

# The Impact of Transformational Leadership Styles on Job Satisfaction and Stress: A Study on 3 Different Chinese Organizations

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## Abstract

This research aims to investigate Transformational leadership styles, job satisfaction and stress in three kinds of Chinese organizations: state-owned enterprises (SOEs), private-owned enterprises (POEs), and public service units (PSUs). The study will include three variables: leadership styles, work stress, and job satisfaction. We hypothesized that different leadership styles would have a diverse effect on the job satisfaction and stress levels of employees. The research was conducted using three different questionnaires on a specific population sample. Participants were from three different types of organizations and they completed the questionnaires on leadership style, work stress and job satisfaction. Results indicated that leadership styles can impact work stress and job satisfaction, but not what kind of effect leadership has. Therefore, we will also explore the relationship between transformational leadership styles, work stress and job satisfaction. Using correlation analysis of SPSS, results show that leadership style has a negative correlation with work stress, and a positive correlation with job satisfaction, expect in POEs. Overall, this study contributes to our understanding of the effect of leadership styles on work stress and job satisfaction in the context of China.

**Keywords:** Leadership Style, Transformational Leadership, Job Satisfaction, Work Stress, Chinese Organizations.

## **Introduction**

With the rapid economic development in China, speed, efficiency, and effectiveness have become of primary important to organization. Chinese enterprises are experiencing deep changes in structure, technology, personnel, etc., to deal with fierce market competition. As a result of relying on work income and the lack of a comprehensive social security system, employees' now have lower job satisfaction (Ye, 2023).

Job satisfaction, customer satisfaction and financial data on company and brand loyalty are the four indicators that come together to form the enterprise system architecture. As part of the four indicators, job satisfaction of employees has been widely studied, because it can reflect on the dedication of the employees in terms of work and organization recognition. This dedication and organization can help to explain the variety of behavior amongst employees in a particular workplace; these behaviors are on the loyalty index Zhou and Ye (2022), job burnout Streepy (1980); Lian and Zhao (2023), turnover intention Muchinsky and Morrow (1980); Zhang, (2022) and job performance (Li, 2024).

According to the explorations of the basic theory and the practice of scholars Zhang (2022); Zhou (2023); Lian and Zhao (2023); Li, (2024), it has been stated that there are a lot of factors that can influence the job satisfaction of employees. Work stress also has a significant impact on employees' job satisfaction. The stress theoretical model from Robbins (2015) states that the environment, organization, and individual are the main sources of stress. The relevant research from Deng (2024) states that the more work stress an employee feels, the less job satisfaction the employee will have.

## **Literature Review**

### **Transformational Leadership styles**

Eagly (2007) claims that leadership style is not a result of a leader's behavior, it is a synthesis of a series of the leader's behavior; these leader behaviors have a particular means or provide support to a specific function. Depending on environmental changes, the leaders also will change the behavior appropriately within a leadership styles range. Transformational leadership is defined as a relationship between a leader and the members of her workforce that is built on a set of leadership behaviors, where, employees experience influence, motivation, inspiration, and consideration from their leaders (Bass and Avolio, 1994). It contributes to a range of outcomes in organizations, including employee's optimism and conscientiousness (Pounder, 2008). Furthermore, Bass (1985) stated that transformational leaders have the ability to motivate employees in order to achieve performance exceeding expectations.

The literature on leadership is increasingly urging transformational leaders to produce productive workforces (Avolio, et al., 2009). The notion of transformational leadership was first introduced in the 1970s by Bernard M. Bass and his colleagues, which is when the phenomena of it first emerged (Kolesnikova, 2012). The foundational book "Leadership" by Burns and Houses' 1976 theory of charismatic leadership served as inspirations (Avolio and Bass, 2004). They not only developed the assessment instrument for transformational leadership and the idea into the full range of leadership, but also introduced a new inspired leadership model. The idea encompasses transactional leadership as well as passive leadership, sometimes known as laissez-faire leadership (Bass and Riggio, 2006).

### **Work Stress**

Stress is a proper noun in physics; it means the external force that is immediately inflicted on any object. Selye (1956) is a person who imports this word to social science. Firstly, he indicated that when humans face problems or stimulation, the bodily organs will have resistivity to fulfilling the needs of the body correctly, and it is also defines stress as a non-specific response whenever there is an infliction to the body (Deng, 2024). The research of work stress has a long history, but is caused by different research perspectives and emphasis. A unified opinion on the definition of stress has not yet been formed.

Through an investigation of the stress of white-collar employees, Copper and MarShall (1978) proposed that the source of stress can mainly be divided into flowing sides: 1. Work itself, such as overwork, time limits and lack of job autonomy; 2. The role of the organization, for example, the conflict between individuals, collision with the role and task; 3. The relationship in works, for instance, if the leader supports the work, whether the relationship between the colleagues is harmonious or not; 4. Career development, it is related to whether employees have a chance to improve and have an opportunity for promotion; 5. Organizational structure and style, which relates to whether the individual's value is in accordance with the organization's value, whether the decision-making model is a democracy, and whether the leadership style includes a method of conflict resolution.

#### **Job satisfaction**

The concept of job satisfaction was initially proposed by Hoppock in 1935, Hoppock stated that job satisfaction is included in both an employee's physiology and psychology, in terms of pleasurable feelings that are related to the work environment and job itself. In addition, one of the definitions of job satisfaction is expectation discrepancy (Xu, 1977, Huang, 2023). This definition states that job satisfaction is the gap between an effective income and expected income in work. When the gap was smaller, job satisfaction was higher and when the gap was larger, job satisfaction was lower. Robbins (2015) maintains that the definition of job satisfaction is the gap between deserved and realistic, in which the employees get rewards. In fact, job satisfaction means that the employee has a positive attitude to existing jobs.

### **Leadership Styles and Job Satisfaction**

Enzo Valenzi and Gary Pessler (1978) stated that, there is a positive correlation between consideration leadership and job satisfaction, however, there is a lot of uncertainty surrounding the relationship between the initiating structure of leadership and job satisfaction. In other words, it is influenced by other variables.

Chu and Song (2023) used a privately owned enterprise in China as a case study to investigate the relationship between leadership styles, employee job satisfaction and intention to quit. The study found that a positive correlation exists between leadership styles and job satisfaction. Suitable leadership styles have a positive effect on the improvement of an employee's job satisfaction, in the different stages of an organization's development, the adjustment of the leadership style of a leader will improve an employee's working enthusiasm and job satisfaction.

#### *Leadership Style and Work Stress*

Since the 1960s, foreign researchers started to investigate the relationship between leadership styles and work stress. A study from Amarjit (2008) shows that job burnout is related to stress that employees perceive, while the employee's work stress is closely related

to the leader's leadership style. Kachie (2021) has conducted research into the relationship between the principal's and teachers' work stress, the results show that there are different correlations between leadership styles and work stress. The leadership styles of principals have an obvious effect on teachers, in terms of feeling work stress, and it shows that there is a significant effect among the interpersonal relationship dimension. A study focusing on state-owned enterprise in China from Suo, Jian and Wang (2020) insists that leadership styles can have a negative effect on work stress. The more humanised the leadership style that the leader uses, the lower work stress that employees feel.

#### Job satisfaction and work stress

The relationship between job satisfaction and work stress is a well explored topic in the management and organizational behavior. Previous findings show that negative correlations exist between them; it means that higher work stress employees have lower job satisfaction. Boudreaux, Mandry and Brantley (1997) used emergency doctors as their research object to prove that there is a significant correlation between work stress and job satisfaction, and that higher work stress results in lower job satisfaction. The research from Zhou (2024), which used the knowledge of employees as the object of the study to analyse the relationship between job satisfaction and work stress. In this study, Zhou divided the work stress into two systems: intrinsic stress and extrinsic stress. The results show that, for the knowledge employees, a positive correlation exists between intrinsic stress and job satisfaction, and a negative correlation exists between the extrinsic stress and job satisfaction.

#### Objectives

In the current study on Chinese organizations, there is less research related to leadership styles, employee's work stress, and job satisfaction. But with the restructuring of the economic system and the gradual perfection in the management mechanism within enterprises in China, the problems of work stress have become an important research task. Therefore, there is important theoretical and practical significance in researching the relationship between leadership styles, employee's work stress and job satisfaction in Chinese organizations.

On the one hand, there is less research into leadership style, work stress and job satisfaction for Chinese organizations, so the research of this article can further supplement and perfect the correlational studies, and can be the foundation of the following studies. On the other hand, there is also less literature regards the employee's work stress as a regulated variable to research the relationship between leadership styles and job satisfaction in China. Therefore, through the research of this report, a better understanding of the relationship between the specific mechanisms of these three factors might exist.

Studying the relationship between leadership styles includes; employee's work stress and job satisfaction, the source of employee's work stress and the factors which effect the employee's job satisfaction. Therefore, the conclusion of this research can provide a reference for leaders to change their leadership styles in order to reduce the employee's work stress and increase job satisfaction.

In the study we will look if:

1. Different leadership styles have a diverse effect on job satisfaction and stress levels of employees.
2. Employee work stress exerts an obvious effect on the correlation between leadership styles and employee job satisfaction.

## Method

Participants were recruited from three different Chinese organizations, after receiving the approval letters of the organizations. A total of 86 participants joined the research: 26 participants from state-owned Enterprises (SOEs), 28 participants from private-owned enterprise (POEs), and 32 from public service units (PSUs), details of which are included below in Table 1.

Table 1

*Demographics of Participants.*

	N	Gender		Average Age	Education		
		Male	Female		High School	Undergraduate	Postgraduate
SOEs	26	13	13	45	4	19	3
POEs	28	12	16	28	27	1	0
PSUs	32	7	25	40	0	21	11
TOTAL	86	32	54	37	31	41	14

The test samples is described below:

1. Gender: For state-owned enterprise (SOEs), the total participants are 26; the percentage of males is 50%; for private-owned enterprises (POEs), the total participants are 28. The percentage of males is 43% and females are 57%; for public service units (PSUs), the total participants are 32. The percentage of males is 22% and females make up 78%. The female employees play a chief role in the Chinese organizations.
2. Age. Participants were divided into 4 age groups, under 25, 26 to 30, 31 to 40, and over 41. In SOEs, most test samples are over 41, and make up 69%, while the 26-30 age group is 19% and 31-40 age group is 12%, therefore, for the SOEs, the age of employees is older. In POEs, 46% test samples are under 25, 36% is aged between 26-30, 7% is aged between 31-40, and 11% is over 41. Most employees working for POEs are younger test samples. In PSUs, there are 16% participants under 25, 3% are between 26-30, 37% are in the 31-40 group, and 44% are over 41. The majority of participants are older.
3. Education level. Education included high school, undergraduate, and postgraduate. Among SOEs, 15% of participants are in high school, 73% are undergraduates, and 12% are postgraduates. Most participants are undergraduates. In POEs, 96% participants are in high school and 4% are undergraduates, the education level of most participants is high school; the education level of the test samples of PSU are 66% undergraduates and 34% postgraduates. Therefore, PSUs employees receive a higher level of education.

## Materials

This research uses the leadership styles of initiating structure and consideration dimensions as the independent variables; employee job satisfaction is the dependent variable and the moderating variable is employee work stress. To measure leadership styles, job

satisfaction, and work stress, three questionnaires were used in this research. The collected data were analyzed using IBM's Statistical Package for Social Sciences (SPSS) version 29.

**Results**

95 questionnaires were received in total, 86 were calculated valid questionnaires: 26 SOEs (30%), 28 POEs (33%) and 32 PSUs (37%).

Table 2: Mean scores for leadership style (LS), work stress (WS) and job satisfaction (JS) (standard deviations in parentheses)

ORGANIZATION	LS Raw Score	LS Mean Std. Deviation	Work STR Raw Score	Work STR Mean Std. Deviation	Job SATIS Raw Score	Job SATIS Mean Std. Deviation
SOEs (26)	981	37.73 (8.072)	609	23.42 (6.96)	951	36.58 (7.78)
POEs (28)	1175	41.96 (7.010)	627	22.39 (8.68)	1156	41.29 (5.96)
PSUs (32)	1141	35.66 (8.205)	772	24.12 (6.70)	1127	35.22 (6.92)
Total (86)	3297	38.34 (8.154)	2008	23.35 (7.42)	3234	37.60 (7.31)

According to Table 2, among POEs we find the highest level of leadership styles, low work stress and high job satisfaction. On the contrary, in SOEs we found a lower level of leadership styles, low work stress and low job satisfaction. Thus, it could support the hypothesis that high-level leadership correlates with good job satisfaction, low level of leadership correlates with low job satisfaction. In PSUs, a higher level of work stress and lower job satisfaction was found.

To better investigate the impact of leadership styles on work stress and job satisfaction, two different measures of leadership style were included in the correlation analysis: ISDL (Initiating Structure Dimension of Leadership) and CDL. (Consideration Dimension of Leadership).

The first analysis was carried out, in which correlations between leadership style and work stress were obtained. The measures were: initiating structure dimension of leadership style, consideration of dimension of leadership style, and employee’s work stress. 86 participants provide the data, and the results shows in Table 3.

Table 3

*Correlation between Initiating Structure Dimension of Leadership and Consideration Dimension of Leadership with Work Stress*

		TOTAL WORK STR	SOEs STR	WORK POEs STR	WORK PSUs WORK STR
CONSIDER LS	Pearson Correlation	-.194	-.058	-.096	-.360*
	Sig. (2-tailed)	.073	.778	.626	0.043
	N	86	26	28	32
INIT STR LS	Pearson Correlation	-.460**	-.704**	-.283	-.421*
	Sig. (2-tailed)	.000	.000	.144	.017
	N	86	26	28	32

In total, the initiating structure and dimension of leadership does not have any linear correlation with work stress ( $r=-0.194$ ,  $p=0.073$ ,  $N=86$ ), but as expected, the consideration dimension of leadership style has a negative correlation with work stress ( $r=-0.460$ ,  $p<0.001$ ,  $N=86$ ). Focusing on each organisation, the results are also different. In State-owned Enterprise (SOEs) and Public United Services (PSUs) the initiating structure dimension of leadership and consideration dimension of leadership has the same result in total. In fact, employee work stress has a strong negative association with the consideration dimension of leadership in SOEs ( $r=-0.704$ ,  $p<0.001$ ,  $N=26$ ) and a moderate negative association in PSUs ( $r=-0.421$ ,  $p=0.017$ ,  $N=32$ ). There was no linear correlation between the initiating structure dimension of leadership with work stress ( $r=-0.096$ ,  $p=0.626$ ,  $N=28$ ) and the consideration dimension of leadership with work stress ( $r=-0.283$ ,  $p=0.144$ ,  $N=28$ ) in Private-Owned Enterprises (POEs).

The second analysis was carried out in which a correlation between leadership style and job satisfaction were obtained. The measures were: initiating structure dimension of leadership, consideration dimension of leadership and job satisfaction. Results are presented in Table 4.



Table 4

*Correlation between Initiating Structure Dimension of Leadership and Consideration Dimension of Leadership with Job Satisfaction.*

		TOTAL SATIS	JOB SOEs SATIS	JOB POEs SATIS	JOB PSUs JOB SATIS
CONSIDER LS	Pearson	.410**	.507**	-.127	.505**
	Correlation				
	Sig. (2-tailed)	.000	.008	.519	.003
	N	86	26	28	32
INIT STR LS	Pearson	.487**	.746**	-.387*	.607**
	Correlation				
	Sig. (2-tailed)	.000	.000	.042	.000
	N	86	26	28	32

In total, both the initiating structure dimension of leadership with job satisfaction ( $r=0.410$ ,  $p<0.001$ ,  $N=86$ ) and consideration dimension of leadership with job satisfaction ( $r=0.487$ ,  $p<0.001$ ,  $N=86$ ) have moderate positive associations. However, in different organizations, the results were different. A moderate positive correlation in initiating structure dimension of leadership and job satisfaction exists in SOEs ( $r=0.507$ ,  $p=0.008$ ,  $N=26$ ) and in PSUs ( $r=0.505$ ,  $p=0.003$ ,  $N=32$ ). A strong positive correlation exists between the consideration dimension of leadership and job satisfaction in SOEs ( $r=0.746$ ,  $p<0.001$ ,  $N=26$ ) and PSU group ( $r=0.607$ ,  $p<0.001$ ,  $N=32$ ). However, it is interesting to note the weak negative association between the consideration dimension of leadership and job satisfaction ( $r=-0.387$ ,  $p=0.042$ ,  $N=28$ ), and no linear correlation between the initiating structure dimension of leadership and job satisfaction ( $r=-0.127$ ,  $p=0.519$ ,  $N=28$ ) in POEs.

## Discussion

The purpose of this study was if different leadership styles have a diverse effect on job satisfaction and stress levels of employees, and if a correlation exists in the leadership style with work stress and job satisfaction. Base on these hypotheses we found that the initiating structure dimension of leadership (ISDL) has a negative correlation with work stress, which means that when leader performance is more ISDL the employees feel less work stress. Moreover, the total consideration dimension of leadership (CDL) has no linear correlation with work stress. Among SOEs and PSUs, the situation stayed consistent with the total. In PSUs, the CDL also has a negative correlation with work stress. The more CDL behavior displayed but the leader, the lower work stress employees have. While there is no linear correlation between ISDL and CDL and work stress, this phenomenon is in accordance with POEs in China. Suo et al (2020) indicate that the main source of work stress for employees in POEs is instability, because in China, the salary is related to performance, and a day off will lead to a cut in benefits. Therefore, the leadership style cannot effect the level of work stress of employee in POEs.

As for concerned job satisfaction, total ISDL and CDL have a positive correlation with job satisfaction, supporting the idea that the higher the level of leadership style, the higher the job satisfaction among employees. A strong correlation with ISDL compared CDL, which support the research conclusion of that a positive correlation exists between leadership styles



and job satisfaction from (Chu and Song, 2023). This is also in line with actual conditions of China, and social development where most organizations need to face issues of survival and development with high costs and high tax; financial difficulty and recruitment difficulty. Therefore, a leader emphasizing work task more often cannot lead to dissatisfaction. On the contrary, it will make the employees feel that their leaders are working hard. In SOEs and PSUs, the situations remain the same. Nonetheless, the situation in POEs is totally different.

### **Limitations and Future Direction of the Study**

Due to issues of time and objectivity, the quantity of questionnaires distributed is restricted and the lack of regional diversity means that the findings cannot be considered representative of a wider research population. Furthermore, both questions in this research questionnaire will be answered on the basis of subjective judgment, which will have somewhat of a distortion effect on the results and a negative impact on the final research conclusions.

In addition, there are many other factors that can influence the employee's level of job satisfaction, while only the influence of leadership style and work stress is addressed in this study. Therefore, it does not have perfect results for all organizations, especially for Chinese POEs, and the influencing factor is also uncertain. For example, the demographic factor correlates with job satisfaction, and the demographic includes: age, gender, and education level. And the research proves that relevance exists in the demographic factor and job satisfaction, but this correlation is not stable. Sometimes it has a positive correlation and sometimes it has a negative correlation, and it also has no linear correlation. Therefore, in research, there is no detailed explanation of this factor. Thus, the present study does not address other potential factors, which is a key limitation for this report.

The personal level of empirical analysis is also subject to limitations and there are some potential problems that have not been covered. Therefore, in the future, in order to improve the representative data sample, the quantity and geographical scope of the sample group must be increased. Finally, in order to get a more comprehensive analysis, further research can choose other variables to carry out the analysis of the work stress and job satisfaction.

### **Conclusion**

In conclusions, in different organizations, different leadership styles have different effects on work stress and job satisfaction. For instance, the negative correlation between the initiating structure dimension of leadership and work stress in SOEs and PSUs, so that the higher initiating structure dimension of leadership level are the lower work stress of employees feel. Moreover, in PSUs, compared to initiating structure dimension of leadership, the influence of consideration dimension of leadership is lower. A higher-level leadership style, especially the initiating structure dimension of leadership has a significant effect on job satisfaction in SOEs and PSUs. All in all, different leadership styles will effect the work stress and jobs satisfaction of employees.

Although the proposed hypotheses are analyzed through empirical research, there are still certain limitations. First of all, as an important part of the national economy, the complexity of the management of the industrial sector can be imagined. Therefore, there are certain limitations in the generalization of the research results. Second, this study does not distinguish between the size of firms, and the results may be limited for small and medium-sized enterprises. Therefore, in future research, it is necessary to analyze the relationship

between transformational leadership, work stress, and job satisfaction through comparative analysis and detailed differentiation of enterprise size.

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