participative leadership styles are treated as independent variables that may differentially affect job satisfaction. Transformational leadership enhances satisfaction through vision and developmental support. Transactional leadership influences satisfaction through structured expectations and contingent rewards. Affiliative and participative leadership emphasize relational bonding, emotional support and shared decision-making. Authoritative leadership provi-

des clarity and direction, particularly relevant in regulated financial environments.

The conceptual model assumes positive directional relationships between each leadership style and job satisfaction. However, it further

posits that relationally grounded leadership styles may demonstrate stronger predictive influence when examined simultaneously. Figure 1 illustrates the hypothesized relationships between leadership styles and employee job satisfaction

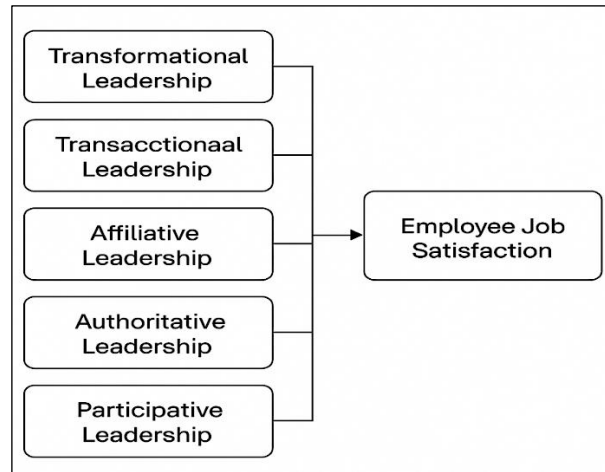


Figure 1. Conceptual Framework of the Study

Empirical Review

Extensive empirical evidence demonstrates that leadership styles significantly influence employee job satisfaction across industries. Transformational leadership consistently shows positive associations with satisfaction by fostering vision, development and intrinsic motivation (6, 8, 9). Transactional leadership contributes through role clarity and performance-based rewards, particularly in structured environments (18). Relational leadership approaches, including affiliative and participative styles, further enhance satisfaction by promoting collaboration, emotional support and empowerment (7, 17, 19).

Studies conducted in financial institutions similarly report positive links between leadership and employee outcomes (14, 15, 20). However, most investigations examine individual leadership styles in isolation or focus on simple correlational relationships. Fewer studies compare multiple leadership styles within a unified predictive framework to determine their relative explanatory strength. Consequently, existing research provides limited guidance on which leadership behaviors exert the strongest independent influence when multiple styles coexist within organizational settings.

Moreover, empirical evidence from rural banking institutions remains scarce. Much of the leadership-satisfaction literature concentrates on healthcare, education, or aviation sectors (10-12),

leaving small financial institutions underrepresented. Given the regulatory pressures, performance monitoring demands and close interpersonal interactions characteristic of rural banks, leadership dynamics may operate differently compared to other sectors.

These gaps underscore the need for a context-specific analysis that simultaneously evaluates multiple leadership styles within a structured regression model. By examining the comparative predictive influence of five leadership styles in rural banks in Tandag City, this study addresses both the sectoral and analytical limitations present in existing literature.

Methodology

Research Design

This study employed a quantitative, descriptive-correlational research design to examine the predictive influence of leadership styles on employee job satisfaction in rural banks in Tandag City, Surigao del Sur. The quantitative approach enabled systematic measurement of leadership behaviors and satisfaction levels using structured survey instruments. The correlational component allowed the examination of associations among transformational, transactional, affiliative, authoritative and participative leadership styles and job satisfaction.

To determine the relative predictive strength of

each leadership style, the study applied hierarchical multiple regression analysis. This method was selected because it enables the assessment of incremental explanatory power by entering predictors in sequential blocks. Unlike simple regression, hierarchical regression clarifies the unique contribution of each leadership style after controlling for previously entered variables. This approach is appropriate for identifying which leadership behaviors exert the strongest independent influence on job satisfaction when multiple styles coexist within the same organizational environment.

Research Setting

The study was conducted in selected rural and commercial banking institutions located in Tandag City, Surigao del Sur, Philippines. To enhance geographical transparency and replicability, the precise geographic coordinates of each participating bank branch were identified using Google Maps. These coordinates provide spatial reference points for the research site and establish locational clarity within the urban center of Tandag City. The participating institutions and their respective geographic coordinates are presented in Table 1 below.

Table 1: GPS Coordinates of the Research Site

Banks	Latitude	Longitude
Rural Bank of Tandag	9.0754553	126.198146
Rural Bank of Cantilan	9.080092866966094	126.19872446659097
East West Bank	9.076883380699583	126.19751061106074
One Network Bank	9.076737402808542	126.19639825338834
Metro Bank	9.074950238235646	126.19872268222456
RCBC	9.076915564151125	126.19747262455222
First Consolidated Bank	9.073811987935601	126.20058778037075
Development Bank of the Philippines	9.074973714552769	126.198474393862
Bank of the Philippine Island	9.07454389296497	126.19746244942333
Philippine National Bank	9.076047728300663	126.19884619628569

Population

The target population consisted of all employees working in rural and commercial banks in Tandag City. Based on institutional records, the total workforce comprised 96 employees. From this population, 75 respondents participated in the study, representing approximately 78% of the total workforce.

The study employed purposive sampling to ensure inclusion of full-time employees with at least one year of service. This criterion ensured that respondents had sufficient exposure to their immediate supervisors' leadership styles, thereby enhancing the validity of perception-based responses. The high coverage rate of the population strengthens the representativeness of the findings within the local banking context.

Regarding sample adequacy for regression analysis, the model included five predictor variables. With 75 respondents, the study satisfies the commonly accepted guideline of maintaining at least 10–15 observations per predictor variable in multiple regression models. This ratio supports stable parameter estimation and reduces the risk of overfitting.

Profile Information of the Respondents

Demographic information was collected to describe the characteristics of the sample and

provide contextual insights into the workforce. Variables included gender, age, length of service and educational attainment. Of the 75 respondents, the majority were female and most were between 26 and 30 years old. More than half had served between one and five years and the vast majority were college graduates. These characteristics reflect a workforce that is predominantly young, well-educated and in the early stages of their professional careers factors that may shape how leadership is perceived in the banking environment. The demographic distribution of the respondents is summarized in Table 2.

Instrumentation

Data were collected using a structured survey questionnaire composed of two sections. The first section measured five leadership styles: transformational, transactional, affiliative, authoritative and participative. Each construct contained ten items rated on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The second section measured job satisfaction using ten indicators assessed on a five-point scale from 1 (No Impact) to 5 (Major Long-Term Impact). The instrument underwent expert validation by faculty members specializing in leadership and organizational behavior to ensure content relevance and clarity. A pilot test was

conducted with employees outside the main sample to refine item wording and structure.

Reliability testing produced an overall Cronbach's alpha of 0.828, indicating good internal consistency. Construct-level reliability coefficients

ranged from 0.82 to 0.91, reflecting acceptable to excellent reliability across all variables. Table 3 presents the reliability coefficients for each construct, all of which fall within acceptable to excellent ranges.

Table 2: Profile of Respondents

Indicators	Frequency	Percentage	Rank
Gender			
Male	28	37.33%	2
Female	47	62.67%	1
Total	75	100%	
Age			
20 – 25 years old	20	26.67%	2
26 – 30 years old	28	37.33%	1
31 – 35 years old	15	20.00%	3
36 – 40 years old	6	8.00%	4
41 – 45 years old	2	2.67%	6
46 – 50 years old	1	1.33%	7
51 years old and above	3	4.00%	5
Total	75	100%	
Years in Service			
1 – 5 years	42	56.00%	1
6 – 10 years	24	32.00%	2
11 – 15 years	5	6.67%	3
16 – 20 years	1	1.33%	5
21 years and above	3	4.00%	4
Total	75	100%	
Level of educational attainment			
College Graduate	70	93.33%	1
Graduate Student Degree Holder	3	4.00%	2
Post – Graduate Student Degree Holder	2	2.67%	3
Total	75	100%	

Table 3: Reliability of Leadership Style and Job Satisfaction Measures

Construct	Number of Items	Cronbach's Alpha (α)	Interpretation
Transformational Leadership	10	0.88	Good
Transactional Leadership	10	0.82	Good
Affiliative Leadership	10	0.90	Excellent
Authoritative Leadership	10	0.85	Good
Participative Leadership	10	0.91	Excellent
Job Satisfaction	10	0.87	Good

Data Collection and Ethical Clearance

Data collection commenced following the approval of the Office of the University President and coordination with bank managers from the participating institutions. Employees were informed of the study's purpose, the voluntary nature of participation and their right to withdraw at any time without consequences. Only participants who provided written informed consent were included in the study. Surveys were distributed and collected in person to ensure a high response rate and minimize missing data.

All responses were treated with strict confidentiality. No identifying information was collected and completed questionnaires were anonymized prior to analysis. The procedures adhered to institutional guidelines and general ethical principles for research involving human participants.

Data Analysis

Survey responses were encoded and analyzed using SPSS version 27. Descriptive statistics, including mean and standard deviation, were computed to assess the extent of leadership practices and levels of job satisfaction. Pearson's correlation coefficient was used to examine bivariate associations between leadership styles and job satisfaction.

Hierarchical multiple regression analysis was conducted to determine the incremental contribution of each leadership style to job satisfaction. Predictors were entered sequentially to evaluate changes in explained variance (ΔR^2) across models. Statistical significance was set at $p < 0.05$.

Given the high intercorrelations among leadership styles, the regression model was interpreted with caution to minimize potential redundancy among

predictors. The hierarchical structure allowed evaluation of each style's unique explanatory power beyond shared variance with other leadership behaviors. Residual patterns were examined to ensure linear relationships between predictors and the dependent variable and the sample size-to-predictor ratio supported stable estimation.

AI Assistance Disclosure

The authors used AI-assisted tools, including Grammarly for grammar refinement, QuillBot for

rephrasing and Hemingway Editor for readability enhancement, solely to improve the clarity and presentation of the manuscript. All substantive ideas, research procedures, analyses and conclusions are entirely the author's own work and she assumes full responsibility for the accuracy and integrity of the study.

Results

This section presents empirical findings organized into descriptive results, bivariate relationships and multivariate regression analysis.

Table 4: Summary of Leadership Style Perceptions Among Employees

Leadership Style	No. of Items	Mean	SD	Interpretation
Transformational	10	4.41	0.63	Strongly Agree
Transactional	10	4.41	0.65	Strongly Agree
Affiliative	10	4.40	0.63	Strongly Agree
Authoritative	10	4.39	0.61	Strongly Agree
Participative	10	4.47	0.59	Strongly Agree

Leadership Styles

Table 4 summarizes employees' perceptions of leadership practices in rural banks in Tandag City. All five leadership styles received high ratings, indicating strong leadership presence across institutions.

Table 4 results present a comprehensive view of the leadership styles practiced in rural banks in Tandag City and their influence on employee job satisfaction. Descriptive statistics showed consistently high perceptions across all five leadership styles measured. Participative leadership obtained the highest mean score ($M = 4.47$, $SD = 0.59$), followed by transformational ($M = 4.41$, $SD = 0.63$), transactional ($M = 4.41$, $SD = 0.65$), affiliative ($M = 4.40$, $SD = 0.63$) and authoritative leadership ($M = 4.39$, $SD = 0.61$). The minimal variation among these scores indicates that employees generally recognize strong leadership practices across their institutions, with participative behaviors being the most prominent. These consistently elevated ratings reflect a leadership climate characterized by collaboration, clarity, relational support and developmental guidance within rural banks.

Impact of Leadership Styles on Employees Job Satisfaction

Table 5 presents employees' perceptions of the impact of leadership styles on job satisfaction.

Employees also reported a strong perceived influence of leadership styles on their job satisfaction. Based on the satisfaction indicators, all items were rated as having a "major long-term impact," with means ranging from 4.37 to 4.51 and an overall weighted mean of 4.46 ($SD = 0.61$). The highest ratings were attributed to the belief that leadership enhances job performance ($M = 4.51$, $SD = 0.58$) and creates a positive work environment ($M = 4.49$, $SD = 0.60$).

Respondents also acknowledged that leadership styles contribute significantly to motivation and the alignment of work with organizational goals. Although slightly lower than other items, the perception of empowerment in decision-making ($M = 4.37$, $SD = 0.71$) still reflected a strong positive impact, suggesting that while autonomy is generally supported, opportunities for independent decision-making may vary across institutions.

Table 5: The Impact of Leadership Styles on Employees' Job Satisfaction

Indicators	Mean	SD	Description
a. My immediate manager's leadership style positively contributes to my job satisfaction.	4.49	0.55	Major long-term impact
b. I feel motivated and engaged in my work due to my manager's leadership style.	4.44	0.59	Major long-term impact
c. The leadership style of my manager enhances my overall job performance.	4.51	0.58	Major long-term impact
d. I believe that my manager's leadership style creates a positive work environment.	4.49	0.60	Major long-term impact
e. My job satisfaction is influenced by my manager's ability to communicate a clear vision and goals.	4.47	0.55	Major long-term impact
f. My manager's leadership style fosters a sense of trust and collaboration among team members.	4.47	0.62	Major long-term impact
g. I feel that my manager's leadership style recognizes and rewards my contributions effectively.	4.43	0.64	Major long-term impact

h. My manager's leadership style encourages me to take ownership of my work and make decisions independently.	4.37	0.71	Major long-term impact
i. The leadership style of my immediate manager aligns with my personal values and career aspirations.	4.44	0.64	Major long-term impact
j. Overall, my job satisfaction is significantly impacted by my manager's leadership style.	4.45	0.57	Major long-term impact
Average Weighted Mean	4.46	0.61	Major long-term impact

Bivariate Relationships

Pearson correlation analysis was conducted to examine the strength and direction of associations between leadership styles and job satisfaction (Table 6).

Table 6 presents the correlation analysis between Leadership Styles and Employees' and Job Satisfaction, it further established the strong association between leadership styles and job satisfaction. All leadership styles exhibited statistically significant positive correlations ($p < 0.0001$), with coefficients ranging from moderate to very high. Participative leadership

demonstrated the strongest correlation ($r = 0.89$), followed closely by affiliative leadership ($r = 0.88$), while transformational and authoritative leadership both recorded strong correlations ($r = 0.86$). Transactional leadership showed a moderate yet significant association ($r = 0.56$). Collectively, these results indicate that increases in perceived leadership effectiveness are strongly aligned with improvements in job satisfaction, particularly for leadership behaviors grounded in employee involvement and relational support.

Table 6: Relationship between Leadership Styles and Employees' Job Satisfaction in the Rural Banks in Tandag City

Variable Tested	Pearson r	p-value	Decision	Conclusion
Transformational Leadership and Employees' Job Satisfaction.	0.86	< .001	Reject H_0	Significant
Transactional Leadership and Employees' Job Satisfaction.	0.56	< .001	Reject H_0	Significant
Affiliative Leadership and Employees' Job Satisfaction.	0.88	< .001	Reject H_0	Significant
Authoritative Leadership and Employees' Job Satisfaction.	0.86	< .001	Reject H_0	Significant
Participative Leadership and Employees' Job Satisfaction.	0.89	< .001	Reject H_0	Significant

Multivariate Analysis

To determine the unique predictive contribution of each leadership style, hierarchical multiple regression analysis was performed (Table 7).

To determine the unique predictive influence of each leadership style, a hierarchical multiple regression analysis was conducted. Table 7 presents the Hierarchical Regression Predicting Job Satisfaction from Leadership Styles. The first model, which included transactional and authoritative leadership, explained 39% of the

variance in job satisfaction. Adding transformational leadership in Model 2 substantially improved explanatory power to 61% ($\Delta R^2 = 0.22$, $p < .001$). The inclusion of affiliative leadership in Model 3 further increased explained variance to 79% ($\Delta R^2 = 0.18$, $p < .001$). The final model, which added participative leadership, yielded the highest variance explained at 86% ($\Delta R^2 = 0.07$, $p < .001$), indicating a robust predictive model for job satisfaction.

Table 7: Hierarchical Regression Predicting Job Satisfaction from Leadership Styles

Model	Predictors Included	R	R ²	Adjusted R ²	ΔR^2	F-Change	Sig.
Model 1	Transactional, Authoritative	0.62	0.39	0.36	—	—	—
Model 2	+ Transformational	0.78	0.61	0.58	0.22	31.44	<.001
Model 3	+ Affiliative	0.89	0.79	0.77	0.18	42.66	<.001
Model 4	+ Participative	0.93	0.86	0.85	0.07	24.81	<.001

Note: R = multiple correlation, R² = coefficient of determination, Adjusted R² = adjusted explanatory power, ΔR^2 = change in R². All models significant at $p < 0.001$.

Coefficients for Final Regression Model

To further clarify the individual contribution of each leadership style, Table 8 presents the unstandardized and standardized regression coefficients from the final hierarchical model. These coefficients indicate the magnitude and statistical significance of each predictor after

controlling for the effects of the other leadership styles included in the model.

Table 8 presents the coefficients for final regression. In terms of individual contributions, participative leadership emerged as the strongest predictor ($\beta = 0.39$, $p < .001$), followed by affiliative

leadership ($\beta = 0.31, p < .001$) and transformational leadership ($\beta = 0.18, p = .001$). Authoritative leadership showed a marginal but significant effect

($\beta = 0.10, p = .038$), while transactional leadership was not a significant predictor in the final model ($\beta = 0.07, p = .122$).

Table 8: Coefficients for Final Regression Model

Predictor	B	SE B	Beta (β)	t	Significance
Transactional	0.08	0.05	0.07	1.56	.122
Authoritative	0.11	0.05	0.10	2.10	.038*
Transformational	0.19	0.06	0.18	3.33	.001**
Affiliative	0.34	0.07	0.31	4.88	<.001***
Participative	0.42	0.06	0.39	6.56	<.001***

Note: B = unstandardized coefficient, SE B = standard error, β = standardized coefficient. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Overall, the results demonstrate that while employees positively perceive all leadership styles, those emphasizing collaboration, relational support and developmental guidance exert the greatest influence on job satisfaction. The regression analysis validates that participative, affiliative and transformational leadership styles collectively account for the largest proportion of variance in satisfaction outcomes among banking employees in Tandag City.

Discussion

The findings demonstrate that leadership styles exert differentiated effects on job satisfaction within rural banking institutions. Although employees reported high perceptions across all five leadership styles, hierarchical regression analysis revealed that participative, affiliative and transformational leadership exert the strongest unique influence on satisfaction outcomes. These results indicate that involvement-oriented and relational behaviors play a more substantial role in shaping employee attitudes than purely transactional or directive approaches.

Participative leadership emerged as the most powerful predictor of job satisfaction. This result reinforces Leader-Member Exchange theory, which emphasizes that high-quality leader-employee interactions characterized by shared decision-making and mutual respect enhance positive work attitudes (21). When leaders involve employees in decisions and encourage autonomy, they strengthen psychological ownership and intrinsic motivation. In the rural banking context, where employees manage technical procedures alongside customer interactions, participative leadership likely enhances both competence and relational confidence. The strong predictive effect observed in this study aligns with prior research demonstrating that participatory leadership

enhances satisfaction and organizational commitment (17, 19, 22).

Affiliative leadership also demonstrated a substantial independent effect. Consistent with Social Exchange Theory, supportive and trust-based leadership behaviors generate reciprocal positive attitudes among employees. Leaders who cultivate emotional support and interpersonal harmony reinforce employees' sense of belonging and psychological safety (23). In small banking institutions characterized by frequent interpersonal contact, affiliative leadership appears particularly salient. This finding corresponds with evidence indicating that emotionally supportive leadership reduces stress and strengthens job satisfaction in service-oriented environments (7).

Transformational leadership significantly predicted satisfaction, though its effect was smaller relative to participative and affiliative styles. Transformational behaviors such as articulating vision, fostering development and inspiring purpose enhance employees' perception of meaning in their work. Even in structured environments like banking, employees respond positively to leaders who provide developmental guidance and strategic clarity. This result supports broader empirical findings that transformational leadership strengthens satisfaction by linking individual goals to organizational direction (6, 8).

Authoritative leadership showed a modest yet significant effect. While directive approaches are sometimes associated with reduced satisfaction in collaborative settings, clarity and decisiveness may remain valued in highly regulated sectors. In banking institutions, where compliance and accuracy are critical, structured guidance may reduce ambiguity and operational uncertainty. However, its relatively smaller effect size suggests that directive leadership is most effective when

balanced with relational and participative behaviors (24, 25).

Transactional leadership did not significantly predict satisfaction after controlling for other styles. Although transactional behaviors contribute to performance monitoring and reward clarity, they appear insufficient to generate sustained satisfaction in the presence of stronger relational leadership behaviors. This finding aligns with research indicating that transactional leadership is more closely associated with compliance and short-term performance outcomes rather than enduring attitudinal satisfaction (14, 26).

Collectively, the findings suggest that leadership effectiveness in rural banks depends on the integration of participatory involvement, relational support and developmental guidance. These results extend existing leadership research by demonstrating that, within small and regulated financial institutions, relationally anchored leadership styles account for the largest proportion of variance in job satisfaction. The study therefore contributes context-specific evidence supporting the central role of high-quality relational exchanges in enhancing employee well-being.

From a practical perspective, the findings indicate that leadership development initiatives in rural banking institutions may benefit from emphasizing participative and affiliative competencies alongside transformational vision-building. While transactional and authoritative elements remain operationally relevant, sustainable job satisfaction appears more strongly linked to collaborative and supportive leadership behaviors.

Despite these contributions, the cross-sectional design limits causal inference and the focus on a single geographic location restricts generalizability. Additionally, the high proportion of explained variance may partially reflect the use of self-reported survey measures collected from a single source, which may increase the likelihood of common method bias. Future research may incorporate longitudinal or comparative approaches to examine leadership dynamics across different banking environments. Investigating mediating variables such as

organizational commitment or psychological safety may further clarify the mechanisms through which leadership influences satisfaction.

Conclusion

This study examined the influence of transformational, transactional, affiliative, authoritative and participative leadership styles on job satisfaction among employees of rural banks in Tandag City. The findings indicate that while employees reported high perceptions across all leadership styles, their predictive influence differs significantly. Hierarchical regression analysis demonstrated that participative, affiliative and transformational leadership styles exert the strongest independent effects on job satisfaction, collectively accounting for a substantial proportion of variance. Authoritative leadership showed a modest but significant contribution, whereas transactional leadership did not significantly predict satisfaction after controlling for other styles. These results suggest that leadership behaviors emphasizing collaboration, relational support and developmental guidance are most strongly associated with employee satisfaction in regulated, service-oriented banking environments. By providing empirical evidence from a localized rural banking context, the study contributes to leadership research by clarifying the comparative predictive strength of multiple leadership styles within a unified regression framework. However, the cross-sectional design and geographic focus limit causal inference and generalizability, indicating the need for further research across broader institutional settings.

Abbreviations

LMX: Leader Member Exchange, OCB: Organizational Citizenship Behavior, SET: Social Exchange Theory, SPSS: Statistical Package for the Social Sciences.

Acknowledgement

The authors express their sincere appreciation to North Eastern Mindanao State University and the participating rural and commercial banks in Tandag City for their cooperation and support in the conduct of this study.

Author Contributions

Gretchen Yarra L Erno: conceptualization, research design, data collection, statistical analysis, interpretation of results, manuscript preparation, El Dixon G Plazo: conceptualization, research design, data collection, statistical analysis, interpretation of results, manuscript preparation. Both authors reviewed and approved the final version of the manuscript and take full responsibility for the integrity and accuracy of the work.

Conflict of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

Data Availability

The datasets generated and analyzed during the current study are available from the corresponding author upon reasonable request.

Declaration of Artificial Intelligence

(AI) Assistance

During the preparation of this manuscript, the authors used AI-assisted tools such as Grammarly for grammar refinement and readability enhancement. These tools were employed solely to improve clarity and language presentation. All research design, data collection, statistical analysis, interpretation and conclusions are entirely the authors' original work. The authors take full responsibility for the content and integrity of the manuscript.

Ethics Approval

This study was reviewed and approved by North Eastern Mindanao State University (NEMSU) in accordance with institutional ethical guidelines for research involving human participants. Permission to conduct the study was obtained from the management of the participating rural and commercial banks in Tandag City. All respondents were informed of the purpose of the study and voluntarily provided written informed consent prior to participation.

Funding

This research received no external funding.

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How to Cite: Erno GYL, Plazo EDG. Leadership Styles as Predictors of Job Satisfaction: Evidence from Rural Banks in Tandag City. *Int Res J Multidiscip Scope.* 2026; 7(2): 628-638.
DOI: 10.47857/irjms.2026.v07i02.010069