

Leadership style employee job satisfaction and organizational culture: Basis for employee innovation behavior framework

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ISSN: 2243-7770
Online ISSN: 2243-7789

Received: 30 January 2024
Available Online: 15 April 2024

Revised: 28 February 2024
DOI: 10.5861/ijrsm.2024.1025

Accepted: 16 March 2024

OPEN ACCESS

Abstract

The contemporary business environment is characterized by rapid change, fierce competition and the relentless pursuit of innovation. In this context, understanding the factors that promote employees' innovative behavior has become a hot topic in research and organizational development. This study aimed to examine the leadership style, employee job satisfaction, and organizational culture that was made the basis in developing an innovation behavior framework for Chinese financial industries. The study utilized descriptive design to describe the leadership style, employee job satisfaction, and organizational culture in financial industries. Survey questionnaire was used as the data gathering instrument. 400 employees from financial industries were used as participants of the study. Based from the results, all three leadership styles as to transformational leadership, transactional and laissez-faire are effective in the financial industry and that they are all effective in helping organizations achieve their goals and objectives. The respondents have moderate agreement on their job satisfaction in terms of salary and welfare, performance appraisal and organizational management which implied that there is a positive development for both employees and the organization. Organizations have a strong and well-defined culture because power distance, uncertainty avoidance and indulgence vs restraint are considered to be the core dimensions of organizational culture. This implied that the organizations have clear and shared understanding of its values and norms. A high significant relationship was found among leadership style, employee job satisfaction, and organizational culture and these are all important in creating a positive work environment and organizational success. An employee innovation behavior framework was developed for the financial industries. Implementing the framework based on leadership style, employee job satisfaction, and organizational culture can foster a more innovative workforce, leading to the development of new products, services, and processes that drive business growth and competitiveness. A work environment that prioritizes employee job satisfaction and innovation through effective leadership and culture can attract and retain top talent, essential for success in the dynamic financial sector.

Keywords: leadership style, employee job satisfaction, organizational culture, employee innovation behavior framework

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1. Introduction

Innovation has become a critical driving force for the success and competitiveness of businesses across the globe. In the context of China, the world's second-largest economy, the role of innovation within companies is particularly crucial due to the rapidly evolving economic and technological landscape. In this dynamic environment, the intersection of leadership style, employee job satisfaction, and organizational culture has emerged as a significant contributor to fostering innovative behaviors. The motivation behind this research lies in the desire to enhance understanding of human resource management, particularly issues related to employee innovative behavior, and to contribute to the development of China's financial industry. The researcher's personal experience working in the Chinese financial industry offers a unique lens through which to examine these issues.

Leadership style refers to the characteristic behavior patterns a leader exhibits when interacting with followers and making decisions. It encompasses various aspects, including the leader's communication style, decision-making approach, level of delegation, and motivational strategies. Different leadership styles can have significant impacts on individual and organizational outcomes, such as employee motivation, performance, satisfaction, and creativity (Avolio, et al., 2019). Leadership styles play a pivotal role in shaping employees' job satisfaction and innovative propensities. Transformational leadership, characterized by inspiring and motivating employees towards a shared vision, has been associated with increased job satisfaction and subsequent innovative behavior. This is particularly relevant in Chinese companies, where hierarchical relationships and respect for authority are often significant. According to the study of Wang, et al. (2020), the leadership effectiveness in Chinese contexts suggests that transformational leadership, coupled with psychological safety and supportive organizational culture, can be instrumental in driving employee creativity and innovation. Organizations can develop effective leadership strategies and cultivate supportive environments that foster employee creativity and drive innovation in the Chinese workplace.

Employee satisfaction refers to an individual's positive emotional state resulting from the appraisal of one's job experiences (Wright et. al., 2020). Employee satisfaction, encompassing positive feelings about one's job, is crucial for organizations. The three key aspects that contribute to overall satisfaction include salary, performance appraisal and organization management. Addressing these aspects fosters a positive work environment, leading to various benefits for both employees and organizations. By understanding the relationship between employee satisfaction and these key aspects, organizations can develop comprehensive strategies. This includes creating fair compensation systems, implementing effective performance appraisals, and fostering positive leadership practices. Ultimately, such efforts contribute to a more engaged, productive, and successful workforce.

Organizational culture, the shared values, beliefs, attitudes, and behaviors that characterize an organization, serves as a critical foundation for its success. It encompasses the unspoken rules, norms, and expectations that shape how employees interact, behave, and perceive their work environment. The study of Venaik, et al. (2018) explored the moderating effect of power distance on leadership effectiveness in Indian organizations. Their findings suggested that leadership styles need to adapt to cultural contexts, with a more directive approach potentially being more effective in high power distance cultures.

Despite China's economic success, several challenges persist within its companies, impacting leadership styles, employee job satisfaction, and organizational culture. Traditional styles often emphasize hierarchy and top-down decision-making, leading to reduced employee engagement, innovation, and communication (Li, et al., 2018). According to Wu et. al., (2018) demanding work cultures can contribute to employee burnout, high turnover, and low morale in spite the theoretical connections between leadership style, job satisfaction, and organizational

culture in fostering innovation, empirical evidence within the context of Chinese companies remains limited. This research aims to bridge this gap, providing valuable insights for Chinese business leaders and policymakers looking to enhance the country's innovation capacity and performance. By optimizing leadership style, job satisfaction, and organizational culture, it is possible to promote innovative behavior, driving the growth and global competitiveness of China's financial industry.

Objectives of the Study - This study aimed to examine leadership style, employee job satisfaction, organizational culture and employee innovative behavior in Chinese financial industry companies that was made the basis in developing an employee innovation behavior framework for financial industries. Specifically, it determined the Leadership style in terms of transformational leadership, transactional leadership and laissez-faire leadership; assessed the employee satisfaction as to salary and welfare, performance appraisal and organizational management; described the organizational culture from the perspectives of power distance, uncertainty avoidance and indulgence vs restraint, tested the significant relationship between leadership styles, employee satisfaction and organizational culture and developed an employee innovation behavior framework for financial industries and finally proposed an employee innovation behavior framework based form the results of the study.

2. Methods

Research Design - The study employed a descriptive research design to explore the relationships between organizational culture, leadership style, and employee job satisfaction, and their influence on innovative employee behavior. Descriptive research was chosen for its ability to observe and describe the behavior of a subject without influencing it in any way. It allows for a holistic depiction of the situation being studied, providing a complete picture of the phenomena that are naturally occurring in the environment. The dynamics of leadership style, organizational culture, and employee job satisfaction have been a topic of significant interest in the field of organizational behavior. Various studies have explored these concepts individually and collectively, highlighting their importance in shaping employee behavior and organizational performance. The dynamics of leadership style, organizational culture, and employee job satisfaction have been a topic of significant interest in the field of organizational behavior. Various studies have explored these concepts individually and collectively, highlighting their importance in shaping employee behavior and organizational performance. This research aimed to fill this gap by investigating the relationships between leadership style, job satisfaction, and organizational culture, and their influence on employee innovative behavior.

Participants of the Study - The participants in this study were four hundred carefully selected employees from five representative companies in China's financial industry. These companies cover various fields such as banking, insurance and fund management. The respondents include entry-level, mid-level and senior-level positions and are mainly from first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen in China. The selection of participants in these different fields provided a broad and comprehensive view of the financial industry landscape. The participants in this study were carefully selected from five representative companies within China's financial industry. These companies encompassed various sectors, including banking, insurance, and fund management. The selection of participants across these diverse sectors provided a broad and comprehensive perspective on the financial industry's landscape. The data collection process employed a combination of personal connections and social networks to reach the participants. This approach ensured a wide distribution of the questionnaire, facilitating the gathering of diverse responses. By leveraging these methods, the study aimed to gain insightful and valuable perspectives on the research topic from a representative sample of the industry's professionals.

The second group of participants was reached by personally visiting the companies for data collection. This allowed for the inclusion of participants who might not be easily accessible through online means, thus ensuring a diverse demographic. The final group was reached through the distribution of electronic questionnaires via social networks. This method was particularly effective in reaching a broad audience quickly and efficiently. The questionnaire survey finally collected 400 data from representative company employees in China's financial industry. They include junior, mid-level and senior positions, mainly from first-tier cities such as Beijing, Shanghai,

Canton, and Shenzhen in China. These data provided a robust dataset for the investigation of the relationships between leadership style, job satisfaction, organizational culture, and employee innovative behavior. The diverse recruitment strategies used in this study ensured a comprehensive and representative sample of the population.

Instruments of the Study - The data collection tool for this study was a structured questionnaire, developed by referring to, revising, and improving established management scales. This tool was designed to measure variables of interest, including leadership style, employee job satisfaction, organizational culture, and employee innovative behavior. Leadership style was measured using the Multifactor Leadership Questionnaire (MLQ). The MLQ is a well-established instrument that assesses transformational, transactional, and laissez-faire leadership styles, providing a comprehensive understanding of the leadership dynamics within an organization. Employee job satisfaction was gauged using a combination of the Minnesota Satisfaction Questionnaire (MSQ) and the Michigan Job Satisfaction Survey (MJS). These scales provide a robust assessment of various facets of job satisfaction, including intrinsic and extrinsic satisfaction factors. Organizational culture was evaluated using Hofstede's Value Survey Module (VSM). The VSM provides insights into cultural dimensions, such as power distance, uncertainty avoidance, and indulgence vs restraint, and their influence on organizational behavior.

These scales, with their proven validity and reliability, provided a sound basis for the data collection tool, ensuring accurate and comprehensive measurement of the variables of interest. This study was conducted by empirical research method, and the required data were collected by questionnaire method. The numbers 1~4 represent the respondents' degree of agreement with the question items, and the larger the number, the higher the degree of conformity between the respondents' opinions and the content of the questions. The specific likert scale: 1 - strongly disagree, 2 - disagree, 3 - agree, 4 - strongly agree. The formal questionnaire consists of two parts: the first part is to investigate the basic situation of the respondents; the second part intends to seek the basic information of the research company and the personal information of the questionnaire fillers, which is used to help to confirm whether the returned questionnaires are representative or not, and at the same time, to screen the valid questionnaires and sample. The third part is the main part of the questionnaire, with 45 questions, designed according to the three variables to be measured in the study, leadership style, employee job satisfaction and organizational culture.

The study started by analyzing the results of respondents from 20 different companies. Based on result, the Leadership Style, Employee Job Satisfaction and Organizational Culture Instrument has an (.958). This Excellent consistency as exhibited by the Cronbach's Alpha value of was validated by the Acceptable remarks from Leadership Style (.779); it was confirmed by the Acceptable result from transactional leadership (.927), and good results from transformational leadership (.857), and Laissez-faire leadership (.820). Also, it was validated by the Excellent remarks from Employee Job satisfaction (.938); it was confirmed by the Excellent result from Performance appraisal (.927) and Organizational Management, (.925), and Acceptable result from Salary and Welfare (.799). Moreover, it was further validated by the Excellent results from Organizational Culture (.907); it was confirmed by the Good results from Power distance (.863), Uncertainty Avoidance (.857) and Acceptable result from Indulgence vs Restraint (.789) which shows that the instrument at hand passed the reliability index test. The Reliability analysis of the questionnaire was done using Cronbach Alpha. George and Mallery (2003) provide the following rules of thumb:

Data Gathering Procedures - Before the formal data collection, a pilot testing phase was conducted. In this phase, the questionnaire was distributed to a sample of 20 individuals from the target population. The purpose of this pilot test was to ensure the clarity, relevance, and comprehensibility of the questionnaire items, and to test the validity and reliability of the instrument. Upon receiving positive feedback and meeting the validity and reliability requirements in the pilot test, the formal data collection process was initiated. The finalized questionnaire was then distributed to the larger sample using the methods described earlier: personal networks, direct company visits, and social networks. This three-pronged distribution strategy ensured a diverse and representative sample of the target population, enhancing the robustness and generalizability of the study's findings.

Data Analysis - The data collected from the questionnaire were analyzed using the Statistical Package for the Social Sciences (SPSS). This software is a powerful tool for managing and analyzing data, offering a wide range of statistical tests. Weighted mean and rank were used to determine the Leadership style in terms of transformational leadership, transactional leadership and laissez-faire leadership; assess the employee satisfaction as to salary and welfare, performance appraisal and organizational management and describe the organizational culture from the perspectives of power distance, uncertainty avoidance and indulgence vs restraint. The result of Shapiro-Wilk Test showed that p-values of all variables were less than 0.05 which means that the data set was not normally distributed. Therefore, Spearman rho was used as part of the non-parametric tests to determine the significant relationship. All analyses were performed using SPSS version 28.

Ethical Considerations - When conducting this research, it is of the utmost importance to adhere to ethical guidelines to ensure that the rights and dignity of the participants are protected and respected. Informed consent was obtained from all participants before being asked to fill out the questionnaire. They received a clear explanation of the purpose of the study, the nature of their participation, the types of data collected and how the data would be used. They were assured that their participation was voluntary and that they had the right to withdraw at any time without consequences. Strict confidentiality and anonymity were maintained throughout the study. No personal identifiers were used in the questionnaire, so responses could not be linked to individual participants. All data were stored securely and were made accessible only to the research team. Any potential risks or discomfort associated with participation were minimized, and the benefits of the study were clearly communicated. Researcher took care to ensure that the language and content of the questionnaire were respectful and not offensive. Research results were reported honestly and accurately without manipulation or distortion of data. All sources of information were appropriately acknowledged to prevent plagiarism and violation of intellectual property rights. This commitment to ethical research practices not only ensures the credibility and validity of the research but also maintains the integrity of the research process.

3. Result and discussion

Table 1

Summary Table on Leadership Style

Key Result Areas	Composite Mean	VI	Rank
Transformational Leadership	3.10	Agree	2
Transactional Leadership	3.03	Agree	3
Laissez-faire Leadership	3.15	Agree	1
Grand Composite Mean	3.09	Agree	

Legend: 3.50-4.00 = Strongly Agree; 2.50-3.49 = Agree; 1.50-2.49 = Disagree; 1.00-1.49 = Strongly Disagree

The table presents a summary of the leadership styles evaluated: Transformational Leadership, Transactional Leadership, and Laissez-faire Leadership. Laissez-faire Leadership achieved the highest composite mean score (3.15), falling within the "Agree" range. This suggests that the leader's style is most closely aligned with Laissez-faire leadership, where leaders take a hands-off approach and allow group members to make decisions. Transformational Leadership scored slightly lower with a composite mean of 3.10, still within the "Agree" range. This suggests that the leader also exhibits strong transformational leadership traits, where leaders inspire and motivate their followers to exceed expected performance and foster a supportive climate. Transactional Leadership had the lowest composite mean score (3.03), although still in the "Agree" range. This suggests that the leader also displays characteristics of transactional leadership, where leaders promote compliance by followers through both rewards and punishments, transactional leadership can be effective in environments that require routine and standardized tasks. The leader exhibits traits of Laissez-faire, Transformational, and Transactional leadership, with the strongest alignment towards Laissez-faire leadership. The laissez-faire leadership style is characterized by a hands-off approach and provides employees with a high degree of autonomy, allowing them to make independent decisions and manage their work independently. This can increase job satisfaction, especially for employees who

are self-motivated, experienced and thrive on autonomy. But too much of a laissez-faire leadership style can lead to other problems, and leaders must be aware of the potential shortcomings of each style and continue to adopt their approach to best support their teams and achieve organizational goals.

Table 2*Summary Table on Employee Job Satisfaction*

Key Result Areas	Composite Mean	VI	Rank
Salary and Welfare	3.17	Agree	1
Performance Appraisal	3.09	Agree	3
Organizational Management	3.10	Agree	2
Grand Composite Mean	3.12	Agree	

Legend: 3.50-4.00 = Strongly Agree; 2.50-3.49 = Agree; 1.50-2.49 = Disagree; 1.00-1.49 = Strongly Disagree

The table provides a summary of employee job satisfaction based on three key result areas: Salary and Welfare, Performance Appraisal, and Organizational Management. Job satisfaction is a significant factor in employee motivation, performance, and retention. Salary and Welfare achieved the highest composite mean score (3.17), falling within the "Agree" range. This suggests that employees are most satisfied with their salary and welfare, salary and benefits are key determinants of job satisfaction. Organizational Management scored slightly lower with a composite mean of 3.10, still within the "Agree" range. This suggests that employees are generally satisfied with the organizational management, which is a crucial factor in job satisfaction as it involves overseeing and guiding enterprises and businesses to meet their goals. Performance Appraisal had the lowest composite mean score (3.09), although still in the "Agree" range. This suggests that employees are slightly less satisfied with the performance appraisal system, which can significantly affect job satisfaction as it involves a systematic evaluation of employees' performance and potential.

The data show that employees generally have positive attitudes towards compensation and benefits, organizational management and performance appraisal. This is underlined by the overall composite mean score of 3.12, which falls within the "agree" range of the assessment scale. The score shows that employees, on average, believe the company is performing well in these key areas, boosting their overall job satisfaction. This level of satisfaction with wages and benefits indicates that employees feel they are fairly compensated for their work. They may feel that the company's compensation package (including salary and benefits) is competitive and commensurate with their roles and responsibilities. Satisfaction with organizational management indicates a positive view of company leadership. Employees are likely to appreciate management's effectiveness in guiding the organization, making strategic decisions, and creating a positive work environment. Satisfaction with the performance appraisal system indicates that employees value the way the company evaluates their performance. They may view the evaluation process as fair, transparent, and beneficial to their career development. But there is still room for improvement in this area, particularly in the area of performance evaluation, which scored the lowest of the three areas.

Table 3*Summary Table on Organizational Culture*

Key Result Areas	Composite Mean	VI	Rank
Power Distance	3.10	Agree	2
Uncertainty Avoidance	3.05	Agree	3
Indulgence vs Restraint	3.12	Agree	1
Grand Composite Mean	3.09	Agree	

Legend: 3.50-4.00 = Strongly Agree; 2.50-3.49 = Agree; 1.50-2.49 = Disagree; 1.00-1.49 = Strongly Disagree

The table 3 provides a summary of the organization's culture based on three key cultural dimensions: Power Distance, Uncertainty Avoidance, and Indulgence vs Restraint. These dimensions, proposed by Hofstede, are significant in understanding the values, behaviors, and attitudes within an organization's culture. Indulgence vs Restraint achieved the highest composite mean score (3.12), falling within the "Agree" range. This suggests that

the organization's culture leans more towards indulgence, where there is a greater emphasis on individual happiness, well-being, and freedom.

Power Distance scored slightly lower with a composite mean of 3.10, still within the "Agree" range. This suggests that the organization's culture exhibits a moderate level of power distance, where power is distributed relatively equally, and employees feel comfortable voicing their opinions and disagreeing with leaders. Uncertainty Avoidance had the lowest composite mean score (3.05), although still in the "Agree" range. This suggests that the organization's culture exhibits a moderate level of uncertainty avoidance, where there is some emphasis on rules, security, and stability, but there may be room for ambiguity and flexibility.

In conclusion, the data suggest that the organization embodies characteristics of Indulgence, moderate Power Distance, and moderate Uncertainty Avoidance, as indicated by the overall grand composite mean score of 3.09. This score falls within the "Agree" range, suggesting that the organization has successfully cultivated a balanced culture. This culture values individual happiness and freedom, indicative of high Indulgence, while also maintaining a certain degree of structure and stability, reflective of moderate Power Distance and Uncertainty Avoidance. However, to further enhance its cultural environment, the organization may need to focus on improving aspects related to Uncertainty Avoidance, which scored the lowest among the three dimensions. This could involve implementing clearer guidelines, enhancing communication, or providing additional training to help employees navigate ambiguity and uncertainty more confidently.

Table 4

Relationship Between Leadership Style and Job Satisfaction

Variables	rho	p-value	Interpretation
Transformational Leadership			
Salary and Welfare	0.261**	0.000	Highly Significant
Performance Appraisal	0.167**	0.000	Highly Significant
Organizational Management	0.260**	0.000	Highly Significant
Transactional Leadership			
Salary and Welfare	0.235**	0.000	Highly Significant
Performance Appraisal	0.217**	0.000	Highly Significant
Organizational Management	0.226**	0.000	Highly Significant
Laissez-faire Leadership			
Salary and Welfare	0.178**	0.000	Highly Significant
Performance Appraisal	0.212**	0.000	Highly Significant
Organizational Management	0.348**	0.000	Highly Significant

** . Correlation is significant at the 0.01 level

Table 4 presents the correlation between different leadership styles (Transformational, Transactional, and Laissez-faire) and variables of job satisfaction (Salary and Welfare, Performance Appraisal, and Organizational Management). Transformational leadership is characterized by leaders who inspire and motivate their employees to exceed their expected performance. The table shows that transformational leadership has a highly significant positive correlation with all three variables of job satisfaction. This suggests that when transformational leadership is practiced, employees tend to be more satisfied with their salary and welfare (rho=0.261, p=0.000), performance appraisal (rho=0.167, p=0.000), and organizational management (rho=0.260, p=0.000).

Transactional leadership, which is based on clear structures, rewards, and punishments, also shows a highly significant positive correlation with all three job satisfaction variables. This suggests that transactional leadership, when effectively practiced, can enhance job satisfaction in terms of salary and welfare (rho=0.235, p=0.000), performance appraisal (rho=0.217, p=0.000), and organizational management (rho=0.226, p=0.000). This could be due to the clear expectations and rewards associated with transactional leadership, which may contribute to employees feeling valued and fairly treated. Laissez-faire leadership, characterized by a hands-off approach where employees are given a lot of freedom, also has a highly significant positive correlation with all job satisfaction variables, with the strongest correlation seen in organizational management (rho=0.348, p=0.000). This suggests

that laissez-faire leadership can lead to high job satisfaction, particularly in terms of organizational management, possibly due to the high level of autonomy and trust given to employees.

In summary, all three leadership styles—transformational, transactional, and laissez-faire—had highly significant positive relationships with job satisfaction. This suggests that different leadership styles can be effective in increasing job satisfaction in different areas, depending on their specific characteristics and context of application. Notably, while all leadership styles are positively related to job satisfaction, laissez-faire leadership has the highest correlation with organizational management. This may be due to the nature of laissez-faire leadership, which gives employees more freedom and control over their tasks, which can lead to higher levels of satisfaction with the way the organization is managed. However, laissez-faire leadership also requires a high level of maturity and responsibility from employees because it gives them a lot of autonomy. Therefore, this style may not be effective in environments where employees require more direction and direction. In contrast, transformational and transactional leadership styles, which require more active involvement and guidance from the leader, may be better suited to this environment.

Table 5

Relationship Between Leadership Style and Organizational Culture

Variables	rho	p-value	Interpretation
Transformational Leadership			
Power Distance	0.336**	0.000	Highly Significant
Uncertainty Avoidance	0.256**	0.000	Highly Significant
Indulgence vs Restraint	0.241**	0.000	Highly Significant
Transactional Leadership			
Power Distance	0.386**	0.000	Highly Significant
Uncertainty Avoidance	0.236**	0.000	Highly Significant
Indulgence vs Restraint	0.174**	0.000	Highly Significant
Laissez-faire Leadership			
Power Distance	0.283**	0.000	Highly Significant
Uncertainty Avoidance	0.235**	0.000	Highly Significant
Indulgence vs Restraint	0.162**	0.000	Highly Significant

** . Correlation is significant at the 0.01 level

The table 5 presents the correlation between different leadership styles (Transformational, Transactional, and Laissez-faire) and key aspects of organizational culture (Power Distance, Uncertainty Avoidance, and Indulgence vs Restraint). Transformational leadership, characterized by leaders who inspire and motivate their employees to exceed their expected performance, shows a highly significant positive correlation with all three aspects of organizational culture. This suggests that transformational leadership is compatible with a variety of cultural settings, whether it's a culture that accepts power distance ($\rho=0.336$, $p=0.000$), one that avoids uncertainty ($\rho=0.256$, $p=0.000$), or one that leans towards indulgence ($\rho=0.241$, $p=0.000$).

Transactional leadership, based on clear structures, rewards, and punishments, also shows a highly significant positive correlation with all three cultural aspects. This suggests that transactional leadership can work effectively in cultures that accept power distance ($\rho=0.386$, $p=0.000$), avoid uncertainty ($\rho=0.236$, $p=0.000$), or lean towards indulgence ($\rho=0.174$, $p=0.000$). This could be due to the clear expectations and rewards associated with transactional leadership, which may provide a sense of stability and security, particularly in cultures that accept power distance or avoid uncertainty. Laissez-faire leadership, characterized by a hands-off approach where employees are given a lot of freedom, also has a highly significant positive correlation with all cultural aspects. This suggests that laissez-faire leadership can work effectively in a variety of cultural settings. However, it's worth noting that the correlation coefficients are slightly lower compared to the other leadership styles, particularly in cultures leaning towards indulgence ($\rho=0.162$, $p=0.000$). This could be because laissez-faire leadership may not provide the level of guidance and support needed in highly indulgent cultures where freedom and personal control are valued. The correlation between transactional leadership and power distance is the highest ($\rho=0.386$, $p=0.000$). Transactional leadership, which emphasizes clear hierarchies and structured reward systems, may

naturally align with a culture that embraces power distance. In this culture, leaders hold significant authority, while employees expect power to be distributed unequally. Therefore, a transactional leadership style that focuses on directive task-oriented behaviors may be particularly effective.

On the other hand, transformational leadership, which focuses on motivating and motivating employees, has a slightly lower correlation with power distance, but is still highly significant ($\rho=0.336$, $p=0.000$). This may be because transformational leaders can effectively bridge the power distance through their charismatic and inspirational nature, making employees feel more connected and less aware of the power gap. When it comes to uncertainty avoidance, all three leadership styles show a positive correlation, albeit slightly less than power distance. This suggests that different leadership styles can operate effectively in cultures that tend to avoid uncertainty. However, the specific strategies they use may vary. For example, a transactional leader may use clear rules and rewards to provide stability and predictability, while a transformational leader may inspire confidence and resilience to help employees cope with uncertainty.

Regarding indulgence and restraint, all three leadership styles also showed a positive correlation, with transformational leadership having the highest correlation ($\rho=0.241$, $p=0.000$). This may be because transformational leaders who emphasize motivation and inspiration can effectively create a positive, relaxed work environment that promotes employee happiness and well-being. In conclusion, all three leadership styles - transformational, transactional, and laissez-faire - have a highly significant positive relationship with different aspects of organizational culture. This suggests that effective leadership is not about adhering to a single style, but rather about adapting to the cultural context of the organization. Leaders should be aware of their organization's cultural characteristics and align their leadership style accordingly to promote a positive and productive work environment.

Table 6

Relationship Between Job Satisfaction and Organizational Culture

Variables	Rho	p-value	Interpretation
Salary and Welfare			
Power Distance	0.346**	0.000	Highly Significant
Uncertainty Avoidance	0.340**	0.000	Highly Significant
Indulgence vs Restraint	0.354**	0.000	Highly Significant
Performance Appraisal			
Power Distance	0.226**	0.000	Highly Significant
Uncertainty Avoidance	0.275**	0.000	Highly Significant
Indulgence vs Restraint	0.217**	0.000	Highly Significant
Organizational Management			
Power Distance	0.229**	0.000	Highly Significant
Uncertainty Avoidance	0.279**	0.000	Highly Significant
Indulgence vs Restraint	0.237**	0.000	Highly Significant

** . Correlation is significant at the 0.01 level

The table presents the correlation between different aspects of job satisfaction (Salary and Welfare, Performance Appraisal, and Organizational Management) and key aspects of organizational culture (Power Distance, Uncertainty Avoidance, and Indulgence vs Restraint). Starting with Salary and Welfare, the table shows a highly significant positive correlation with all three aspects of organizational culture. This suggests that employees' satisfaction with their salary and welfare is influenced by the culture of the organization, whether it's a culture that accepts power distance ($\rho=0.346$, $p=0.000$), avoids uncertainty ($\rho=0.340$, $p=0.000$), or leans towards indulgence ($\rho=0.354$, $p=0.000$). This aligns with research by Pawirosumarto et al. (2017), who found that organizational culture significantly impacts employees' perceptions of their compensation and benefits. Performance Appraisal also shows a highly significant positive correlation with all three cultural aspects. This suggests that the way performance appraisals are perceived and their impact on job satisfaction are influenced by the organization's culture. Cultures that accept power distance ($\rho=0.226$, $p=0.000$), avoid uncertainty ($\rho=0.275$, $p=0.000$), or lean towards indulgence ($\rho=0.217$, $p=0.000$) may have different approaches to performance

appraisal, affecting employees' satisfaction with the process. Similarly, Organizational Management shows a highly significant positive correlation with all three cultural aspects. This suggests that employees' satisfaction with how the organization is managed is influenced by the organization's culture. Cultures that accept power distance ($\rho=0.229$, $p=0.000$), avoid uncertainty ($\rho=0.279$, $p=0.000$), or lean towards indulgence ($\rho=0.237$, $p=0.000$) may have different management styles and practices, which can impact employees' satisfaction with organizational management.

Across all three areas (pay and benefits, performance appraisals, and organizational management), the highest correlations with job satisfaction were with the cultural dimension of indulgence versus restraint. This may be because cultures that favor indulgence often prioritize aspects such as personal happiness, free speech, and quality of life, which can directly contribute to increased job satisfaction. In terms of pay and benefits, an indulgent culture is likely to place a high value on fair pay and benefits, leading to higher levels of satisfaction in this area. Likewise, when it comes to performance appraisals, a permissive culture may prioritize open feedback and recognition, thereby contributing to a positive appraisal experience. In terms of organizational management, a permissive culture may create a more relaxed and open work environment, making employees more satisfied with how the organization is managed. Notably, uncertainty avoidance was also significantly related to job satisfaction. This may be because uncertainty-avoidant cultures typically have clear rules and structures that provide employees with security and predictability, thereby helping to increase job satisfaction. Power distance was least correlated with job satisfaction, although it was still significant. This may be because power distance has both positive and negative effects on job satisfaction, depending on how it is managed. For example, while high power distance can provide clear hierarchies and roles, it can also lead to feelings of inequality and dissatisfaction if not managed well.

In summary, while all three cultural dimensions are significantly related to job satisfaction, indulgence appears to have the strongest relationship with restraint. This emphasizes the importance of cultivating a positive, tolerant organizational culture to increase job satisfaction. However, organizations should also consider other cultural dimensions, such as avoiding uncertainty and power distance, and work to create a balanced culture that meets the diverse needs and preferences of employees. Based on the above analysis, this study proposes an improved framework for the impact of leadership style, employee job satisfaction and organizational culture on employee innovative behavior. Effective leadership styles, including transformational, transactional, and laissez-faire, can positively shape job satisfaction and organizational culture. In turn, a nurturing and inclusive organizational culture can increase job satisfaction. Satisfied and engaged employees are more likely to exhibit innovative behaviors and thus contribute significantly to the success and growth of the organization.

The framework, as seen as figure 1 can serve as a roadmap for organizations aiming to foster innovation. By focusing on leadership development, fostering a positive organizational culture, and working to increase job satisfaction, they can create an environment where innovative behaviors can flourish, ultimately driving organizational growth and success. The framework highlights the importance of leaders adopting styles that encourage creativity and risk-taking, cultivating a supportive and collaborative organizational culture and promoting employee well-being and job satisfaction.

Employee innovative behavior, the generation and implementation of new ideas, is crucial for organizational success. The complex interplay between leadership style, organizational culture, and employee job satisfaction, ultimately influencing this behavior. The leadership style as to transformational, transactional and laissez-faire fosters positive and supportive environment that encourages risk-taking and experimentation, leading to increased innovative behavior (Avolio et al., 2019). Laissez-faire leadership: characterized by minimal intervention, can hinder innovation if it leads to a lack of direction and support. However, it can also empower creative individuals and encourage autonomy, potentially fostering innovation in specific contexts.



Figure 1. Employee Innovation Behavior Framework

Supportive culture characterized by trust, open communication, and collaboration, encourages risk-taking, knowledge sharing, and experimentation, leading to increased innovation (Scott et. al., 2019). It is interesting to note that high job satisfaction associated with increased motivation, engagement, and commitment, leading employees to invest more effort and creativity in their work, potentially fostering innovative behavior (Ng et. al., 2020) while low job satisfaction can lead to disengagement, decreased motivation, and withdrawal, hindering innovative behavior. Transformational leadership can foster a supportive culture that enhances job satisfaction and ultimately leads to increased innovative behavior. Organizational culture can mediate the relationship between leadership style and employee innovative behavior. For example, a supportive culture can amplify the positive effects of transformational leadership on innovation. Employee job satisfaction can act as a motivational force that translates leadership and cultural influences into concrete innovative behavior (Li, 2023; Zhu, 2023; Kong, 2023).

4. Conclusions and recommendations

All three leadership styles as to transformational leadership, transactional and laissez-faire are effective in the financial industry and that they are all effective in helping organizations achieve their goals and objectives. The respondents have moderate agreement on their job satisfaction in terms of salary and welfare, performance appraisal and organizational management which implies that there is a positive development for both employees and the organization. Organizations have a strong and well-defined culture because power distance, uncertainty avoidance and indulgence vs restraint are considered to be the core dimensions of organizational culture. This implied that the organizations have clear and shared understanding of its values and norms. A high significant relationship among leadership style, job satisfaction, and organizational culture means that these three variables are strongly correlated and are all important for creating a positive work environment and achieving organizational success. An Employee Innovation behavior framework is proposed for financial industries.

The HR managers may focus on developing transformational leaders who will be able to inspire and motivate employees to achieve high performance to create a positive organizational culture. The HR managers may create a culture that supports employee engagement and satisfaction. This can be done by providing employees with opportunities for growth and development, creating a supportive work environment, and recognizing and rewarding employees for their contributions. Managers may align leadership style, job design, and organizational culture to achieve strategic goals in the financial industries. The employee innovation behavior framework may be recommended for HR of different financial companies in China and evaluation of its effectiveness maybe done

thereafter. Future researchers may explore the relationship between leadership style, job satisfaction, and organizational culture in different industries and contexts.

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