ETHICAL BEHAVIOR OF LEADERS AS A FACTOR IN EMPLOYEE SATISFACTION IN THE PRIVATE SECTOR IN NORTH MACEDONIA

Almira CURRI-MEMETI[1], Selvije THAÇI[2]

1*Department of Marketing and Management, Faculty of Economic, UT
2*Department of Marketing and Management, Faculty of Economic, UT
*Corresponding Author: e-mail: almira.curri@unite.edu.mk

Abstract

Ethical behavior of leaders is key to motivating employees and increasing their level of satisfaction. This paper examined the effect of ethical behavior of five types of leaders on the job satisfaction of employees in North Macedonia: autocratic, democratic, transactional, transformational and charismatic. An adapted questionnaire was administered to employees, consisting of 39 questions. The sample size of the research was 485, and the response rate was 79.7%. The survey was conducted from 18.03.2026 to 30.06.2026. The results showed that employees are satisfied with their work and that the dominant style with ethical behavior and a significant positive association with job satisfaction is the charismatic leadership style, while autocratic leaders show unethical behavior and have a significant negative association with job satisfaction.

Keywords: leadership style, ethics, job satisfaction
JEL Classification: M12, M14, J28

1. Introduction

Job satisfaction is one of the most important organizational concepts, which has been widely studied in the management literature, due to its importance for organizational goals, which would never be achievable without the efforts of employees. Employee commitment, performance and productivity increase if they are treated with a good leadership style (Serrano and Reichard 2011), which, in turn, is considered a significant determinant of increasing job satisfaction (Rad and Yarmohammadian 2006). According to Mintzberg (2010), true leaders engage others with their consideration and humility, because they involve themselves in what they are actually doing, and not for individual benefits. People in leadership positions create, but also destroy organizations, as well as their brand and reputation. Bad leadership can result in the loss of very important resources – time, finances, good workers and talents. For this reason, how leadership is perceived is very important, as it represents a critical strategic element for achieving an organization's goals.

2. Theoretical Basis and Research Hypothesis

2.1. Leadership Styles

Leadership styles refer to the characteristic behaviors of a leader, can be defined as a person's way of managing, directing, and motivating followers (Cherry 2017) and represent the direction in which followers are led. At different times, researchers have identified different leadership styles: autocratic, democratic, laissez-faire, transactional, transformational, charismatic, paternalistic, coaching style, cross-cultural/diverse, strategic. This research focuses on: autocratic, democratic, transactional, transformational, and charismatic leadership styles.

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2.1.1. Autocratic Leadership Style

The autocratic leader is initially focused on work, as his main goal is to get things done and get them done on time (Emere, Aigbavboa, and Thwala 2018). He sets agendas, assigns tasks without consulting employees, gives direct orders and instructions, and employees have no influence on decisions and are expected to accept them without objection. He does not consult with them and makes choices based on personal ideas, attitudes and assessments and rarely accepts advice from subordinates. This leader believes that employees do not have the capacity to work without guidance. He clearly lets them know what is expected of them, what needs to be done, when it needs to be done and how it needs to be done (Liphadzi, Aigbovboa, and Thwala 2015). The autocratic leader prefers weak, less knowledgeable, but very obedient workers. Autocratic leaders are considered controlling and dictatorial bosses, with dominance, which often irritates employees and can make them feel undervalued and dissatisfied (Schaeffer 2002). This can cause passive resistance on their part and have a counter-effect on the work, as the leader will have to exert continuous pressure and constantly give directions to get things done (Murugesan 2012), which can further aggravate the situation. Therefore, in principle, this leadership style is often criticized (Emere, Aigbavboa, and Thwala 2018).

2.1.2. Democratic Leadership Style

The complete opposite of autocratic, is democratic leadership, which is also known as participative leadership, because it allows members of its team to participate in decision-making, provide ideas and share opinions. Although it delegates a large part of the work, it also allows employees to share opinions and suggestions. This leadership includes consultation, joint decision-making, power sharing, decentralization, empowerment and democratic management (Yukl 2013). This is considered to be the most effective leadership style, as it instills initiative in subordinates, a creative attitude towards work, a sense of responsibility and ownership. The leader does not command, but inspires and does not teach, but advises. It enables personal growth and development of the abilities and knowledge of his team (Hackman and Johnson 2009). Employees do not feel subordinate, but responsible for the work. However, despite this, Limsila and Ogunlana (2008) believe that this leader does not always contribute to greater job satisfaction.

2.1.3. Transactional Leadership Style

The transactional leader and followers make compromises to achieve certain goals, and both parties benefit, to mutual satisfaction (Sorenson and Goethals 2012). It is a leadership style that promotes compliance of followers through rewards and punishments (Ismail and Fathi 2018) and mainly focuses on the physical and security needs of subordinates. Transactional leaders deal with the lowest levels of the hierarchy, and their leadership style is effective in satisfying basic needs. The relationship that evolves in this way between the leader and the employee is based on exchange or reward agreements (Limsila and Ogunlana 2008). Transactional includes offers from the leader in the form of rewards – monetary or promotions, time off for good performance or exceeding goals, additional vacation days, praise. However, the leader can punish the employee if his work is not up to standard or if he has not done what was supposed to be done, that is, what was previously agreed upon. The transactional style basically emphasizes control through compliance with rules, rewards and punishments and maintaining stability in the organization, rather than promoting change (Northouse 2019).

2.1.4. Transformational Leadership Style

The transformational leader is completely oriented towards the employees, which results in emotional connections and values (Ozaralli 2002). He is a charismatic, caring, attentive, inspiring and intellectually impressive person. He is confident, flexible, competent, articulate and expresses strong ideals. He listens carefully to employees and is tolerant of opposing views. According to Bass (1990), the transformational leader is dynamic and his leadership transforms the organization. Followers feel trust, respect and loyalty towards the leader, they are motivated to work harder to please him. It raises the awareness of individuals to overcome their own self-interests for the sake of others (Northouse 2019), maintaining higher levels of morale, motivation and satisfaction. The leader shows consideration and builds a caring relationship with each individual, paying attention to the needs of each of them. To encourage them to achieve goals, he acts as a mentor, developing a supportive climate for higher levels of potential and personal growth of each employee. He recognizes individual differences in terms of the needs and desires of employees (Limsila and Ogunlana 2008). Researchers argue that good and effective leaders more often adopt transformational characteristics (Bass and Riggio 2006).

2.1.5. Charismatic Leadership Style

The charismatic leader successfully copes with cognitive and emotional challenges to produce positive results in the workplace (Banks et al. 2017). He presents ideas, thoughts, and concepts in an inspiring and motivating manner (Conger, Kanungo, and Menon 2000). To be effective, this leader often includes emotional appeals in his rhetoric (Yukl 2013), using signal values, dramatic, symbolic, and metaphorical language, which gives credibility to the communication with employees. The narrative is rich in strong positive emotions, such as enthusiasm and optimism for a new initiative, and this is an additional way to positively influence employees (Yukl 2013). He seems so extraordinary, because of his strategic insight, strong convictions, self-confidence, unconventional behavior, and dynamic energy, that employees idolize him and want to become like him. According to Riggio (2012), many world leaders, such as Martin Luther King or Mahatma Gandhi, were this type of leader. Charismatic leaders not only inspire and motivate people, but also connect with the masses on a deep emotional and long-term level.

2.2. Ethical Behavior of Leaders

The leader has an important role in building and maintaining an ethical culture in the organization and therefore, according to Grojean et al. (2004), should be a model in the organization, who must demonstrate the highest moral behavior to provide a moral framework in the organization. Ethical leadership is "demonstrating normatively appropriate behavior through personal actions and interpersonal relationships and promoting such behavior among followers through two-way communication, reinforcement, and decision-making" (Brown, Treviño, and Harrison 2005, p. 120). Ethical leaders make decisions, taking into account the interests of all stakeholders, including employees (Kanungo and Mendonca 2001). A person is considered to behave ethically when he or she does not only think about himself or herself, and does not perceive only what is good for him or her, but also takes into account the opinions, needs, and demands of others, thus balancing what is good for himself or herself and for other stakeholders, and taking into account the interests of each stakeholder. An ethical leader does good for others, and expects others to do good for him or her. He or she is guided by the rule that "I" does not refer only to himself or herself, but to the collective (Rossouw 2023). Ethical leadership involves behavior based on trustworthiness, charm, integrity, fairness, and compassion for colleagues – characteristics that distinguish them from conventional leadership.

Ethical leaders respect moral and ethical principles, demonstrate honesty, transparency, and consistency between their words and actions, are empathetic and compassionate, courageously adhere to their values and principles, are responsible, humble, and open to feedback, acknowledging their limitations and learning from their mistakes (Brown, Treviño, and Harrison 2005).

2.3. Job Satisfaction

Job satisfaction is a complex and multifaceted concept that can mean different things to different people. It represents an internal state, feelings and attitudes of people towards their work (Armstrong 2006), which can be linked to personal achievement, either quantitative or qualitative (Mullins 2005). Wicker (2011) considers job satisfaction to be a feeling of pride and inner fulfillment achieved when doing a certain job. It is a positive psychological state that occurs when individuals positively evaluate their work (Poon 2003).
Job satisfaction is influenced by many factors: working conditions, supervision, policy and administration, advancement, compensation, interpersonal relationships, recognition, empowerment (Castillo and Cano 2004), job design, benefits, perceived long-term opportunities, and leader care (Rue and Byars 2003). A positive attitude leads to satisfaction, efficiency and achievement of organizational goals, increasing turnover and sales, and reducing absenteeism, tardiness, workplace accidents, strikes, complaints, sabotage, fraud, theft (Rue and Byars 2003). Leaders with fair treatment play a key role in improving the job satisfaction of their employees (Ghaffari et al. 2017). Employees are more satisfied when the leader is considerate and treats them well, while toxic leadership can be disastrous. Hence, leadership style is one of the more important determinants of job satisfaction (Asencio and Mujkic 2016).

2.4. Leadership Styles and Ethical Behavior

Leaders are often evaluated primarily on the basis of their knowledge and expertise, technique, power, strategic choices, and very rarely including their moral behavior (Petrick and Scherer 2003). Many researchers emphasize that leadership is not only about work ability, but also about ethical behavior, and that leadership excellence cannot be assessed solely on the basis of characteristics related exclusively to work, but must be assessed on the basis of morality, character, values, integrity, care and responsibility for employees. Leadership that includes ethical behavior of the leader is considered high-quality leadership and is key to the long-term success of the organization. It prioritizes moral values and principles in behavior and decision-making. Ethical leaders demonstrate integrity, fairness, transparency and accountability, while guiding subordinates towards achieving common goals. They are models of correct behavior, decision-making and action, concerned about their obligations to others, possess empathy and compassion, understand others and take their well-being into account when making decisions (Brown, Treviño, and Harrison 2005). They are aimed at achieving a strong connection between the vision of the organization and ethics and include a notion of the good life of employees (Lawton and Paez 2014). They are modest and open to feedback, recognizing their limitations and learning from their mistakes. They consider themselves responsible for respecting ethical standards and dealing with ethical lapses, and not just demanding it from others. They advocate for their values and principles, even under pressure and when there are problems. Because of these characteristics, ethical leaders enjoy the trust of their followers (Brown, Treviño, and Harrison 2005), and are considered to be the “ideal representation of the group identity”, which can have a positive impact on all employees (Kalshoven and Den Hartog 2009). Ethical leaders influence different levels of the organization, not only through their influence on subordinates, but also through their indirect influence on other employees,

especially through “embedding shared understandings that are visible elements of the ethical culture of the work unit” (Schaubroeck et al. 2012).

2.5. Ethical Behavior of Leaders and Job Satisfaction

Ethical behavior of leaders brings numerous benefits to both employees and the organization. It increases employees’ job satisfaction, their motivation for work, and their work engagement. It initiates greater equality in the workplace, leads to less stress among employees, less burnout and anxiety, employees feel more secure, and are more likely to be satisfied with their jobs. When leaders show gratitude, attention, and respect, employees’ engagement and loyalty are more likely to increase, and thus their satisfaction (Caldwell and Dixon 2010). Zhu, May, and Avolio (2004) argue that ethical behavior of leaders increases the trust of employees, and they are confident that their leader will reward their actions fairly, which is why they tend to repeat their efforts and approach their work with greater energy and dedication. Ethical leaders create a special relationship with employees, which goes beyond simple economic exchanges, which inevitably increases job satisfaction. As employees are more satisfied with their jobs, they become increasingly motivated and committed to their leaders and to the work. Multiple studies confirm that ethical leadership is associated with human resource development, workforce retention, trust in the organization, service quality, task performance, employee engagement, employee creativity, proactive behavior, and employee well-being, and generally causes an increase in job satisfaction (Rantika and Yustina 2017; Velez and Neves 2018; Asif et al. 2019; Brimhall and Palinkas 2020; Qasim et al. 2022; Shehzad, Khan, and Khan 2022), hence we set the research hypothesis H1 that: Ethical behavior of leaders is positively related to employee job satisfaction.

3. Method

3.1. Sample

The research sample consists of 485 respondents, of which 275 are women (56.7%) and 210 are men (43.3%). The majority of respondents are aged 20–30 (32%), with almost the same representation in the groups 31–40 (23.7%) and 41–50 (22.7%). Slightly fewer respondents are aged 51–60 (19.6%), and only 2.1% are older than 60. According to their job position, the most respondents are employed in the Marketing sector (16.5%), and the least in the legal service (1%). 265 respondents (54.6%) have higher education, 110 (22.7%) have master’s degrees, and 5 respondents (1%) have doctorates. 105 respondents (21.6%) have secondary education. According to work experience, we have a different representation of all analyzed groups. Thus, most respondents have been working for 6–10 years (24.7%), and the same number for 16–20 years, followed by those with the shortest work experience of up to 5 years (21.6%). This is followed by the groups with 11–15 years of experience (13.4%) and over 25 years (12.4%), and the fewest respondents are working for 21–25 years (3.1%). The sample is heterogeneous in all analyzed characteristics, with a dominant participation of young respondents, and a working population, with a wide representation from different sectors, with a high average level of education and diversity in the level of education, with an average relatively high level of work experience and different duration, which makes the sample satisfactorily representative.

3.2. Data Collection and Measuring Instruments

Primary data were provided through a questionnaire. The questionnaire was preceded by an address to the respondent and a request for participation in the research. Participation was voluntary and anonymous. Respondents are generally reluctant to answer questionnaires in which their identity is exposed. Therefore, in order to collect as many completely and accurately answered questionnaires as possible, which as such will make the research valid and relevant, and at the same time to ensure anonymity, the questionnaire was constructed in Google Forms and sent as a link to 622 employees in Macedonian private companies, randomly selected. The response rate was 79.7% (496 questionnaires out of 622 sent), and the questionnaires that had all the answers (97.7%) were taken into account. The research lasted from 18.03.2026 to 30.06.2026.
The questionnaire contains 39 questions and is structured in four parts: socio-demographic characteristics; measurement of the use of leadership styles; measurement of job satisfaction and measurement of ethical behavior of leaders. The questionnaire is available at: https://docs.google.com/forms/d/e/1FAIpQLSfK7ku1Q8WJNzOBCKie9HCjLGYy5DXpw3_SMLELBOO0fZIU3A/viewform

3.3. Research Measures

The autocratic style was measured with 4 selected questions from the recommended questionnaire of Northouse (2019) and Cronbach's Alpha for this scale is 0.766.
The democratic style was measured with 4 selected questions developed by Kalshoven, Den Hartog and De Hoogh (2011) and Cronbach's Alpha for this scale is 0.763.
The transactional and transformational styles were measured with 4 questions each according to the Multifactor Leadership Questionnaire (MLQ) developed by Avolio, Bass and Jung (1997) (cited by Loganathan, 2013), with a total of 8 questions and Cronbach's Alpha for this scale is 0.679.
The charismatic style was measured with 4 selected questions according to the recommendations of De Hoogh, Den Hartog and Koopman (2004) and Cronbach's Alpha for this scale is 0.901.
A portion of the Minnesota Satisfaction Questionnaire (MSQ), developed by Weiss, Dawis, England, and Lofquist (1967) (Loganathan, 2013), was used to measure employee job satisfaction (7 questions). The Cronbach's Alpha for this scale is 0.845.
Ethics in leadership was measured using the 7-question Ethical Leadership Scale developed by the Institute for Ethical Leadership (n.d.). The Cronbach's Alpha for this scale is 0.911.
Responses are based on a 5-point Likert scale, ranging from strongly disagree (1) to strongly agree (5). The score for each leadership style is obtained by summing the responses, with the minimum possible score being 4 and the maximum 20, and a higher score indicating more leadership characteristics, while the score for ethical behavior of leaders and job satisfaction is obtained by summing the values of the responses, with the minimum possible score being 7 and the maximum 35. A higher score indicates more pronounced ethical behavior of the leader and greater job satisfaction of the employee.

3.4. Statistical Processing of Data

The processing of the responses was carried out with the statistical package IBM SPSS, version 26. To examine the differences between the respondents, in terms of job satisfaction and perceptions of the ethics of their leaders, Independent Samples T-Test (for differences by gender) and ANOVA (for differences by age, job position, level of education and work

experience) were used. To examine the correlations between leadership styles, ethical behavior and job satisfaction, Pearson correlation coefficient was used (since the values of skewness and kurtosis were within ±1 for all variables, indicating no serious departure from normality), and for the impact of ethical leadership on job satisfaction Multiple Linear Regression was used. All tests were conducted at a confidence interval of 95% and values of $p<0.05$ were considered statistically significant.

4. Results

Leaders in the private sector in North Macedonia most often have characteristics of charismatic leaders (M=14.75). Then, leaders use transformational leadership (M=13.97), and transactional and democratic characteristics are almost identical (M=13.45 and M=13.46, respectively). Autocratic characteristics are the least common (M=12.02). The perceptions of the respondents vary moderately ($2.889<SD<4.061$), with the smallest variations in the assessment of the transactional characteristics of the leaders, and the most pronounced variations in the assessment of their charisma. Job satisfaction is relatively high (M=25.29), with also large variations (SD=5.874). Leaders show a high level of ethical behavior (M=24.97), but the perceptions of the respondents vary most strongly in the assessment of the ethics of their leaders (SD=6.870). Respondents more often chose higher scores when assessing the democratic, charismatic style and ethical leadership, while for the transformational style there is a slight tendency towards lower scores, but still the values of Skewness and Kurtosis are within acceptable limits of ±1, which means that the distributions of the responses do not deviate drastically from the normal for any of the variables examined (Table 1).

Table 1. Descriptive statistics

Variable	Rank of usage	Mean	Std. deviation	Skewness	Kurtosis
Autocratic style	5	12.02	3.913	-0.019	-0.697
Democratic style	3	13.46	3.710	-0.613	-0.467
Transactional style	4	13.45	2.889	-0.288	0.196
Transformational style	2	13.97	3.020	0.251	-0.644
Charismatic style	1	14.75	4.061	-0.724	-0.098
Job satisfaction	/	25.29	5.874	-0.361	-0.504
Ethical leadership	/	24.97	6.870	-0.650	-0.222

Next, differences in the perceptions of the respondents regarding leadership characteristics, job satisfaction and ethical behavior of leaders were examined. The results from Table 2 show that women and men have significantly different perceptions of leaders as transactional ($p=0.004$; $t=2.884$) and transformational ($p=0.004$; $t=2.858$). In terms of job position and work experience, significant differences are detected in relation to all examined variables (all $p<0.05$), and the most pronounced differences are in how employees perceive their leaders as autocrats ($F=17.945$; $F=15.433$), the smallest in relation to the democratic characteristics of their leaders ($F=5.655$; $F=3.028$). According to age and education, the respondents showed significantly different attitudes for all variables, except for the transactional style (age: $p=0.207$; education: $p=0.096$), while from the aspect of their education, a similar level of job satisfaction is additionally revealed ($p=0.288$). The differences are most pronounced in the assessment of their leader as autocratic ($F=17.598$; $F=5.579$), while, according to different generations, the least significant differences are observed in the perception of leaders as democratic ($F=3.153$), and depending on the level of completed education – in the view that

leaders behave ethically (F=4.288). Leaders most often use charismatic leadership, and least often autocratic (Table 1).

Table 2. Differences in perceptions

Variable	Gender	Age	Job position	Education	Work experience
Autocratic style	p=0.300, t=1.038	p<0.001, F=17.598	p<0.001, F=17.945	p<0.001, F=5.579	p<0.001, F=15.433
Democratic style	p=0.056, t=1.918	p=0.009, F=3.153	p<0.001, F=5.655	p=0.002, F=4.455	p=0.011, F=3.028
Transactional style	p=0.004, t=2.884	p=0.207, F=1.480	p<0.001, F=11.817	p=0.096, F=1.981	p=0.001, F=4.156
Transformational style	p=0.004, t=2.858	p<0.001, F=9.816	p<0.001, F=6.430	p<0.001, F=5.404	p<0.001, F=8.049
Charismatic style	p=0.769, t=0.294	p<0.001, F=7.117	p<0.001, F=9.264	p<0.001, F=5.313	p<0.001, F=5.250
Job satisfaction	p=0.489, t=-0.692	p<0.001, F=8.114	p<0.001, F=9.019	p=0.288, F=1.253	p<0.001, F=8.291
Ethical leadership	p=0.910, t=0.113	p<0.001, F=11.737	p<0.001, F=11.094	p=0.002, F=4.288	p<0.001, F=10.274

Table 3 shows the correlations and influences according to the conducted regression analyses of various demographic factors and leadership styles on job satisfaction.
Gender (p=0.910; p=0.489), job position (p=0.321; p=0.311), and level of education (p=0.137; p=0.513) did not significantly correlate with ratings of leaders as ethical, nor with job satisfaction. Younger workers (p<0.001; r=-0.278) and those with shorter work experience (p<0.001; r=-0.271) recognized more ethical traits in their leaders. Additionally, more ethical characteristics are attributed to democratic leaders (p<0.001; r=0.631), transactional (p<0.001; r=0.681), transformational (p<0.001; r=0.459) and charismatic (p<0.001; r=0.768), while the more autocratic leaders behave, the less ethically they behave towards employees (p<0.001; r=-0.528). Charismatic leaders are identified as leaders with the most ethical behavior.
Job satisfaction is higher among younger workers (p<0.001; r=-0.203), among those who have worked for a shorter period of time (p<0.001; r=-0.218). It additionally increases when leaders have more democratic (p<0.001; r=0.548), transactional (p<0.001; r=0.622), transformational (p<0.001; r=0.320) and charismatic characteristics (p<0.001; r=0.698) and when leaders minimize their autocratic behavior (p<0.001; r=-0.485). The greatest job satisfaction is associated with charismatic leaders, and in general, satisfaction increases strongly as leaders adopt ethical leadership traits (p<0.001; r=0.755) (Table 3).

Table 3. Correlation analysis and multiple linear regression analysis

Variable	Correlation with ethical leadership	Correlation with job satisfaction	Standardized coefficient (Beta)	t	p
Gender	r=-0.005, p=0.910	r=0.031, p=0.489	0.053	1.805	0.072
Age (years)	r=-0.278**, p<0.001	r=-0.203**, p<0.001	0.096	1.645	0.101
Job position by sector	r=0.045, p=0.321	r=0.046, p=0.311	-0.056	-1.981	0.048
Education level	r=0.068, p=0.137	r=0.030, p=0.513	0.027	0.924	0.356

Variable	Correlation with ethical leadership	Correlation with job satisfaction	Standardized coefficient (Beta)	t	p
Work experience (years)	r=-0.271**, p<0.001	r=-0.218**, p<0.001	-0.127	-2.181	0.030
Autocratic style	r=-0.528**, p<0.001	r=-0.485**, p<0.001	-0.061	-1.759	0.079
Democratic style	r=0.631**, p<0.001	r=0.548**, p<0.001	0.099	2.696	0.007
Transactional style	r=0.681**, p<0.001	r=0.622**, p<0.001	0.216	5.220	<0.001
Transformational style	r=0.459**, p<0.001	r=0.320**, p<0.001	-0.179	-5.191	<0.001
Charismatic style	r=0.768**, p<0.001	r=0.698**, p<0.001	0.336	7.184	<0.001
Ethical leadership	r=1	r=0.755**, p<0.001	0.331	6.217	<0.001

Note. Dependent variable in the regression: job satisfaction. ** Correlation is significant at the 0.01 level (2-tailed).

Regression analysis shows that although a specific job position cannot be specifically linked to greater job satisfaction among employees, it is still a factor influencing satisfaction and certain job positions entail significant dissatisfaction ($p=0.048$; $\beta=-0.056$). Work experience is also a significant predictor, so employees who have been working for a long time can be expected to have lower job satisfaction ($p=0.030$; $\beta=-0.127$). The democratic ($p=0.007$; $\beta=0.099$), transactional ($p<0.001$; $\beta=0.216$) and charismatic styles ($p<0.001$; $\beta=0.336$) and the ethical behavior of leaders ($p<0.001$; $\beta=0.331$) have a significant positive impact on job satisfaction of employees in the private sector in North Macedonia. The autocratic style is not a significant predictor ($p=0.079$), while the transformational style has a significant negative coefficient ($p<0.001$; $\beta=-0.179$), despite its positive correlation with job satisfaction. The strongest predictors are the charismatic style and ethical leadership, and these results are statistically significant at the 99% confidence level ($p<0.001$).
The regression model is statistically significant ($p<0.001$; $F=81.045$) and 65.3% of the variance in job satisfaction is explained by the included predictors ($R^2=0.653$). There is a strong correlation between the predictors and job satisfaction ($R=0.808$) and the model is well balanced and relatively well applicable to the wider population (Adjusted $R^2=0.645$).

5. Discussion

In private sector companies in North Macedonia, all analyzed leadership styles are used, i.e. autocratic, democratic, transformational, transactional and charismatic leadership styles. The most commonly practiced is the charismatic style, then leaders use transformational leadership, so transactional and democratic characteristics are almost identical, and the autocratic leadership style is used the least.
Leaders show a high level of ethical behavior, which is accompanied by a high job satisfaction index, which shows that Macedonian workers in the private sector are generally satisfied with their work. So, as DeCremer (2003) emphasizes, the quality of the leader-employee relationship has a great influence on job satisfaction. These findings indicate that leaders practice continuous open direct and daily communication with their followers, because in this

way they will be familiar with their needs and demands, current problems, but also ideas, activities and achieved results. Then, employees care about the working conditions they work in, and if leaders care about whether and how satisfied their employees are with their work, they should provide favorable working conditions, conditions for teamwork, but also for independent work. A positive work atmosphere, cooperation and understanding between colleagues also have a significant positive relationship with job satisfaction, and praise for the work done, as well as opportunities for continuous personal growth, are important for the employee, which is in the context of ethical leadership, especially with ethical leadership models (Brown, Treviño, and Harrison 2005; Kalshoven, Den Hartog, and De Hoogh 2011; Yukl 2013).

Women attribute significantly more transformational and transactional characteristics to leaders than men, which is in accordance with the claims of Eagly, Johannesen-Schmidt and Van Engen (2003), Judge and Piccolo (2004), Alharthi (2024). In terms of job position and work experience, significant differences are detected in relation to all analyzed leadership styles and ethical leadership behavior, and the most pronounced differences are in how employees perceive their leaders as autocrats, and the smallest in relation to the democratic characteristics of their leaders, which is in line with the findings of Eagly, Johannesen-Schmidt and Van Engen (2003) and Alharthi (2024). According to age and education, the respondents showed significantly different attitudes for all variables, except for the transactional style, while in terms of their education, a similar level of job satisfaction is additionally revealed. Researchers Eagly, Johannesen-Schmidt and Van Engen (2003) also found that age and educational level significantly affect the perception of transformational, democratic and charismatic characteristics of leaders, while they did not confirm this for transactional ones. Judge and Piccolo (2004) also found that education and job position lead to different perceptions of leaders, but they did not prove significant differences for transactional leaders. Solomon, Nikolaev, and Shepherd (2022) also showed that although education usually does not lead to statistically significant job satisfaction, they found similar levels of satisfaction according to different levels of education, which is also confirmed in this study.

All five leadership styles analyzed are significantly correlated with job satisfaction, to varying degrees, which is consistent with numerous previous studies (Rad and Yarmohammadian 2006; Sancar 2013; Barling, Loughlin, and Kelloway 2002; Bahadori 2012; Danish and Usman 2010; Noordin 2009). This research has shown that, in general, job satisfaction increases significantly the more ethically leaders behave with their subordinates. The leaders with the most ethical behavior (which also are associated with the greatest job satisfaction among employees) are charismatic leaders, then transactional, then democratic, then transformational, while the more autocratic leaders behave, the less ethically they behave with employees and satisfaction decreases, as Saeed, Omed, and Rashid (2023) found, who add that the autocratic style not only harms job satisfaction, but also harms employee productivity. So, except for the autocratic style, all other leadership styles are positively correlated with job satisfaction, and in the regression model the democratic, transactional and charismatic styles, together with the ethical behavior of leaders, have a positive effect on it. The negative coefficient of the transformational style in the regression model, despite its positive correlation, may reflect overlap with the other predictors and should be interpreted with caution. These findings suggest that we accept H1.

In addition to being the most commonly used, the charismatic leadership style is also rated as the most ethical, and is associated with the greatest job satisfaction. Respondents confirm that a charismatic leader recognizes the abilities, skills, and limitations of employees and thus detects and uses new opportunities to achieve organizational goals. This indicates that leaders should work on increasing their charisma, because many employees find it important to work in an environment full of energy and positive reinforcement, to have a strong connection with

their leader, and to identify with him, to trust him, while he will encourage and cheer them on in fulfilling their work responsibilities.

Furthermore, in addition to being the least practiced, the autocratic leadership style is also the least associated with ethical leadership and entails the least job satisfaction. These findings are consistent with those of Liphadzi (2015), who found that, among South African leaders, autocratic leadership was ranked lowest, and with the findings of Mendez, Munoz, and Munoz (2013) and Yukongdi (2004), that leaders in private businesses in Mexico and Thailand had the least autocratic characteristics. Toor and Ogunlana (2006) came to similar conclusions that the use of authority, strictness, and punishment were rated among the lowest and most undesirable leadership behaviors by respondents.

As in this study, Hongnou, Tesaputa, and Sri-Ampai (2014) demonstrated that there is a significant and positive relationship between transactional leadership and job satisfaction, as it influences the factors of achievement, recognition, salary, advancement, and working conditions. The positive attitude of employees based on such leadership methods confirms that the exchange of any kind of reward for achievement reduces dissatisfaction, as Emery and Barker (2007) found in their research, which means that supervisors should communicate unambiguously with employees about their work and responsibilities and clearly explain what their expectations are in terms of performance and the reward, encouragement and recognition that employees would receive for success in their work. They should ensure that the reward system in the company is reliable and truly intended to recognize important and significant employee performance. To achieve this, leaders should assess well what kind of rewards and recognition employees expect, which do not necessarily have to be in monetary form. It has been proven that especially unforeseen reward can have a significant impact on employee job satisfaction (Epitropaki and Martin 2005), who found that employees favor the aspect of unforeseen rewards of transactional leadership. Furthermore, transactional leaders satisfy their employees through increased participation as a means of recognition. One way to achieve this is to adopt a system of providing intrinsic rewards such as a sense of achievement, loyalty, usefulness, etc. and extrinsic rewards such as benefits, perks, recognition, and promotion.

This research showed that democratic leaders have a positive effect on employee job satisfaction by allowing team members to influence critical decisions and participate in decision-making, which makes employees feel engaged in the process, are more motivated and creative, feel useful and significant to the organization, which is in line with the claim of Gong, Huang, and Farh (2009). The leader seeks advice from employees regarding organizational strategy, which emphasizes their sense and experience of significance, which further increases job satisfaction. This confirms the findings of Kim (2002), that participation in strategic decision-making positively affects the work environment and positively predicts job satisfaction.

Transformational leaders, on the other hand, are associated with job satisfaction through intellectual stimulation, by seeking different perspectives when solving problems, and satisfaction arises from the success of work tasks when they are performed in a different way than before, and more than before, which motivates them that their work has meaning. Respondents feel connected to their leaders and are more likely to embrace change because they speak optimistically about the future, which instills pride and confidence in them. Employees feel connected to leaders because they strive to make all employees feel united around a common goal or vision of the organization, which also increases job satisfaction. These findings are confirmed by Cilliers, Van Deventer, and Van Eeden (2008), who say that transformational leaders encourage followers to develop more effective and new ways of solving problems by creating an atmosphere of creativity and innovation, paying attention to the intellectual abilities of followers, encouraging a collaborative approach to problem solving and from different perspectives, thus creating a readiness for change among followers.

5.1. Limitations and Future Research

The study has several limitations. First, the data are cross-sectional and self-reported, so causal conclusions cannot be drawn and common-method bias is possible. Second, the reliability of the combined transactional and transformational scale (α=0.679) is below the conventional threshold of 0.70. Third, the leadership styles and ethical leadership are strongly intercorrelated, and collinearity diagnostics (e.g., VIF) were not examined, so individual regression coefficients, particularly the negative coefficient of the transformational style, should be interpreted with caution. Fourth, job position by sector was entered as a single numeric variable in the correlation and regression analyses, and its coefficient should therefore be interpreted cautiously. Finally, the sample is limited to employees of private companies in one country, was reached through an online link, which may involve self-selection, and includes few respondents older than 60 (2.1%). Future research could use longitudinal designs, test whether ethical leadership mediates the relationship between leadership styles and job satisfaction, include public-sector organizations, and compare North Macedonia with other countries in the region.

6. Conclusion

In the private sector in North Macedonia, leaders use a wide range of leadership styles and use the five analyzed styles, but with different frequencies, different ethical behaviors, which are associated with different levels of job satisfaction. Leaders can apply a combination of these leadership styles, with the exception of autocratic behavior, which is perceived as unethical and is negatively associated with job satisfaction. This should be done by carefully considering the nature, condition of the job and related tasks, but also the characteristics of the employees, given the different perceptions according to different demographic characteristics.

Rad and Yarmohammadian (2006) say that no one leadership style is ideal for every situation, because a leader may have the knowledge and skills to act effectively in one situation, but may not be effective in another different situation. Since we found significant correlations with ethics, which in turn strongly affects job satisfaction, the final conclusion of this research is that no matter what leadership characteristics the leaders had, they should always behave ethically towards employees. Leaders should pay equal attention to all employees, because only then, when everyone is satisfied, the company can progress and profit. Even the slightest dissatisfaction can cause an avalanche of dissatisfaction, which will easily drag other workers with it, because workers prefer to identify with each other, believe that they have the same rights and that they should be treated equally by their superiors. Leaders should be better educated about the numerous theories of enhancing job satisfaction, start using various methods, upgrade their attitudes and strengthen relationships with employees, show concern for employees, and not, as is the most common practice today, see only personal interest or the interest of the enterprise and owners. Superiors should realize that, however, the workforce is the bearer of all organizational successes and their satisfaction with their superiors and work is crucial for their commitment and success in work tasks.

Organizations without a clear code of conduct, ethical leadership, and moral credibility lose their true purpose. No matter how impressive their results, resources, or achievements may be, they mean little without integrity and accountability. Leadership without ethics, knowledge without integrity, and success without moral credibility are illusions. An organization that fails to practise its own values cannot fulfil its mission.

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