ABSTRACT

The Effects of Leadership Effectuveness on Employee Satisfaction in the Family Business at PT Eka Esgeje Surabaya.

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The objective of this study was to examine the effects of situational leadership effectiveness on employee satisfaction in family business. Data for this study were provided by 167 employee from one family business first generation that located at Surabaya. Leadership effectiveness base on Hersey and Blanchard theory, which, leadership become efective if only leadership style match with employee maturity.

The data was analyzed by using simple regression analysis. The study found two important results. First, the situational leadership effectiveness had a positive and significant effects on employee satisfaction in family business, even little effects ($r^2 = 0.2053$). Second, high employee satisfaction might happened eventhough leadership not effective.

This study to responds the premis that family business is an unique business entity. Eventhough to obey the general principles of management, management in family business have own the characteristics to difference with the other business entity.

Key words: Situational Leadership Effectiveness, Employee Satisfaction, Family Business.