



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**THE RELATIONSHIP BETWEEN LEADERSHIP STYLE AND
ORGANIZATIONAL COMMITMENT: THE CASE OF DASHEN BANK S.C**

BY:

KASAHUN WORKINEH

ID No: SGS/0019/2008B

JUNE, 2018

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF
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REQUIREMENTS OF THE DEGREE OF MASTER IN BUSINESS
ADMINISTRATION**

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ADDIS ABABA ETHIOPIA

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DECLARATION

I, undersigned, declare that the work entitled “The Relationship between leadership style and organizational commitment: the case of Dashen Bank S.C”, is the outcome of my own effort and study and that all sources of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of my Research Advisor.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the Degree of Master of business administration (MBA).

By: **KASAHUN WORKINEH**

Signature_____

Date_____

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ADVISOR: TEREFE FEYERA (PHD)

I, the advisor, declare that, to the best of my knowledge, this thesis is the research product of my advisees Mr. Kasahun Workineh, and complies with the regulations of ST. Mary's University and meets the accepted standards with respect to originality and quality.

Signature _____ Date _____

June, 2018

Addis Ababa Ethiopia

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We, the undersigned, members of the Board of Examiners of the final open defense by Kasahun Workineh read and his thesis titled “**The Relationship between leadership style and organizational commitment: the case of Dashen Bank S.C**”, and examined the candidate. This is, therefore, to certify that the thesis has been accepted in partial fulfillment of the requirements for the degree of Masters of Business Administration (MBA).

APPROVED BY BOARD OF EXAMINERS:

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External Examiner	Signature	Date
_____	_____	_____
Internal Examiner	Signature	Date
_____	_____	_____
Advisor	Signature	Date
_____	_____	_____
Dean of Graduate Program Coordinator	Signature	Date

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LIST OF ACRONYMS

CR	Contingent Reward
FRLM	Full Range Leadership Model
FRLT	Full Range Leadership Theory
IC	Individualized Consideration
IIA	Idealized Influence (Attributed)
IIB	Idealized Influence (Behavior)
IM	Inspirational Motivation
IS	Intellectual Stimulation `
MBE-A	Management by Exception (Active)
MBE-P	Management by Exception (Passive)
<i>MLQ-</i>	Multifactor leadership questionnaire
MLQ	Multifactor Leadership Questionnaire
OCQ	Organizational Commitment Questionnaire
S.C	Share Company

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ABSTRACT

The effective leaders are enablers that directly points to competent and committed employees. Studies in the organizational psychology and organizational behavior literatures have shown that leadership styles and employee commitment are of major factors to the organizational success or failure. The purpose of this study was to investigate the relationship between leadership styles (transactional, transformational, and laissez-faire) and employee commitments (affective, continuance, and normative commitment) in Dashen Bank in Addis Ababa. The study design was descriptive in which quantitative data sets were to describe the state of affair. In order to collect primary data via questionnaire from 24 leaders and 112 Dashen bank employees, and used along with secondary data. The questionnaire was adopted from previous studies and was used to quantify the perception of the respondents towards the practice leadership style while the researcher carried out correlation analysis on the collected data to determine the effect of relationship between leadership style and employee commitment. The samples size involved by using stratified sampling at branches in Addis Ababa. The researcher organized and analyzed the data collected from questionnaires by the help of SPSS version 20. The findings of the study revealed that transformational leadership style has significant and positive relationship with affective and continuance employee commitments while transactional leadership style has significant and positive correlation with only normative commitment. A laissez-faire leadership style is found to be significantly and negatively associated with employees' affective commitment.

Key words: Leadership style, Employee commitment, Transformational, Transactional, Laissez-faire Leadership,

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The work place is changing dramatically and demands for the highest quality of product and service is increasing. To remain competitive in the face of these pressures, employee commitment is crucial. This reality is applicable to all organizations but it is of particular importance to small and medium sized businesses. Much has been written recently about the need for improving the education, training and development of organizational workforce. As important as this is, Hersey & Blanchard (1984) argue that, at least equal emphasis must be given to improving the quality of leadership if business is to succeed in achieving greater employee commitment and thereby its profitability.

According to Bass & Avolio (1993), leadership styles are behaviors or processes that leaders conduct or perform extraordinary things to be done in or by the organization. Therefore, leader in the organizational context in this study is related to the person who is appointed by the organization or owner to follow up the whole or sub activities of the organization as well as the subordinates report to whom in the context of a work place relationship. The term employee commitment is mainly defined as a psychological state that binds the individual to the organization. In many organizations there is a growing commitment gap a widening split between the expectations of employers and what workers are prepared to do.

There are a number of reasons for this erosion of employee commitment; the most common one being a failure of leadership in some way or another. To be effective, the skills of committed employee leadership must be installed in an organization so, they become part of its culture. In this way there will be consistency and equity with respect to how people are managed from the top down to the most junior employee (Allen & Meyer 1990). Businesses need skilled, competent and committed employees as an effective team member to succeed. Failure to ensure this by managers or supervisors can lead to the loss of valued employees who place a premium on the success of organization. Employee behavior on the job is influenced by his or her immediate supervisor. Positive influences are essential to strengthening employee commitment.

What is now apparent is that employee commitment will be largely influenced by the interactions that occur between colleagues and with their immediate and senior managers. It is also contended that the first step in building commitment is to improve the quality of leadership (Meyer, 2004). Commitment is complex and continuous, and requires employers or managers to discover ways of enhancing the work life of their employees (Meyer, 2004; Avolio, 2004).

Leadership is one of the most pressing issues and one of the least understood concepts in the corporate world. The history of leadership encompasses through several paradigm shifts and voluminous body of knowledge. As a universal activity, leadership is fundamental for effective organizational and social functioning. The very nature of leadership is its influencing process and its resultant outcomes. Such process is determined by the leaders and followers characteristics, dispositions, behavior perceptions, attributions and the context wherein the process of influencing occurs. The moral purpose of leadership is to create an empowered follower that leads to moral outcomes that are achieved through moral means (Hersey & Blanchard, 1984).

1.2. Background of the Study Organizations

Dashen Bank Share Company is a privately owned company established on September 20, 1995 as a share company in accordance with the commercial code of Ethiopia 1960 and the licensing and supervision of Banking Business proclamation No 84/1994 of Ethiopia to undertake commercial banking activities. The Bank obtained its license from the National Bank of Ethiopia on 20 September 1995 and started normal business activities on the first of January 1996. The Bank came in to existence with an authorized and subscribed capital of Birr 50 million. The first foundation members were 11-business man and professionals that agreed to combine their financial resources and expertise.

When the bank started its operation in January 1996, it has only 10 branches, which started their operations at the same time. Now it has reached 303 branches. The branch and networking is designed to facilitate the business interactions of their clients. Accordingly, 153 of the branches are here in Addis Ababa and the remaining 150 branches are situated in up country major towns.

With regard to branch expansion, the Bank has a continuous plan to enhance the number of branches time to time.

With regard to human resource development, the bank has started its operations with 230 employees (clerical and non-clerical). Currently, the number of staffs enhanced to 5,335 among this 2,635 are worked here in Addis Ababa and the remaining 2,700 are up country by the end of June 30, 2017. Regarding information technology, the bank migrated from the previous Micro Banker software to Flex-cube software successfully. Major services offered by the Bank Deposit mobilization , special deposit account , credit facilities , international banking , money transfer , electronic payment card service , mobile banking service .

Dashen Bank has been contributing to the economy by providing domestic & international banking services to its customers. In line with this its vision is stated as follows “As much as mountain Dashen excels all other mountains in Ethiopia, Dashen continue to prove unparalleled in banking services“. Likewise, its mission statement is “provide efficient customer focused Domestic and international banking services by overcoming the continuous challenges for excellence through an application of appropriate technology”. Accordingly, the bank facilitates the financial requirements of businesses engaged in the following sectors: Domestic trade & services, Manufacturing sector, Import & export sector, Agricultural sector, Transportation sector & Building construction sector.

1.3. Statement of the Problem

The relationship between leadership style and organization commitment has been studied in different countries and the results revealed the existence of close relationship between the two. Organization ‘commitment in organization is very important to achieve organizational objectives. Leadership styles also play essential role for the effectiveness and efficiency of the organization in general and Organization’commitment in particular. Therefore, it is logically understood that leadership styles would have significant relationship with Organization’, commitment though the nature of relationship is not consistently the same across countries or organizations.

Although there have been studies that have identified leadership behaviors as vital component to and determinant of employee commitment (Bruckner, 1992; Buciuniene & Skudiene, 2008) in

one hand, and examining the relationship between leadership styles and employee commitment (Avolio. 2004; Awan & Mahmood, 2009; Ponnu &Tennakoon, 2009) on the other hand, the number of studies conducted in banking organizations is lacking, more so in the case of Ethiopia and as per the preliminary investigation conducted (in the form of informal discussions with some employees the student researcher, there are some problems/symptoms which could imply the existence of lack of Organization commitment. These include releasing from the organization, lack of interest to work effectively and absenteeism. According to such gaps could be linked to the leaders' choice/application of leadership style.

Ethiopian companies' record of leadership is rather weak. In this competitive business world effective leaders adopt strategies and techniques to take the lead in the competitive market. And as large multinational began to enter the local market recruiting and retaining the best will become a challenge. It probably won't be possible to compete with these giants unless companies' find ways to clearly be perceived as different, better if not promising than everyone else. Therefore, the purpose of this study was to investigate the relationship between leadership styles and Organization commitment (i.e. affective, normative and continuance) in Dashen Bank in Addis Ababa city.

1.4. Research Questions

In view of the problem articulated above, the following research questions were proposed for investigation.

- What is the perceived leadership style being adopted at Dashen Bank?
- What is the level of Organization commitment at Dashen Bank?
- What is the relationship between leadership styles and employee commitment?

1.5. Objective of the Study

1.5.1. Main Research Objectives

The main objective of the study is to examine the relationship between leadership style and organizational commitment of Dashen Bank S.C.

1.5.2. Specific Objectives

In order to address the general objective stated thereof, this study accompanied with the stated research questions were addressed the following specific objectives:

- To examine the dominant leadership style exercised by the leaders of Dashen Bank S.C
- To examine the relationship between the three types of leadership styles (transformational, transactional and laissez-faire) and employee commitment in Dashen Bank S.C.
- To examine the influence of a leadership style separately and jointly contributes on Organization commitment in Dashen Bank S.C.

1.6. Scope of the Study

This is an area of study that would be more fruitful if it were conducted widely by including other stake holders i.e. legislators, other government bodies and similar firms. But due to several constraints the study is limited to only Dashen Bank 8 branches located in Addis Ababa.

1.7. Significance of the Study

The significance of this study occurs in many ways. Firstly it studies the association between leadership styles and employee commitment of the Dashen Bank, because this particular type of study was not been previously conducted on these organizations. Therefore, its result is important to create awareness to leaders of Dashen Bank S.C organizations about the most determinant variables that can influence the commitment level of their employees.

Secondly, the findings of this study add to the wealth of knowledge in other leadership and employee commitment studies. It will be helpful for individuals who want to conduct further studies in related topics and other organizations those faces similar problems. Inevitably, this study will contribute to the growing body of research on antecedents to leadership styles and organizational commitment by examining the three important leadership styles and its impact on organizational commitment. It is believed that this study will have add value to the literatures on supervisors' leadership styles, especially in the Ethiopian settings since there were limited literatures done on similar setting.

1.8. Limitation of the Study

The study was limited to Dashen Bank S.C to only branches that exist in Addis Ababa. The study was bounded by both area coverage, budget, time and problem addressed. This study was delimited to leaders and employees in 8 selected branches of Dashen Bank located in Addis Ababa and in particular, this paper was covering an insight to the concept the relationship certain leader styles and Organization commitment. So due to the limitations mentioned above and other limitations such as variables of the study, demography of the study and area of the study were among the limitations which hinder to generalize the findings.

1.9. Organization of the Study

The paper was being organized into five chapters. The first chapter deals with the introduction of the topic and the second chapter presents review of related literature which is about relationship marketing and customer loyalty. The third chapter deals with the methodology of the research and the fourth chapter presents data analysis, findings and discussion of the data gathered. The fifth chapter presents the finding, conclusion and recommendations of the research

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

Under this chapter the theoretical and empirical evidences focusing on the relationship between leadership style and Organization commitment are presented. Accordingly, the first section, Theoretical reviews, the second section, Empirical review on leadership styles and section , Conceptual frame work which is the findings of other studies on the relationship between leadership style and Organization commitment.

2.2. Theories of Leadership Style

According to R. M. Ojokukuand et al (2012), leadership is life blood of any organization and its importance cannot be underestimated. Leadership is the ability to inspire confidence and support among the people who are needed to achieve organizational goals.

Researchers usually define leadership according to their individual perspectives and the aspects of the phenomenon of most interest to them (repository.up.ac.za). Every researcher has a different definition of leadership dependant on their individual perspectives and interests. In the simplest terms leadership is about guiding people, getting them to willingly follow and making them positive and happy about their following and the direction they are headed.

According to Bass & Bass (2009) cited in Arfeen and et.al (2015) leadership styles vary from person to person and it also depends upon the situational need. There are several theories of leadership; all these theories explain the leadership process in some different way. Among these leadership theories, trait theory, behavioural theory and contingency theory is called traditional theories of leadership, while transformational and transactional theories are called new leadership theories. Some scholars gave the contingency theory, according to this theory the leaders have no single trait or behaviour but they have variety of different skill which they use according to the situation. Now new leadership theories of transformational and transactional leadership are getting popularity among the management scholars and researchers.

Yukul, (2013) defines leadership as “the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organisation” Leadership defined in terms of traits, behaviours, influence, interaction patterns, role relationships, and occupation of an administrative position.

Leadership is an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purpose. Leadership involves leader-followers, influence, intention, personal responsibility and integrity, change, and shared purpose (Daft, 2005).

According to Jeremy and et al. (2011), leadership is a process of influencing others’ commitment towards realizing their full potential in achieving a value-added, shared vision, with passion and integrity. The nature of this influence is such that the members of the team cooperate voluntarily with each other in order to achieve the objectives which the leader has set for each member, as well as for the group. The relationships between the leader and employee, as well as the quality of employees’ performance, are significantly influenced by the leadership style adopted by the leader.

Leadership is influential processes which distinguish a leader by their actions, and also encourage a group of people to move towards a common or shared goal. A leader is an individual, while leadership is the function that the individual performs. Besides, an individual within an organization who have authority are often referred to as a leader, regardless of how they act in their job (Babatunde and Emen, 2015).

According to Epley (2015), cited by M, Ojokuku R. and et. al. (2012) leadership as a term has numerous definitions and connotations. The definition of a leader may be by whom he or she is (the personal) and by the responsibilities, obligations, and tasks he or she is charged with (the position). Leaders’ authority can be great or limited and their legitimacy can rest on moral, rational, or practical foundations. Leadership is a dynamic process of influencing people which, in certain organizational conditions, can have an effect on other members, with the aim of meeting the objectives of the group. Leadership is a key as it is an integral element in the life of an individual or that of an organization.

According to Michael (2011), leadership has a direct cause and effect relationship upon organizations and their success. Leaders determine values, culture, change tolerance and

employee motivation. They shape institutional strategies including their execution and effectiveness. Leaders can appear at any level of an institution and are exclusive to management. Successful leaders do, however, have one thing in common. They influence those around them in order to reap maximum benefit from the organization's resources, including its most vital and expensive.

The leadership in this study refers the person who is appointed by the organization or owner to follow up the entire or sub activities of the organization as well as the subordinates. A leader is the kind of person (with leadership qualities) who has the appropriate knowledge and skill to lead a group to achieve its ends willingly (Neil Thomas, 2004). Leadership defines as a relationship through which one person influences the behavior of other people. Thus, the behavioral relation between leader and follower determine the type of leadership style that the leader is practicing.

The earliest theories of leadership focused on the performance of great men. For instance, "without Moses, the Jews would have remained in Egypt and without Winston Churchill the British would have given up in 1940" (James & Burgoyne, 2001). Analysis of such heroic tributes gave rise to the Great Man Theory of Leadership, which contends that leaders are born, not made. This theory posits that certain individuals are endowed with leadership traits that cannot be learned (Perren & Burgoyne, 2001).

A review of the leadership literature reveals an evolving series of 'schools of thought' from "Great Man" and "Trait" theories to "Transformational" leadership. Whilst early theories tend to focus upon the characteristics and behaviors of successful leaders, later theories begin to consider the role of followers and the contextual nature of leadership.

Great Man: Theories Based on the belief that leaders are exceptionally born, with innate qualities, destined to lead. The use of the term 'man' was intentional since until the latter part of the twentieth century leadership was thought of as a concept which is primarily male, military and Western. This led to the next school of Trait Theories Bolden (2003).

Trait Theories: The lists of traits or qualities associated with leadership exist in abundance and continue to be produced. They draw on virtually all the adjectives in the dictionary which describe some positive or virtuous human attribute, from ambition to zest for life Bolden

(2003).The theory was based on the psychological and physical attributes that the leaders have acquired. There are various researches made to identify the basic qualities of leaders (Stodgily, 1974) and Stodgily himself identified different traits and skills of leaders that he considered as the main ones in leadership.

Behaviorist Theories: The behavioral theory assumes that leaders are not born but made. The study of leadership emphasizes what the leaders do rather than what personality they have. It extensively discussed theory X and theory Y, two opposite dimensional characteristics. Theory X assumes average people dislike work and taking responsibility and are not motivated for the objective achievement therefore, the coercive, authoritarian, dictator leadership is required for those people; on the other hand, the Theory Y, assumes that the average people are self-motivated, self-controlled, and willing to take responsibility therefore coaching, consulting, participative leadership styles are required. The behavioral theory assumes that the strategy of leadership is influenced by the leader's assumption about human nature.

Contingency Theory: The inconsistent and inclusive result of behaviorist theory in determining affective leader leads for the development of contingency theory. In late 1960s Fred Fiedler came with contingency model states that no single leadership style is best in every circumstance. The effectiveness of leader depends on the interaction with the situational variables: the internal and external environment of the organization, the task, and the subordinate, leader and leader authority. Different circumstances required different behaviors. Routine or highly repetitive environment require directive leadership behavior, while dynamic work environment will be more successful with flexible and participative leadership behavior in the way that it suits given circumstance. However, the theory is criticized from its inconsistency of result and confusion of measurement instruments (Bolden 2003, Zaccaro, Rittman, Marks, 2001).

Situational Leadership: The deficiency theory in showing consistent result and clear measurement instruments led researchers to seek for another approach. Paul Hersey and Kenneth Blanchard (1967, 1993) have developed situational theory as leadership [theory model in attempt of enriching some gaps in previous theory. Situational theory assumes more flexibility of leadership style for different situation than the contingency theory does. In Hersey/Blanchard model, the level of maturity of subordinates as determining the leader behavior is introduced. This

shows that the leadership style needs continuous change from more autocratic into democratic, as the level of maturity of subordinate increases.(Bolden 2003)

Transactional Theory: This approach emphasizes the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of 'contract' through which the leader delivers such things as rewards or recognition in return for the commitment or loyalty of the followers Bolden (2003).

Transformational Theory: The central concept here is change and the role of leadership in envisioning and implementing the transformation of organizational performance. Each of these theories takes a rather individualistic perspective of the leader, although a school of thought gaining increasing recognition is that of “dispersed” leadership. This approach, with its foundations in sociology, psychology and politics rather than management science, views leadership as a process that is diffuse throughout an organization rather than lying solely with the formally designated ‘leader’. The emphasis thus shifts from developing ‘leaders’ to developing ‘leader full’ organizations with a collective responsibility for leadership (Bolden, 2003).

2.3. Full Range Leadership Model (FRLM)

The FRLM describes a full range of influencing styles from ‘non-leadership’ to powerful transformational leadership behaviors. The model captures different kinds of behaviors which make a difference to outcomes for associates of the leader. In other words, the range of behaviors starts with transformational leader behaviors to transactional leader behaviors reaching to the lowest leader interaction of laissez-faire leader behaviors (Bass, 2003).

As we can describe an ideal or "pure" transactional leadership styles and a "pure" transformational one, it is clear that organizations are likely to have cultures that are characterized by both styles of leadership. A leader may employ both styles at different times or in differing amounts at the same time. Considerable recent research provides evidence that shows transformational leadership as eliciting extra effort and performance from followers, over and above that expected in an exchange relationship with a purely transactional leader. The authors' argument is that organizations should move in the direction of more transformational qualities in their cultures while also maintaining a base of effective transactional qualities (Bass & Avolio, 1993; Bass, 2003).

Trotters (2008) suggest that Full Range Leadership theory of Bass is a strategic organization development intervention, designed to enhance the impact of leadership on employee commitment. Also the same authors emphasized that as Bass's full range leadership model is an important part of the leadership research as well as it presents researchers with a theory that can be empirically tested and provides insight into the duality that leaders face in current organizational settings.

Although multifactor theory is probably the most widely cited and comprehensive theory, leadership is often conceptualized within behavioral domains varying from non-leadership, or laissez-faire, to transactional leadership, which hinges on rewards and punishments, to transformational leadership, which is based upon attributed and behavioral charisma (Bass and Avolio, 1993 as cited in Buciuniene & Skudiene, 2008). These three leadership styles described as follows in sub sections.

2.3.1. Transformational Leadership

Transformational leadership is a process of influencing in which leaders change their associates' awareness of what is important, and move them to see themselves and the opportunities and challenges of their environment in a new way. Transformational leaders are proactive: they seek to optimize individual, group and organizational development and innovation, not just achieve performance "at expectations". They convince their associates to strive for higher levels of potential as well as higher levels of moral and ethical standards. Transformational leadership does not replace transactional leadership, but augments it in achieving the goals of the group (Bass, 1997; Hall, 2002).

In a transformational style, there is generally a sense of purpose and a feeling of family. Leaders and followers share mutual interests and a sense of shared fates and interdependence. They go beyond their self-interests or expected rewards for the good of the team and the good of the organization. The inclusion of transformational assumptions, norms, and values does not preclude individuals pursuing their own goals and rewards. Superiors serve as mentors, coaches, role models, and leaders, socializing members into the culture, not necessarily because they are expected to do so but because they feel a personal obligation to help new members assimilate into the culture. There is a rich set of norms which cover a wide range of behaviors, norms that

will adapt to and change with external changes in the organization's environment (Bass and Avolio, 1993; Bolden, 2003).

According to Bass (2003), transformational leaders will focus on developing their followers by tapping them of their potentials, inspiring them, promoting collaboration, motivating them, and by reinforcing positive behaviors. The employees often develop a high level of trust and confidence in such a leader. The employees are proud to identify themselves with the leader and develop a strong sense of loyalty to them. Similarly, Bass (1997) argues that transformational leaders are pertinent especially during turbulent times when rapid changes and globalization takes place.

Transformational leadership fosters capacity development and brings higher levels of personal commitment amongst 'followers' to organizational objectives. According to Bass & Avolio (1993) transformational leadership occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir employees to look beyond their own self-interest for the good of the group. Together, heightened capacity and commitment are held to lead to additional effort and greater productivity (Lock & Crawford, 1999; Mannheim & Halamish, 2008).

According to Bass (1997), the goal of transformational leadership is to 'transform' people and organizations in a literal sense – to change them in mind and heart; enlarge vision, insight, and understanding; clarify purposes; make behavior congruent with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building. Bass (2003) and Trotter *et al.* (2008) preferred to explain transformational leadership based on five factors. The five components as suggested by the above authors are: individualized considerations, intellectual stimulation, inspirational motivation, idealized influence (attributes) and idealized influence (behavior).

2.3.2. Transactional Leadership

A "pure" transactional style focuses on everything in terms of explicit and implicit contractual relationships. All job assignments are explicitly spelled out along with conditions of employment, disciplinary codes, and benefit structures. Self-interests are stressed. Employees work as independently as possible from their colleagues. Cooperation depends on negotiations

not problem solving or a common mission. There is little identification of the employees with the organization, its mission or vision. Superiors primarily are negotiators and resource allocators (Bass and Avolio, 1993).

Transactional leadership is based more on "exchanges" between the leader and follower, in which followers are rewarded for meeting specific goals or performance criteria (Trotter, 2008; Bass *et al.*, 2003). Rewards and positive reinforcement are provided or mediated by the leader. Thus transactional le

adership is more practical in nature because of its emphasis on meeting specific targets or objectives (James & Collins, 2008; Sosik & Dinger, 2007). An effective transactional leader is able to recognize and reward followers' accomplishments in a timely way. However, subordinates of transactional leaders are not necessarily expected to think innovatively and may be monitored on the basis of predetermined criteria. Poor transactional leaders may be less likely to anticipate problems and to intervene before problems come to the fore, whereas more effective transactional leaders take appropriate action in a timely manner (Bass, 2003).

Transactional leaders display behaviors associated with constructive and corrective transactions. The constructive style is labeled Contingent Reward and the corrective style is labeled Management-by-Exception (active and passive). Transactional leadership defines expectations and promotes performance to achieve these levels. Contingent Reward and Management-by-Exception are two core behaviors associated with 'management' functions in organizations. Full range leaders do this and more (Bass, 2003; Bolden, 2003). When we compare transactional and transformational leadership styles, a transactional leadership style is appropriate in many settings and may support adherence to practice standards but not necessarily openness to innovation and risk taking. A transformational leadership style creates a vision and inspires subordinates to strive beyond required expectations, whereas transactional leadership focuses more on extrinsic motivation for the performance of job tasks (Bolden, 2003, Trotter *et al.*, 2008; Bass, 2003). Thus it is likely that transformational leadership would influence attitudes by inspiring acceptance of innovation through the development of enthusiasm, trust, and openness, whereas transactional leadership would lead to acceptance of innovation through reinforcement and reward.

Bass (1990) indicated that leaders who displayed transactional characteristics know the actions followers should take to complete an outcome so they satisfy followers' needs in exchange for certain achievements. Transactional leaders also offered rewards or impose punishments to gain compliance (Kirk Bride, 2006). With transactional leadership, followers do not perform beyond expectations (Robbins & Judge, 2007). Whittington, Coker, Goodwin, Ickes, and Murray (2009) stated this type of leadership consists of constructive and corrective transactions. Constructive transactions clarify expectations whereas corrective transactions create desired change (Whittington *et al.*, 2009).

Bass (1990b) and Bass and Avolio (1995) developed that transactional leadership involves two distinct dimensions: (i) the use of contingent rewards, which implies that leaders reward followers in exchange for attaining the specified performance levels; and (ii) management by exception (MBE), which has the dimensions of Active and Passive. In Active MBE, leaders monitor their follower's performances and take corrective actions as necessary. In passive MBE, leaders do not intervene until mistakes or problems occur, then leaders take corrective actions. The transaction between the leader and the employees in doing work is totally based on promise of what the employees need in exchange for the needs of leader (Lai, 2011). The leader may use reward system which can be negative like punishment whenever employees disagree with or it can be positive like.

2.3.2.1. Management by exception (active)

Management by exception (active) is the second attribute of transactional leadership style. It is Leader using the active form of management by exception watches followers closely for mistakes or rule violations and then takes corrective action (Bass, 1998). Management by exception-active leadership was less effective than contingent reward, but might have been necessary in some instances. With the active characteristic, followers and leaders clarify expectations (Bass, 1990a). Leaders monitor followers' performance and search for mistakes (Rainey, 2009). They also control work tasks and notify followers as problems occur (Kirk bride, 2006). Leaders and followers also implement actions to avoid mistakes or correct mistakes (Rainey, 2009)

2.3.2.2. Management by Exception (Passive)

Management by exception (passive) is the third attribute of transactional leaders. Management by exception (Passive) leader waits inactively for subordinates' mistakes and deviances from benchmarks until issues have arisen before taking corrective measures (Bass & Rigger, 2006; Northouse, 2007). With the passive characteristics, leaders implement punishments or corrective actions for deviations (Rainey, 2009). These leaders follow performance as problems arise; they pass action to correct them. A leader using the passive form intervenes only after standards have not been met or problems have arisen.

Someone who practices passive management by exception would respond to statements such as "I fail to interfere until problems become serious," while those adhering to active management by exception might instead relate to "I concentrate my full attention on dealing with mistakes, complaints and failures." In essence, both the active and passive management types use more negative reinforcement patterns than the positive reinforcement pattern. This style was only slightly more effective than laissez-faire leadership (Belies & Koustelios, 2009).

Transactional leaders maintain stability in the organization by recognizing followers' needs and desires and then clarifying how those needs and desires will be satisfied in exchange for meeting specified objectives or performing certain duties. This satisfaction of needs improves employees' productivity and morale (Daft, 2005). Sergiovanni (2007) characterizes transactional leadership style as one that focuses on rules, procedures and job descriptions to accomplish the organization's goals and expectations. According to transactional leadership clarifies expectations and provides recognition when goals are met (Bass *et al.*, 2012). Leaders also avoid making changes by emphasizing routine task importance (Kirk bride, 2006).

Transactional leadership also involves balance between needs of the people as well as expectation of the organization. The leaders attempt to balance initiating structure in order to get things done with meeting the needs of the people while things are getting done. It calls for integration of the need of followers with the expectation of the organization or leaders. Transactional leadership involves making sure that organizations are managed according to the plans and rules and regulations. This leadership style limits or fences the long run vision of the leader and the engagement level of employees.

2.3.3. Laissez-Faire leadership

Both the transformational and transactional leaders are described as leaders who actively intervene and try to prevent problems, although they use different approaches. When researching these two active forms of leadership, one finds that they are often contrasted with the third style of leadership, called laissez-faire leadership Bass (1990) [as cited in Lock & Crawford, 1999 and Buciuniene & Skudiene, 2008] uses the following statement to differentiate laissez-faire leadership from other types of leadership behaviors and styles: Laissez-faire leadership should not be confused with democratic, relations oriented, participative, or considerate leadership behavior. Nor should it be confused with delegation or management by exception. Delegation implies the leader's active direction of a subordinate to take responsibility for some role or task.

The leader who practices management by exception allows the subordinate to continue on paths that the subordinate and the leader agreed on until problems arise or standards are not met, at which time the leader intervenes to make corrections. Bass (1999) defines Laissez-faire leadership as an approach in which there is no leadership, no interaction between the leader and his followers. As the French phrase implies, the laissez-faire leader takes a "hands-off, let-things-ride" approach. This leadership style represents near-absence of leadership. This leader abdicates responsibility, delays decisions, gives no feedback and makes little effort to help followers satisfy their needs. There is no exchange with followers or attempt to help them grow (Northouse, 2013). These leaders do not take care of needs and developments of followers and wish to continue as it is. The leader rejects responsibility, delays decisions, does not provide feedback and has no effort to meet the needs of the followers.

Laissez-faire leadership is passive type of leadership style. There is no any type of mutual exchange or relationship between followers or leaders. Besides, it demonstrates a type of leadership style which is none transactional in which there is no on time and immediate decisions to be made, action have delay, the responsibilities of leadership all are ignored and there is a misused authority(Hamidifar,2009). This is known as a leader who is insensitive to follower's wellbeing in work context. The absence or avoidance of leadership is known as Laissez-faire Leadership (Judge& Piccolo, 2004). According to Bass and Avolio (1994), laissez-faire style is just the absence of a true leadership and is an inactive and ineffective style based on almost all of

the researches regarding leadership style. Therefore, Laissez-faire generally is considered as the most ineffective and passive leadership form (Yukl, 2006; Antoniadis *et al.*, 2003).

Laissez-faire style avoids making decisions (Bass, 1990). Followers under this leadership style have conflicting roles and responsibilities (Kirk bride, 2006). Researchers characterized laissez-faire leadership style as the least effective leadership style (Robbins & Judge, 2007). Skogstad, Einarsen, Torstein, Ashland, and Hetland (2007) noted that laissez-faire leadership style contributes to workplace stressors, bullying and distress. However, Hankins and Schriesheim (2008) noted a nonresponsive behavior by leaders could be fair or equitable if poor performance by employees is out of their control. This leader will give up all of his responsibilities and will not utilize his authority for overseeing the organization. In addition, laissez-faire leader demonstrates passive indifference that is the capability of being moved by other people for subordinates and the task. The laissez-faire leader does not consider followers needs and problems. This leadership style may be applicable in organization in which the workers have level of self-actualization.

2.4. The Concept of Employee Commitment

Employee commitment has been studied in the public, private, and non-profit sector, and more recently internationally. Early research focused on defining the concept whereas current research continues to examine organizational commitment through two popular approaches, commitment-related attitudes and commitment-related behaviors. A variety of antecedents and outcomes have been identified in the past thirty years (Shore & Wayne, 1993; Hunt & Morgan, 1994).

Furthermore, Bateman and Stressor (1984) [as cited in Lock & Crawford, 1999] state that the reasons for studying organizational commitment are related to “employee behaviors and performance effectiveness; attitudinal, affective, and cognitive constructs such as job satisfaction; characteristics of the employee’s job and role such as responsibility; personal characteristics of the employee such as age, job tenure.” and Morgan (1994) state that organizational commitment has been operationally defined as “multidimensional in nature, involving an employee’s loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership”.

When looking at employee commitment within an organization, it is the relative strength of an individual's identification with and involvement in a particular organization. In relation to this, Allen & Meyer (1990) define employee commitment as a psychological state that characterizes the employee's relationship with the organization and has implications for the decision to continue employment with the organization. Similarly, Meyer & Becker (2004) define a committed employee as being one “stays with an organization, attends work regularly, puts in a full day and more, protects corporate assets, and believes in the organizational goals”. This employee positively contributes to the organization because of its commitment to the organization.

Meyer & Allen (1997) [as cited in Meyer & Becker, 2004] define a committed employee as being one “stays with an organization, attends work regularly, puts in a full day and more, protects corporate assets, and believes in the organizational goals”. This employee positively contributes to the organization because of its commitment to the organization. Research shows that individuals and organizations are adversely affected when commitment is low, and that both benefit when commitment is high (Bruckner, 1992). Organizational commitment is associated with increased satisfaction, performance, and organizational adaptability (Lock & Crawford, 1999; Meyer & Becker, 2004), as well as decreased absenteeism and employee turnover.

2.4.1. The Dimensions of Organizational Commitment

The most basic theory of employee commitment is Allen and Meyer's conceptualization. This theory differs from others in the nature of the psychological state being described. They identified three dimensions of employee commitment: affective, continuance, and normative commitment. Normative commitment is a relatively new aspect of organizational commitment having been defined after the former ones (Allen & Meyer, 1990). Affective commitment refers to an employee's emotional attachment to, involvement in, and identification with the organization and its goals. Affective commitment involves three aspects such as the formation of an emotional attachment to an organization, identification with, and the desire to maintain organizational membership. In this context, affective commitment reflects the identification and commitment situation where the employees stay in the organization with their own will (Allen & Meyer, 1990).

Affective commitment is also attitudinal based and in this situation the employee sees him/herself as a part of the organization. Individuals with high levels of affective commitment continue employment because they want to. Therefore, it is very important for the organizations to have employees feeling affective commitment since strong affective commitment means employees willing to stay in the organization and accepting its objectives and values (Allen & Meyer, 1990).

Continuance commitment is a commitment situation originating from the needs of employees to stay in the organization considering the costs of leaving. It refers to an awareness of the costs associated with leaving the organization as well as the willingness to remain in an organization because of the investment that the employee has with “nontransferable” investments. Nontransferable investments include things such as retirement, relationships with other employees, or things that are special to the organization (Allen & Meyer, 1990; Bruckner *et al.*, 1992). Continuance commitment also includes factors such as years of employment or benefits that the employee may receive that are unique to the organization (Hunt and Morgan, 1994). In continuance commitment, the employees consider the disadvantages of leaving the organization and avoid quitting. Moreover, continuance commitment is not a negative situation though it is considered to be a negative commitment type by the organizations. Those with high levels of continuance commitment stay with the organization because they need to. Thus, the employee keeps his organization membership thinking it might cost him too much to leave the organization (Allen & Meyer, 1990).

The third dimension of employee commitment is normative commitment, which reflects a feeling of obligation to continue employment. Those with high levels of normative commitment stay with an organization because they feel they ought to remain (Allen & Meyer, 1990). It has argued that normative commitment is only natural due to the way we are raised in society. Normative commitment can be explained by other commitments such as marriage, family, religion, etc. Therefore, when it comes to one’s commitment to their place of employment, they often feel like they have a moral obligation to the organization (Meyer, 2004).

The three components of employee commitment are a psychological state that either characterizes the employee’s relationship with the organization or has the implications to affect whether the employee will continue with the organization. An individual can have similar or

different levels of all types of commitment. They are not mutually exclusive. Thus, regardless of the definition, "committed" employees are more likely to remain with the organization (Allen & Meyer, 1990). Meyer & Allen (1997) [as cited in Meyer et al., 2004] found that employees that have a good relationship with their immediate work group have higher levels of commitment to the overall organization will be higher. Accordingly, they argue that employees must be given numerous opportunities throughout the workplace to feel committed to the organization. Moreover, Ugboro (2006) concluded that workers' organizational commitment is significantly correlated to their perceived job security.

2.5. Empirical Review

A large body of empirical evidences has demonstrated that leadership behaviors influence employee performance that strong leaders outperform weak leaders, and that transformational leadership generates higher performance than transactional leadership (Burns 1978).

Research (Kotter, 1988 and Meyer & Botha, 2000) in organizational behavior has identified transformational leadership as the most suitable for modern-day organizations. The current business environment requires this innovative kind of leadership style; a style that empowers employees and raises employee performance in an effort to improve organizational performance and continued existence (Kotter, 1988). Evidence has been gathered in service, retail and manufacturing sectors, as well in the armed forces of the United States, Canada and Germany that points towards the marginal impact transactional leaders have on the effectiveness of their subordinates in contrast to the strong, positive effects of transformational leaders (Brand, Heyl & Maritz, 2000). Furthermore, in the Canadian financial industry it was found that transformational leadership is more strongly correlated with higher employee satisfaction and individual/organizational performance than transactional leadership (Meyer & Botha, 2000). On the basis then of the literature, it could be proposed that transformational leadership as opposed to transactional leadership would be more effective in achieving higher levels of employee performance.

Under transformational leaders, employees may receive individualized attention from the leader. As a result, they tend to reciprocate by supporting the leader's agenda and performing beyond expectations. Hence, transformational leaders can develop high quality leader member exchange

relationships with followers, through which they influence followers' performance (Wang et al., 2005).

Previous researches have devoted a great deal of attention to the relationship between leadership behavior and organizational commitment. They have shown that organizational commitment is greater for employees whose leaders encourage their participation in decision making (Ugboro, 2006), who treat them with consideration (e.g., Shore & Wayne, 1993), fairness (Bruckner *et al.*, 1992; Allen & Meyer, 1990) and are supportive of them (e.g., Allen & Meyer, 1990). Also, Mowday *et al.* (1979) [as cited in Ponnu & Tennakoon, 2009], has indicated supervision as one of the critical organizational factors that can influence employee commitment to the organization.

A relationship between commitment and leadership style has been reported in the organizational and management literatures. Several studies found a positive relationship between the two variables. For instance, Lo et al. (2010) concluded that the leadership styles of supervisors are important dimensions of the social context because they shape subordinates' organizational commitment in various important ways. Likewise, Ponnu & Tennakoon (2009) indicate that ethical leadership behavior has a positive impact on employee organizational commitment and employee trust in leaders.

On the other hand, the study results on the relationship among leadership style, organizational culture and employee commitment in university libraries by Ewan & Mahmood (2009) show that the leadership style (in their case, autocratic or laissez-faire) has no effect on the commitment of employees in university libraries. Instead, most of the library professionals seemed to be highly committed with their organizations i.e., they favored result-oriented culture. Similarly, Lock & Crawford (1999) reported that the leadership style variable, a bureaucratic environment, often resulted in a lower level of employee commitment and performance, whereas Hunt and (Liesbscher 1973) [as cited in Buciunienė & Skudienė, 2008] discovered a negative association between these two variables.

In another study involving 156 participants, Lo *et al.* (2009) examined leadership styles and employees' organizational commitment in Malaysia manufacturing industry to ensure the successful management of employees and to improve productivity and achievements of an

organization. They discovered that several dimensions of transactional and transformational leadership have positive relationship with organizational commitment but the impacts are stronger for transactional leadership style. Similarly, Marmaya *et al.* (2011) investigated the employees' perceptions of leadership style among Malaysian managers and its impact on organizational commitment and then found that leadership tends to be more transformational than transactional.

The study by Buciunienė and Skudienė (2008) has investigated the relationship between employees' organizational commitment dimensions and leadership styles and found positive correlations between a transformational leadership style and affective and normative employee commitments whereas a laissez-faire leadership style was found to be negatively associated with employees' affective commitment. Davenport (2010) also measured the relationship between leadership style and organizational commitment as moderated by follower's locus of control and reported that suggests that separately leader style and locus of control are important drivers of organizational commitment.

Research findings have consistently highlighted the positive influence of transformational leadership on organizational outcomes. For instance, transformational leadership was found to result in lower employee turnover, increased organizational citizenship behavior (Dvir *et al.*, 2002 as cited in Mannheim & Halamish, 2008) and lead to stronger organizational commitment (Buciuniene & Skudiene, 2008). Likewise, Bycio *et al.* (1995) [as cited in Ponnu & Tennakoon, 2009] examined how transformational leadership and transactional leadership affected employee levels of affective commitment, continuance commitment, and normative commitment. Findings revealed that transformational leadership was a better predictor of affective, continuance, and normative commitment than transactional leadership.

Consistent with previous studies, Avolio *et al.* (2004) found a positive association between transformational leadership and organizational commitment. Contrary to the previous research, they found that transformational leadership at the indirect senior level had a more positive relationship with employees' level of organizational commitment as compared to the relationship between commitment and ratings of transformational leadership of the followers' immediate supervisor. As cited in Buciuniene & Skudiene (2008), Simon (1994) studied the impact of transformational leadership on organizational commitment and found that transformational

leadership has a positive linkage with normative and affective commitment. On the other hand, a negative relationship was found between transformational leadership and continuance commitment.

Bass and Avolio (1993) claimed that organizations have a kind of culture, which is represented by the leaders who use transactional or transformational leadership styles. According to their findings, transactional culture creates only short-term commitment, whereas transformational culture creates long-term commitment. Mannheim & Halamish (2008) argued that when transformational leadership is enacted, members of organizations no longer seek merely self-interest, but that which is beneficial to the organization as a whole. The findings of Brown and Dodd (2003) [as cited in Buciuniene & Skudienė, 2008] indicated a strong correlation between transformational leadership dimensions and affective commitment, a weaker but still strong positive correlation with normative commitment and no relationship with continuance commitment. A negative relationship was found between transactional leadership dimensions and affective and normative commitments, and a statistically significant correlation found with continuance commitment (Brown and Dodd, 1999).

Management styles can influence the commitment level of employees. Wiesenberger *et al.* (1990) [as cited in Avolio *et al.*, 2004] argue that managers and organizations must reward and support their employees for the work that they do because this perceived support allows for more trust in the organization. They discuss that those employees who feel that they are cared for by their organization and managers also have not only higher levels of commitment, but that they are more conscious about their responsibilities, have greater involvement in the organization, and are more innovative.

To sum up, as we have seen in this chapter there is plenty in the literature that describes leadership styles and employee commitment from a multitude of angles and views. Many articles also repeat the same topics and findings and the author chose to include just to show that the findings are similar but from a wide range of domains. In many researches in the literature it was determined that there was a strong relationship between leadership styles and employee commitment (Lo *et al.*, 2009; Lo *et al.*, 2010; Avolio *et al.*, 2004; Buciuniene & Skudienė, 2008; Lock & Crawford, 1999; Ewan & Mahmood, 2009; Ponnu & Tennakoon, 2009).

These studies were generally conducted in business organizations, yet there have been few researches conducted in education organizations specifically in Ethiopia. Thus, the aim of this research is to determine the relationship between leadership styles and organizational commitment of Dashen Bank S.C in Addis Ababa. However, the majority of empirical studies discussed above are based on different context and some organizational climate variables they included in their study were different within their respect studies. Despite those studies were generally conducted on different sectors of organizations, yet there have been few researches conducted in Ethiopia organizations specifically in banking sectors.

2.6 Conceptual Framework

Based on the overall review of related literatures and the theoretical framework, the following conceptual frame work in which this specific study governed is developed. As explained in the literature, leadership style has significant relationship influence on organizational employee Commitment. Therefore in this study leadership styles will be taken as independent variable while, employee Organizational commitment is as dependent variable. In the dependent variable employees organizational commitment includes three dimensions such affective commitment, Continuance Commitment and Normative Commitment and the independent leadership styles have three dimensions transformational leadership, transactional leadership and Laissez-faire leadership styles. The relationship of the variable for this study is proposed to as follows.

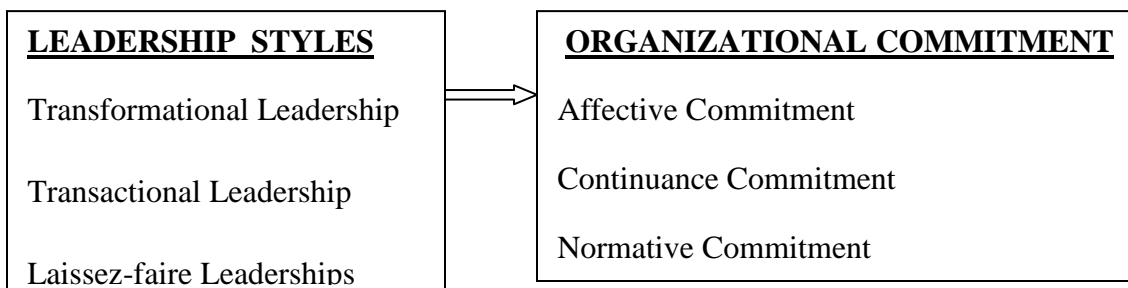


Figure 2.1: Conceptual framework Model

Source: Adopted from Koy and Decotis (1991) and Allen and Mayer (1990)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This study was intended to carry out at Dashen Bank S.C found in Addis Ababa City. It was designed as the quantitative approach which used to gather the relevant and pertinent information with regard to the relationship between leadership styles and employee commitment.

3.2. Research Design

The research design for this study was the cross-sectional method to assess the relationship between leadership styles and organizational commitment of employees in Dashen bank S.C. In cross-sectional method, independent and dependent variables are measured at the same point in time using a single questionnaire. The purpose of this research was to identify if there is a relation between the predictor variable and the response variable. The predictor variable was leadership styles, and the response variable was employee's commitment. Therefore the study would also said to be correlation in design because there is the intent to investigate the relationship between dependent and independent variable of the study.

Loico, Spaulding & Voegtle (2010) held similar position by stating that “the purpose of correlation research is to measure two or more variables and examine whether there are relationships among the variables”. This study employed descriptive survey research design. Cohen and Manion (1994) stated that descriptive survey inquiry helps to gather data at a particular point with the intention of describing the entire nature of the existing conditions in generalizing from sample to population. Descriptive research also involves events that have already taken place and may be related to a present condition (Best & Kahn, 2006)

3.3. Research Approach

The research approach which used for this study was quantitative in nature. Creswell (2005) asserted, quantitative research is a type of research in which the researcher decides what to study, asks specific narrow questions, collects numeric (numbered) data from participants and analyzes these numbers using statistics, and conducts the inquiry in an unbiased, objective manner (Creswell, 2005). Variables can be defined as attributes or characteristics of individuals, groups,

or sub-groups of individuals (Creswell, 2005). Quantitative study involves analysis of data and information that are descriptive in nature and qualified (Sekaran, 2003). Quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistics data (Creswell, 2003).

The purpose of this study was to evaluate and observe through a survey instrument if the response variable, organization commitment, has a measurable relationship with the predictor variable (organizational climate). To achieve the aforementioned objectives, therefore the study adopts a quantitative research approach, as the methodology to provide a quantifiable statistical analysis of the responses to the survey.

3.4. Population and Sampling Procedures

Since the purpose of this study is to examine the relationship between leadership styles and employee commitment by surveying employees and leaders from Dashen Bank S.C the target population of this study was include both employees and leaders of Dashen Bank which are found in Addis Ababa City. As per information obtained from the bank there are about 153 branches and 4 district offices and 2635 permanent employees are found in Addis Ababa city as of June 2017.

Table 3.1: Population and Sample Strata

District offices	Total numbers of branches under the district	Numbers of selected branches	Numbers of leaders selected from each branches	Numbers of Employees selected from each branches
North Addis district	38	2	$3*2=6$	$14*2=28$
South Addis district	42	2	$3*2=6$	$14*2=28$
East Addis district	37	2	$3*2=6$	$14*2=28$
West Addis district	36	2	$3*2=6$	$14*2=28$
TOTAL	153	8	24	112

In its structure Dashen bank in Addis Ababa has a total population of 2,635. Based on sample size determination methods 136 sample size was determined out of 2,635 total population of the study. The study proposes convenience based sampling; which is non-probability sampling

technique where respondents are selected upon the convenience of the researcher. The Sampling procedure has no quotas imposed and the data collected from the population which was easily available and accessible to the researcher from 8 branches found in 4 district offices. The sample size for this study is determined by using the formula developed by Cochran (1963:75). Sample size from the employees is calculated as follows:

$$n_0 = \frac{z^2 p q n}{e^2}$$

Where: n_0 = the sample size

Z^2 = the abscissa of the normal curve that cuts off an area α at the tails ($1 - \alpha$ equals the desired confidence level, i.e. 95%)

e = the desired level of precision

p = the estimated proportion (standard deviation) of an attribute that is present in the population, and q is $1-p$.

The value for Z is found in statistical tables which contain the area under the normal curve.

$$n_0 = \frac{(1.96)^2 (0.5)(0.5)^2}{(0.05)^2}$$

The above sample size is the representative sample proportion at 95% confidence level and $\pm 5\%$ precision when the population is large and unknown. If the population is small, then the sample size can be reduced slightly. This is because a given sample size provides proportionately more information for a small population than for a large population. As a result, the sample size (n_0) can be adjusted (Cochran 1963:75). Since the population for this study is finite; the sample size

(n_0) can be adjusted as follows:

$$n = \frac{n^2}{1 + \frac{n_0 - 1}{N}}$$

Where n is the sample size and N is population of the study.

$$N = \frac{136}{\frac{1 + (136 - 1)}{901.367}}$$

$$n = \frac{136}{1 + 0.000458292} = n = 135.9377 \approx \mathbf{136}$$

As show from the above table, because of the activities performed by all branches are almost similar, 2 branches are selected from each district office 8 branches from 4 district offices equally as feasible ones based on criteria such as duration of establishment, grade of branches

and scope services given 17 respondents were selected from each branches among them 3 leaders and 14 subordinates were selected from each branch and the questionnaires of 24 for leaders 112 for employees the total of 136 questionnaires were distributed. So, they can represent the remaining others. The prerequisite for employee's participation as respondents in this study was he/she must have worked for at least one year under the current leader whereas leader must have been with the company for more than three years.

To sum up, the study proposes convenience based sampling; which is non-probability sampling technique where respondents are selected upon the convenience of the researcher. The Sampling procedure has no quotas imposed and the data collected from the population which was easily available and accessible to the researcher.

3.5. Data Sources and Type

In order to generate relevant data for this study, both primary and secondary data sources were considered. According to Bigamy (2008), primary data is the information that the researcher finds out by him/herself regarding a specific topic. The main advantage with this type of data collection is that it is collected with the research's purpose in mind. This means that the information resulting from it is more consistent with the research questions and purpose. The data collected by researcher is directly linked with this study, thus provide with important information.

As this study is basically empirical in nature, primary data was gathered from banks employees and their leaders/supervisors to answer the above questions. Hence, the more emphasize is inclined to the primary data source. The closed ended questionnaires which are designed on an ordinal scale of measurement basis used to collect primary data, so that the variables were ranked to measure the degree of their strength or the agreement or the disagreement of the respondents with the variables. Secondary data serves researchers with the opportunity to better understand and explain the research problem (*Ibid.*). Thus, it is very important to start a review of the existing data with a clear mind set of what it is that one wants to accomplish with the study. This helped the researcher save time and effort because the researcher can easily discard data that has no relevance for its own study. This can result in information that can only be used partially for a specific study.

The secondary data of this study is compiled from many sources like e-sources, library books, and journals/ articles. This data is used to get better insight on the research topic, to establish the viable platform for the theoretical framework constituting the bases of this research, and to design the sample frame and questionnaire for retrieving the primary data. Another advantage of using secondary data is its comparability character. The researcher used it to validate and compare the data get through questionnaire to existing literature and articles.

3.6. Data Gathering Instruments

For the purpose of this study a quantitative methodology involving a close-ended questionnaire were used as the measuring instrument. The close-ended questionnaires administered to groups of people simultaneously, since they are less costly and less time consuming than other measuring instruments. Two separate instruments, namely multifactor leadership questionnaire (MLQ) (Bass,2003 ,Avolio 2004) and organizational commitment questionnaire (OCQ),(Allen& Meyer (1990) were distributed to both leaders and employees to obtain quantitative information on leadership styles and employees' organizational commitment respectively.

3.6.1. Multi factor Leadership Questionnaire (MLQ)

Prior to selecting the multifactor leadership questionnaire (MLQ) for this research, several other instruments such as managerial grid, situational leadership questionnaire, and least preferred coworker (LPC) were considered as possible measurements of leadership behaviors. Though these instruments measure transformational and transactional leadership behaviors, the subscales and items do not focus on a separation or differentiation of these behaviors. Instead, their emphasis is on identifying the types of leadership behaviors that are most appropriate for the situation (Bass, 2003; Avolio, 2004).The multifactor leadership questionnaire (MLQ) improved and tested with the result that many versions of the questionnaire have been adopted from Temesgen .T (2011). It is formulated from the full range leadership model consisting of transformational, transactional, and laissez-faire leadership behaviors with nine subscales.

Bass &Avolio (1995) (as cited in Bass, 2003), presented the MLQ with nine subscales of leadership styles. Participants were asked to judge the extent to which their leader engaged in specific behaviors measured by the MLQ. The MLQ is self-scoring and used 27 items excluding least relevant ones in our country's context to measure the nine subscales (3 items for each) in

this study. These items will be rated using a 5-point liker scale labeled as 1 = very rarely, 2 = rarely, 3 = sometimes, 4 = frequently 5 = very frequently, if not always High score shows high effectiveness of leadership style perception while low score implies low effectiveness perception in the scale.

- (a). Inspirational motivation (transformational) - talks optimistically about the future;
- (b). MBE-passive (transactional) – directs my attention towards failures to meet standards;
- (c). Laissez-faire - avoids making decisions.

3.6.2. Organizational Commitment Questionnaire (OCQ)

Although there is another identically-named organizational commitment questionnaire (OCQ) developed by Porter (1974) [as cited in Lo. 2010], it does not specify a clear delineation among the types of employee commitment. Also, comments by the authors caused concern about the Allen & Meyer OCQ's usefulness as a measure of employee commitment. For these and other reasons, the Allen & Meyer's (1990) OCQ will select as the measure of employees' organizational commitment for this study. This Organizational Commitment Questionnaire consists of three dimensions as "Affective commitment", "Continuance commitment" and "Normative commitment". The selected OCQ is a self-scoring questionnaire and the responses to each of the 12 items (4 items for each dimension) are rated using a 5-point Liker scale labeled as 1 = strongly disagree, 2 =disagree, 3 = neutral, 4 = agree, 5 = strongly agree. High score shows high employees' organizational commitment perception while low score implies low perception in the scale. Examples of items from the OCQ questionnaire include (*Ibid.*):

- (a) Affective commitment - I feel a strong sense of belonging to this organization;
- (b) Continuance commitment - It would be very costly for me to leave this organization right now;
- (c) Normative commitment - I would feel guilty if I left my organization

3.7. Independent and Dependent Variables of the Study

The Variables used in measuring full range leadership behaviors considered separately as independent variables. The subscales for these variables are contained in the multifactor leadership questionnaire. On the other hand, three separate measures of employee commitment will use as dependent variables. These measures are the affective commitment scale, continuance commitment scale, and normative commitment scale of the OCQ. Table 3.2 lists the variables as follows.

3.8. Data Analysis and Presentation Procedures

After the data is collected, it is necessary to utilize statistical techniques to analyze the Information as this study is quantitative in nature. Therefore, the survey data processed using an SPSS. First the relevant data was coded, summarized and transfer to SPSS analyzed and presented. Frequency tables were used to summarize the respondents profile in the form of frequency and percentages whereas, the descriptive statistics such as mean and standard deviations of employees' answers to leadership styles and employee commitment scales were calculated in order to determine employees' perceptions of leadership styles and employees' organizational commitment.

Descriptive statistics also used to calculate mean and standard deviations of leaders' answers to leadership styles in order to determine their perceptions. Subsequently, the researcher employed two-tailed Pearson correlation analysis to investigate the relationship between various leadership styles and employee commitment dimensions. The correlation analysis supported in determining both the form and degree of the relationship between the leadership styles and employee commitment. Also T-tests was used to compare the MLQ of leaders and employees responses (independent samples).

3.9. Validity and Reliability of Instruments

3.9.1. Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. What is relevant, evidence often depends upon the nature of the research problem and the judgments of the researcher. But one can certainly consider two of validity in this connection: (i) Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. (ii) Criterion related validity relates to our ability to predict some outcome or estimate the existence of some current condition.

3.9.2. Reliability

The test of reliability is another important test of sound measurement. A measuring instrument is reliable if it provides consistent results. Reliable measuring instrument does contribute to validity, but a reliable instrument need not be a valid instrument. Accordingly reliability is not as

valuable as validity, but it is easier to assess reliability in comparison to validity. If the quality of reliability is satisfied by an instrument, then it can be confident that the transient and situational factors are not interfering (Kothari, 2004). The reliability of the questionnaires was measured by using the Cronbach's Alpha coefficient; it indicates whether the level of the items is correlated to each other. The result of 0.7 and above implies an acceptable level of internal reliability. The result of reliability test for the questionnaire is shown in the following table. As it is indicated in the table, the test result is between 0.804 and 0.854. Therefore, based on the test, the results for the items are reliable and acceptable.

Table 3.2: Cronbach's Alpha Internal Consistency Rule of Thumb

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent (High-Stakes testing)
$0.7 \leq \alpha < 0.9$	Good (Low-Stakes testing)
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Source: Manerika, Vijaya and Manerikar, Sumeet (2015)

Table 3.3: Cronbach's Alpha Reliability Coefficients for MLQ

Dimensions/Factors	Cron.Alpha	Internal Consistency
Idealized influence (Attributed)	0.813	Good
Idealized influence (Behaviors)	0.805	Good
Inspirational motivation	0.813	Good
Intellectual stimulation	0.804	Good
Individual Consideration	0.815	Good
Contingent Reward	0.813	Good
Management-by-exception (Active)	0.840	Good
Management-by-exception (Passive)	0.846	Good
Laissez-Faire	0.854	Good

3.10. Ethical Considerations and Consent

The researcher addressed ethical considerations of confidentiality and privacy. The researcher used a rigorous and conscious effort at all times to sustain this promise. A guarantee was given to the Dashen Bank respondents that their names should not be revealed in the questionnaire and research report. In order to ensure the success of the research, leaders will be linked to subordinates in such a manner that each subordinate's response remains anonymous apart from being linked to a particular leader. Moreover, participants will receive a verbal and written description about the study, and an informed consent was obtained before the data collection. Finally, a copy of the final report will be given to the organization if necessary.

CHAPTER FOUR

PRESENTATIONS, ANALYSIS AND INTERPRETATION OF DATA

This chapter deals with the presentation, analysis and interpretation of the data collected from primary and secondary data sources. The chapter consists of two major parts. The first part deals with the characteristics of respondents, and the second part presents analysis and interpretation of the main data. Both descriptive and inferential statistical results were used to analyze the data. Frequency and percentage were used to analyze the characteristics of the respondents such as sex, age, level of education and work experience. Descriptive and inferential statistical data were computed by SPSS version 20 to analyze data. In the analysis part the dimensions of the three leadership styles and the three dimension of employee commitment were assessed. So, in this study the relationship between the three leadership styles and the three facets of work commitment was analyzed.

The purpose of this quantitative correlation research was to identify whether there is a specific relationship exists between the variables of leadership styles and employee commitment or not in Dashen bank in Addis Ababa. The independent variables were the elements of leadership style in the full range leadership model (transformational, transactional, and laissez-faire leadership styles) and the dependent variable was employee commitment which was characterized by affected, continuance and normative commitments of employees in the bank.

Demographic variables collected included years in position (service years), sex, age and level of education. Twenty four leaders and one hundred twelve employees were invited to rate the questioners for study. Sixteen questionnaires rated by the employees were not returned. The bank leaders rated 27 items from the MLQ Short to measure their perceptions of leadership style (self-rating). The employees also rated statements of the MLQ to measure their leaders (others-rating). Employee also rated their commitments composed of 12 items to measure employees' level of commitment. Hence, the presentation and interpretation of the data are presented in tables in the following sections.

The questionnaire were developed in five scales ranging from five to one; where 5 represents very frequently, 4 frequently, 3 sometimes, 2 rarely, and 1 very rarely. All questionnaires were filled by the employees of Dashen bank. Employees and leaders were selected based on convenience and efforts have been made to have representative sample and the results are considered as representative of the population.

4.1. Characteristics of the Respondents

The study population included employees working in the selected branches of Dashen bank S.C in Addis Ababa. Eight bank branches leaders and 112 employees were consented to participate in the study. The demographic characteristics addressed in this research were sex, age, academic qualification and work experience of respondents. These characteristics are presented in one table in following sections

Table 4.1: Summary of Leaders' and employees Profile

	Variables	Frequency		Percent	
		Leaders	Employees	Leaders	Employees
Gender	Female	11	41	45.8	42.7
	Male	13	55	54.2	57.3
	Total	24	96	100	100
Age group	Under 26 years	-	9	-	9.4
	26 to 35 years	1	45	4.2	46.9
	36 to 45 years	9	25	37.5	26
	46 or 55 years	8	10	33.3	10.4
	56 to 65 years	6	7	25	7.3
	Total	24	96	100	100
Worked on current position	4 to 6 years	1		4.2	
	7 to 9 years	16		66.7	
	10 to 12 years	5	N.A	20.8	N.A
	Above 13 years	2		8.3	
	Total	24		100	
Work under current leader	1-3 years	NA	56	NA	58.4
	4-6 years		25		26
	7-9 years		15		15.6
	Total		96		100
Previous work experience	1 to 5 years	1	52	4.2	54.2
	5 to 10 years	12	28	50	29.2
	11 to 15 years	9	14	37.5	14.6
	16 to 20 years	2	2	8.3	2
	Total	24	96	100	100
Marital status	Single	7	37	29.2	38.5
	Married	17	59	70.8	61.5
	Total	24	96	100	100
Educational background	Diploma/level IV	-	17	-	17.7
	Bachelor degree	18	56	66.7	58.4
	Masters degree	6	23	22.3	23.9
	Total	24	96	100	100

Note: N.A = not applicable

Source: Own survey, 2018

In the leaders' sample, 13 (54.2%) are males and 55 (57.3%) males in the employees' sample this indicate that female employees are dominated by male. From the employees participants, the majority's age group was between 26 to 35 years 45 (57.1%) followed by those 36 to 45 years old 25 (26 %), whereas most of the leaders falling in the range of 36 to 45 years of age 9(37.5%) followed by those between 46 to 55, years old 8 (33.3%).From the demographic data which was presented in table-4.1 one can understand two important out comes. Most of the bank leaders and employees are in the study organization were male and most of the leaders were above the age of 36. These banks were led by male and aged leaders dominated leadership. These organizations need to work and expected to do more to increase the female leaders and young leaders' involvement in the leadership position. This shows that gender disparity and the lack of participation of the young leaders' were the major finding from the demographic data.

Most of the total employees have worked from 1to5 years 52 (54.2%) followed by 6 to 10 years 28 (29.2%), as the minimum requirement was 1 year, for their current organization and most of those have worked from 1 to 3 years under current leader 56 (58.4%). The majority of leaders have worked from 7 to 9 years, as the minimum requirement was 3 years, for their current organization 16 (66.7%) followed by 10 to 12 years (20.8%) as well as having similar previous work experience of 6 to 10 years (50%) followed by 11-15 years (37.5%).

From the total participants, half of the leaders are married 17(70.8%) and 7(29.2) of the leaders are single .whereas 59(61.5) of the employees are married and 37(38.5%) of the employees are single. Education levels of 17(17.7%) having diploma, and master's degree 23(22.3%) & 56(58.4%) having Bachelor's degree, for employees and 18(66.7%) & 6(22.3%) falling in the range of bachelor's degree and Master's degree for leaders, respectively. This may be show they can handle the responsibility and they are capable for the work. Therefore one can understand that relatively the bank leaders have work experiences in the leadership position. These insufficient experiences can be used transforming the organizations in this fast growing and changing technology and environment. In addition educational qualification of most of leaders is first degree and only 6 (25%) were holding master's degrees. This shows that most of the leaders were below the requirement of the leadership position.

4.2. Descriptive Statistics for Leadership Styles and Employee Commitment

The descriptive statistics was used as a way to examine the mean, standard deviation and other information which are not apparent in the raw data. It was needed to determine the employees' perception to leadership style and organizational commitment. Table 4.3 below contains descriptive data (mean and standard deviations) for the five transformational leadership subscales, three transactional leadership subscales, one laissez-faire subscale, and three employee commitment scales as indicated by the respondents. In all cases, the distribution of scores for the sample contained reasonable variance and normality for use in subsequent analyses. The translation of level ranking is analyzed based on the following criteria of customers' satisfaction designed by (Belay, 2012).

Table 4.2: Best Level of Ranking

Score	Mean	Satisfaction level
1.00 – 1.80	Lowest	Lowest
1.81 – 2.61	Low	Low
2.62 – 3.41	Average	Average or Medium
3.42 – 4.21	Good	High
4.22 – 5.00	Very Good	Highest

Source: Belay (2012)

Table 4.3: Mean and Standard Deviations of Leadership Styles and Employee Commitment for employees Responses

Variables	Mean	Std. Deviation
Idealized Influence (attributed)	2.98	0.75
Idealized Influence (behavior)	3.18	0.79
Inspirational Motivation	3.22	0.74
Intellectual Stimulation	2.99	0.79
Individualized Consideration	2.95	0.74
Transformational Leadership	3.06	0.64
Contingent Reward	2.96	0.76
Management-by-Exception (active)	2.82	0.57
Management-by-Exception (passive)	2.82	0.74
Transactional Leadership	2.96	0.48
Laissez-Faire	3.09	0.80
Affective Commitment	3.44	0.75
Continuance Commitment	3.09	1.41
Normative Commitment	3.22	0.85

Note: N=96

Source: Own survey, 2018

Each subscale of leadership styles and each scale of commitment has 3 items and 4 items, respectively.

4.2.1. Employees Perception to Leadership Styles

The sample size for all variables (leadership and commitment) is 96 indicating that leaders' responses are excluded because here the purpose is to determine employees' perception to current organization's leadership styles and their commitment to the organization. The mean values for each of the transformational leadership subscales are calculated between 2.95 to 3.22 and having the standard deviation value of 0.74 to 0.79; whereas for those of transactional leadership ranges from 2.82 to 3.09 standard deviation of 0.57 to 0.76 . The mean and standard deviation values for laissez-faire are 2.82 and 0.8, respectively. From the leadership subscales, idealized influence (behavior) and Laziest faire leadership have the highest standard deviation approximately 0.80 followed by intellectual stimuli and idealized influences attribute which scored approximately 0.79 standard deviation.

The overall scores of data for the transformational and transactional subscales are, in some cases, slightly less than what Bass & Avolio (1997) [as cited in Bass *et al.*, 2003] consider "ideal" levels for effective leadership. The suggested scores for the most effective leaders include a mean of 3.0 or higher for idealized influence (attributed), idealized influence (behavior), inspirational motivation, intellectual stimulation, and individualized consideration.

The aforementioned patterns of scores for this study suggest that some respondents perceived their leaders as one that has not exhibited the "ideal" levels of transformational leadership behaviors. These behaviors included instilling pride, inspiring a shared vision, talking optimistically, encouraging creativity, and placing much importance in coaching or training. On the contrary, the mean score of contingent reward implies that some of the employee perceived their leaders as performing beyond expected average job of recognizing accomplishments and clarifying expectations. This is also similar for the management by exception (active) mean, which entails that some employees perceived their leaders as taking corrective action immediately when deviations occur. Furthermore, the mean scores of management-by-exception (passive) and laissez-faire proposes as some employees perceived that their immediate supervisors tended not to take corrective action or make decisions as soon as problems occur.

As the results of this study indicate, respondents perceived leadership style to be slightly more transformational ($M = 3.06$) than to that of transactional ($M = 2.96$) and laissez-faire ($M = 2.82$). Therefore, this supports the finding by Trotter *et al.* (2008) that shows transformational leadership variables are slightly more important in terms of their overarching concept of leadership effectiveness in followers' perceptions of importance.

4.2.2. Employees Perception to their Organizational Commitment

In addition to the scores of leadership styles, the mean and standard deviations of the Organization commitment to their organization are presented in Table 4.3 as indicated by the respondents. The mean and standard deviation scores for each of the employee commitment scales are ranked by respondents as affective commitment has 3.44 and 0.75, continuance commitment has 3.09 and 1.41, and normative commitment has 3.22 and 0.85, respectively.

When we see from highest to lowest mean scores, respondents ranked their "Affective commitment" with highest mean of 3.44 whereas their "Continuance commitment" having lowest mean of 2.96 from total. From standard deviation scores, continuance commitment has the highest value of all, i.e., 1.41. In describing the application of their Organizational Commitment Questionnaire (OCQ) scales, Allen & Meyer (1990) do not provide guidance about average, required, ideal, or expected means for affective, continuance, and normative commitment. Instead, Allen & Meyer (1990) and other researchers (Bruckner *et al.*, 1992; Shore & Wayne, 1993; Hunt & Morgan, 1994; Meyer *et al.*, 2004) studied to identify what was a relationship between the different types of organizational commitment and the outcomes that are being examined, as well as the pattern for those findings, and their level of influence. Many of them proposed that the required pattern to be ranked starting from highest to lowest scores in the following manner such as affective commitment, normative commitment, and then continuance commitment.

The results of this study reflect that the pattern for mean scores is consistent with the above mentioned ones by presenting that affective commitment has highest score followed by normative commitment, and then continuance commitment has the least score. This indicates that some of the employee has strong affective commitment towards their organizations where they would consider themselves as belonging to these organizations. However, lowest mean of continuance commitment implies as the respondents felt that the Banks leaders are not paying enough attention to the rewards in exchange of efforts they provide to the organizations compared to others.

4.3. Comparisons between Leader and Employee Responses on Leadership Styles

The results of descriptive statistics for employees and leaders responses to Multifactor Leadership Questionnaire (MLQ) are presented in Table 4.3. T-test is used to compare the means of two samples (independent). In this case, the significant differences, between the two samples on the dimensions of the questionnaires, are determined. The test considers two critical assumptions regarding data distribution: the values in the data set are independent (measured on randomly selected units from the study area) and the data to be normally distributed, but are not sensitive to violations of the normality assumption unless the data is extremely non-normal. Also the standard deviations and standard error mean of the two samples (employees and leaders) are compared to determine whether their perception is similar or different to leadership styles based on the dimensions of the questionnaires.

Table 4.4: Summaries of Mean Score for the MLQ (Leaders and Employees) Responses

Variables	Participants	N	Mean	Std. Deviation
Idealized Influence (attributed)	Employees	96	2.98	1.09
	Leaders	24	3.34	0.86
Idealized Influence (behavior)	Employees	96	3.18	0.75
	Leaders	24	3.50	0.76
Inspirational Motivation	Employees	96	3.22	0.79
	Leaders	24	3.53	0.88
Intellectual Stimulation	Employees	96	2.99	0.79
	Leaders	24	3.50	0.69
Individualized Consideration	Employees	96	2.95	0.74
	Leaders	24	3.08	0.85
Transformational Leadership	Employees	96	3.06	0.64
	Leaders	24	3.39	0.81
Contingent Reward	Employees	96	3.09	0.76
	Leaders	24	3.44	0.75
Management-by-Exception (active)	Employees	96	2.96	0.57
	Leaders	24	3.22	0.73
Management-by-Exception (passive)	Employees	96	2.82	0.74
	Leaders	24	2.44	0.76
Transactional Leadership	Employees	96	2.96	0.48
	Leaders	24	3.03	0.75
Laissez-Faire	Employees	96	2.82	0.80
	Leaders	24	2.46	1.09

Source: Own survey, 2018

According to the results shown in the Table 4.3, the mean score for employees' responses on each of the transformational leadership subscales are ranged from 2.95 to 3.22 with the standard deviation values from 0.74 to 1.09 whereas for those of leaders has mean scores ranged from 3.34 to 3.53 with standard deviation values from 0.69 to 0.88. If we consider the mean and standard deviation scores of the transformational leadership scales taken as a whole for both groups, employees' group has 3.06 and 0.64 respectively whereas leaders' group has 3.39 and 0.81 respectively.

On the other hand, the mean and standard deviation scores for each of transactional leadership subscales ranges from 2.96 to 3.03 mean and standard deviation of nearly 0.48 and 0.75 for employees' responses while it ranges from 1.15 to 3.43 mean and 0.43 to 1.11 standard deviation values for leaders' responses. When taken as a whole, the leaders' responses on the transactional leadership scale presents higher mean with slightly higher standard deviation to that of employees' response. But the mean and standard deviation values of the leaders' responses for laissez-faire leadership scale are lower and slightly lower than to that of employees' one, respectively.

For some of the transformational leadership subscales such as inspirational motivation ($m=3.25$) and intellectual stimulation ($m=3.10$), leaders' responses indicate that as current study has slightly higher mean score to that of Bass & Avolio (1997) suggested one for the most effective leaders ($m \geq 3.0$) whilst the employees' responses for all subscales has slightly less than to the suggested benchmark. In the case of contingent reward, the mean scores for both groups are higher than the suggested mean score of 2.0 compared with employees mean score of 2.31 and with 3.43 mean score of leaders. Similarly, the mean scores of both employees and leaders for management-by-exception (active) are found within and above, respectively, the suggested ranges of 1.0 and 2.0. The mean scores of employees' response for management-by-exception (passive) and laissez-faire are found above the suggested ranges of 1.0 and 0.0 whereas for those of leaders it is slightly higher than and within the suggested ranges respectively.

As the whole values of the mean implies for all leadership subscales with an exception of management-by-exception (passive) and laissez-faire, the leaders' responses has higher mean scores than to those of employees' responses. The values of standard deviation on all leadership subscales with an exception to management-by-exception (active) and management-by-exception (passive) indicate higher standard deviation scores for employees' responses than to the leaders' responses.

The variations in both cases can be triggered to different reasons. In particular, the difference in mean values may be due to the difference in the size of the two samples or due to the considerable difference between perception of both groups about leadership styles or leaders are considering themselves as practically exercising what is required in theoretical leadership behaviors without convincing their followers. Likewise, the differences in the values of the standard deviations show that there is more difference in variability for the scores of employees' responses than to those of the leaders. This is an indication of major differences between leadership behaviors which are being practiced and behaviors which are being perceived by the employees.

Table 4.5 below measures whether the difference is significant or not between the mean scores of the two samples (employees and leaders) for Multifactor Leadership Questionnaire (MLQ). Confidence Interval of the Difference is 95% (i.e., $p \leq 0.05$).

Table 4.5: T-test results for equality of mean scores by the two samples on MLQ

		T-test for equality of means	Df	Sig. (2-tailed)
Contingent reward (CR)	Equal variances assumed	- 4.975	78	.000
	Equal variances not assumed	-8.012	67.012	.000
Management by exception (active) (MBEA)	Equal variances assumed	-1.967	78	.052
	Equal variances not assumed	-1.881	26.446	.071
Management by exception (passive) (MBEP)	Equal variances assumed	1.956	78	.053
	Equal variances not assumed	1.883	26.608	.071
Idealized influence (attributed) (IIA)	Equal variances assumed	-2.465	78	.015
	Equal variances not assumed	-3.167	38.931	.003
Idealized influence (behavior) (IIB)	Equal variances assumed	-1.587	78	.115
	Equal variances not assumed	-1.801	31.994	.081
Inspirational motivation (IM)	Equal variances assumed	-3.137	78	.002
	Equal variances not assumed	-4.146	41.083	.000
Intellectual stimulation (IS)	Equal variances assumed	-4.114	78	.000
	Equal variances not assumed	-5.868	48.391	.000
Individualized consideration (IC)	Equal variances assumed	-3.045	78	.003
	Equal variances not assumed	-3.668	34.901	.001
Laissez-faire leadership (LFL)	Equal variances assumed	3.681	78	.000
	Equal variances not assumed	4.546	36.328	.000
Transactional Leadership (TSL)	Equal variances assumed	-2.878	78	.005
	Equal variances not assumed	-2.660	25.676	.013
Transformational Leadership (TFL)	Equal variances assumed	-3.533	78	.001
	Equal variances not assumed	-5.538	61.873	.000

Note: t=t-value, df =degree of freedom, Sig. (2-tailed) = two tailed of significance

Source: Own survey, 2018

Table-4.5 contained the data on the results of t-test (t), degree of freedom (df) and level of significance (2-tailed) between leaders and employees. The confidence interval was 95%. Levine's test was used to test statistical differences between variances of groups for the t-test. If the level of significance (p) is greater than the 0.05, then we can assume that the group variance is equal and we need to use the first row of t-test results. If the level of significance (p) is .05 or less, thus we should assume that the group variances are not equal and we use the second row of the t-test results. Low significance value for the t-test which is less than 0.05 indicates there is a significant difference between the two group means. If the significance value for the t tests is greater than 0.05, this shows that there was no significant difference between the two group means. The independent-samples test output provides the ratio of the variances of leaders and employees significance level (Sig.), t obtained, degrees of freedom (df) and two tailed level of significance (Sig.).

The result of Levine's test for the equality of variances in the table-4.5 showed that the finding points out significant differences between the two samples on all dimensions of leadership with an exception to idealized influence (behaviors), management by exception (active), and management by exception (passive). These significant differences implies as there are major differences between leadership behaviors which are being practically exercised and behaviors which are being perceived by the employees of the organization. Since the level of significances were greater than 0.05. The finding points out significant differences between the two samples on all dimensions of leadership with an exception to idealized influence (behaviors), management by exception (active), and management by exception (passive). These significant differences implies as there are major differences between leadership behaviors which are being practically exercised and behaviors which are being perceived by the employees of the organization.

4.4. The correlation between Leadership Styles and Employee Commitment

In this section, correlation analysis conducted in the light of each research questions is mentioned. The relationship between leadership styles and employee commitment was investigated using two-tailed Pearson correlation analysis. This provided correlation coefficients which indicated the strength and direction of relationship. The p-value also indicated the probability of this relationship's significance. These findings are presented below.

Table 4.6: Pearson correlation matrix between leadership styles and employee commitment dimensions

<i>Employee Commitment</i>	Affective commitment	Continuance Commitment	Normative Commitment	Organizational Commitment
<i>Leadership styles</i>				
Transformational leadership style	.305**	.238*	.053	.303**
Transactional leadership style	.075	.177	.222*	.229*
Laissez-faire leadership style	-.349**	-.046	.024	-.189

Note: N=96

*. Correlation is significant at the $p < 0.05$ level (2-tailed).

**.. Correlation is significant at the $p < 0.01$ level (2-tailed).

4.4.1. Correlations between Transformational Leadership Style and Employee Commitment Dimensions

As seen from the results, transformational leadership has relatively weak, but significant positive correlation with affective commitment (0.305**) and very weak, but significant, positive relationship with continuance commitment (0.238*) whereas no relationship with normative commitment (0.053). These findings suggest that there is a positive, although not very strong, relationship between the transformational leadership style and both affective commitment and continuance commitment. For affective commitment, this suggests that leadership behaviors which involve building trust, inspiring a shared vision, encouraging creativity, emphasizing development, and recognizing accomplishments is somewhat positively related to how employees feel about wanting to stay with the Bank.

For continuance commitment, this finding suggests that these same leadership behaviors are related to how employees feel about having to stay with the organization. Continuance commitment is more likely related to transferability of skills, education, retirement money, status, and job security, and alternative employment opportunities (Allen & Meyer, 1990; Shore & Wayne, 1993; Hunt & Morgan, 1994; Meyer et al., 2004). However, the rate in the relationship between transformational leadership behavior and continuance commitment is rather lower than the rate in the relationship with affective commitment, because continuance commitment is about the costs of leaving the organization and is largely affected by the variables such as gender, age, seniority, career opportunities, salary, and marital status (Allen & Meyer, 1990).

As for the lack of statistically significant correlations between the transformational leadership and normative commitment, my findings suggest that this same leadership style may not be related to how employees feel about their obligation to stay with organization. The finding that transformational leadership style has no relationship with normative commitment is also appropriate since employees who stay with an organization because they feel obligated to do may not exhibit the same enthusiasm and involvement as employees who stay with an organization because they want to stay and need to stay (Allen & Meyer, 1990; Brooks *et al.*, 2006). This is also in line with the argument of Mannheim & Halamish (2008) that reveals as transformational leadership is enacted, members of organizations no longer seek merely self interest, but that which is beneficial to the organization as a whole. As such, transformational leadership style may not be related to normative commitment as to affective and continuance commitment.

4.4.2. Correlations between Transactional Leadership Style and Employee Commitment Dimensions

According to the analysis results, there is very weak, but positive and significant relationship between transactional leadership style and normative commitment (0.222*) but there is no statistically significant correlation with affective commitment (0.075) and continuance commitment (0.177). The positive correlation between transactional leadership style and normative commitment suggests that leadership behaviors involving rewards, highlighting problems, and positive reinforcement related to how employees feel about ought to stay with the organization (Bass & Avolio, (1993). This relationship also indicates that the leaders' and followers' associations affects employees' moral identification with an organization and relates to their feelings of responsibility (Allen & Meyer, 1990).

On the other hand, the absence of relationship for transactional leadership style with affective commitment and continuance commitment suggests that leadership behaviors involving exchange of rewards for meeting agreed-on objectives, highlighting problems, or waiting for problems to become serious before taking action, may not be related to how employees feel about want to stay and need to stay with the organization. These natures are more related with negative performance (Allen & Meyer, 1990; Bass & Avolio, 1993).

This finding verifies with the finding of Bučiūnienė & Škudienė (2008) that identified significant and positive correlation between transactional leadership style and normative commitment though it does not confirm the relationship with that of affective and normative commitment by the same authors. Taken together, the finding also supports the studies of Bycio *et al.* (1995) [cited in Ponnu & Tennakoon, 2009], Lo *et al.* (2009) and Lo *et al.* (2010) those indicated that transactional leadership has positive relationship with employees' organizational commitment.

The significant positive correlation of transactional leadership style and normative commitment contradicts with finding by Marmaya *et al.* (2011) which showed that transactional leadership style is positively related to affective commitment. It also contradicts the findings by Brown & Dodd (1999) [cited in Bučiūnienė & Škudienė, 2008], whose empirically supported arguments stated that transactional leadership has a negative association with affective and normative commitments. An explanation of this finding may be due to the characteristics of the research sample used by them since they investigated employees in US municipalities.

4.4.3. Correlations between Laissez-faire Leadership Style and Employee Commitment Dimensions

Laissez-faire leadership style, according to the research data, is significantly and negatively related to affective commitment (-0.349**) though it is relatively weak. This existence of significant and negative correlation between laissez-faire leadership style and affective commitment suggests the strengths of negative influence on the affective commitment. Therefore, leadership behaviors that involve ignoring problems, displaying indifference, and overlooking achievements are negatively related to affective employees' commitment in Dashen bank.

However, laissez-faire leadership does not have any statistically significant correlations with continuance and normative commitments. These almost nonexistent correlations suggest that leadership behaviors involving ignoring problems, acting non-involved, displaying indifference, and overlooking achievements may not be related to how employees feel about need to stay and having to stay with the Dashen bank.

Laissez-faire leadership, given its non-intervening nature, has negative consequences on affective employee commitment dimension but nothing on others. The results are consistent with

the literature indicating that laissez-faire leadership is negatively related to affective commitment and has no relationship with continuance commitment though it contradicts the significant negative relationship with normative commitment (Bučiūnienė and Škudienė, 2008). Likewise, the nonexistent correlations of laissez-faire leadership with both continuance and normative commitments confirms the finding by Awan & Mahmood (2009) that depicted as the leadership style (in their case, autocratic or laissez-faire) has no effect on the commitment of employees in university libraries.

Generally, the present study has exhibited that transformational leaders have a more significant and stronger relationship with organizational commitment. This is consistent with previous studies by Bass & Avolio (1993) who claimed that transactional culture creates only short-term commitment, whereas transformational culture creates long-term commitment as well as with that of Lock & Crawford (1999) who elucidated that the leadership style variable, a bureaucratic environment that resembles transactional characteristics, often resulted in a lower level of employee commitment and performance. Similarly, Mannheim & Halamish (2008) revealed that leaders who exhibit transformational leadership styles are more effective in achieving significantly higher commitment levels than transactional leaders.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

This chapter deals with the summary, conclusion and recommendations parts of the research. The first part of this chapter presents the summary of the major findings. The second part of the chapter is concerned with the conclusion drawn by researcher and the third part is about the recommendations made by the researcher.

5.2. Summary Major Findings

The main objective of this research was to examine the relationship between leadership styles and employees' organizational commitment in Dashen Bank S.C. According to the analysis results and discussion of the study, summaries are made on the nature and relationship of leadership styles and employee commitment. Most of the employees have worked from 1 to 5 years (53.6%), as the minimum requirement was 1 year, for their current organization and from 1 to 3 years under current leader (71.4%). The majority of leaders have worked from 6 to 10 years, as the minimum requirement was 3 years, for their current organization (50%). This may imply the employees have experiences and know their leaders well.

The patterns of mean scores for transformational leadership subscales suggest that some respondents perceived their leaders as one that has not exhibited the "ideal" levels of transformational leadership behaviors as well as some need for improvement. The mean for contingent reward and management-by-exception (active) of transactional subscales proposes that some employees perceived their leaders as performing beyond expected average job of recognizing accomplishments and taking corrective action immediately when deviations occur. Consistent to other findings, affective commitment has highest mean score followed by normative commitment, and then continuance commitment has the least score. Therefore, it can be said that employee's perceptions of organizational commitment are positive. These mean scores suggest that some employees felt more about wanting to stay followed by obligation to stay and less about having to stay with the Bank.

The lowest mean score of continuance commitment suggests that employees of the Bank perceived that they get much lesser than the effort they are required to exert on performing their jobs. Regarding the comparison between employees' and leaders' responses to leadership styles of the Bank, employees' group has mean of 2.30 whereas leaders' group has mean of 2.95 on transformational leadership scale. Similarly, the leaders' responses on the transactional leadership scale presents higher mean with slightly higher standard deviation to that of employees' response. But the mean and standard deviation values of the leaders' responses for laissez-faire leadership scale are lower and slightly lower than to that of employees' one, respectively. This indicates that leaders of Dashen Bank perceive more than what employees perceive as they adopt, from most to least, a transformational leadership style, transactional leadership style, and the laissez-faire leadership respectively.

5.3. Conclusion

Almost in all leadership variables, the standard deviation of employees' responses is smaller than that of the leaders. Analysis of the T-test for equality of mean scores revealed significant differences between the two samples on all dimensions of leadership with an exception to idealized influence (behaviors), management by exception (active), and management by exception (passive).

The results of this study confirm some of earlier findings and contradict the others on the relationship between leadership style and employee commitment dimensions (affective, continuance, and normative commitments). Pearson correlation analysis was used to investigate the relationship between these variables. The important finding of this study is that transformational leadership style has a greater significant influence on affective employee commitment than on continuance employee commitment. It can be suggested that transformational leadership styles which involve building trust, inspiring a shared vision, encouraging creativity, and emphasizing development explains some of the relations in whether employees want to or do not want to stay with the Bank. For continuance commitment, these same transformational leadership activities explain a little less of the relations in whether employees feel needed to or do not feel needed to stay with the Bank. This finding also led us to conclude that transformational leadership is a better predictor of employee commitment.

According to the results of the research, there is a positive and significant relationship between transactional leadership style and only normative commitment. This reflects that leadership behaviors, which involve recognizing accomplishments taking immediate action or waiting for problems to become chronic before taking action, explain positive variations in how employees feel about having to stay with the organization. In other word, it can be said that employees' feeling of having to stay in the organization increases as transactional leadership behaviors increases.

The third leadership style, a laissez-faire leadership, was found to be significantly and negatively associated with employees' affective commitment but has no significant relationship with others. This predicts that leadership behaviors which involve ignoring problems, displaying indifference, and overlooking achievements will negatively affect how employees feel about *wanting to* stay with the organization. Thus, it can be said that this leadership style may intervene in the work affairs of leader-employee interaction or inhibit the successful development of an organization.

In general, the findings have indicated that transformational leadership is effective in affecting significantly both employees' affective and continuance commitments without having any significant effect on normative commitment whereas transactional leadership is effective in affecting significantly employees' normative commitment. Compared to transformational and transactional leadership, laissez-faire leadership has significant and negative correlation with affective employees' commitment but does not have any significant correlation to both continuance and normative commitments.

5.4. Recommendations

- As there are considerable differences in mean scores between leaders and employees perception to leadership styles, leaders must try to be found as practical as what they say theoretically to their followers.
- To improve the lowest mean score of continuance commitment, Dashen Bank should try to improve their payments and other benefit systems to develop employee commitment otherwise they need not stay there.
- From the managerial perspective, this study implies to the policy makers and leaders at the Bank that they can focus in developing their employees, by tapping their potentials, inspiring them, promoting collaboration, motivating and reinforcing positive attitudes towards commitment to organization.
- Because both transformational and transactional leadership styles has been found to have a significant and positive relationship with employee commitment, the institutions should attempt to maintain these leadership styles within their organizations as committed employees are most desirable. For transactional leadership, recognizing accomplishments and expectations, and taking immediate action rather than waiting for problems to become serious.
- Based on the findings that revealed the significant relationships between leadership styles and employee commitment, it is imperative to establish a sound system of benefits, promotion, and development in order to increase employees' organizational commitment and then raise productivity by reducing labor turnover. These are major factors which influence the decisions of employees about want to, need to or ought to stay in the current organization.

5.4.1. Implication for Future Research

In future research, it would be interesting to assess causal relationships and consider alternative modes of enquires such as employing the longitudinal design (e.g. observations or interviews) to determine if the findings tested are likely to be sustained. Further research should also involve a nationwide survey covering samples from the whole population of the Banking industry in Ethiopia.

Future studies can benefit by including leadership styles and other variables such as loyalty or self efficacy beliefs in determining employee commitment. Comparisons can also be made between the private and public Banks in Ethiopia.

The findings of this study may not be generalized to the whole Banking industry or to other types of organizations in the country. Generalization of the present findings should, therefore, be examined in future research in Banking industry and other organizations with balanced gender, and more heterogeneous samples.

Furthermore, researchers might further examine the particular circumstances under which leadership behaviors might influence continuance commitment. Meyer *et al.* (2004) suggest that this relationship could vary based on employees' perceptions of their ability to find another job with similar characteristics. Emphasis in this area could improve leaders' ability to have a positive influence on employees who stay with the organization because they feel they have no other choice.

Taken as a whole, the suggestions for future research offer additional opportunities to further investigate the amount of variance that the three leadership styles explain in all types of employee commitment.

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APPENDICES

Appendix A: Leadership Styles and Employee Commitment

Transformational Style

- Idealized Influence (attributed): instills pride and builds trust.
- Idealized Influence (behavior): emphasizes collective sense of mission, and talks about values and beliefs.
- Inspirational Motivation: expresses enthusiasm, optimism, and confidence.
- Intellectual Stimulation: encourages problem solving, critical thinking, and creativity.
- Individualized Consideration: develops, coaches, and teaches.

Transactional style

- Contingent Reward: recognizes accomplishments and clarifies expectations.
- Management-by-Exception (active): takes immediate action to correct problems and highlights mistakes or errors.
- Management-by-Exception (passive): waits for problems to become chronic or serious before correcting.
- Laissez-Faire style
- Laissez-Faire: an act non-involved, displays indifference, overlooks achievements, and ignores problems.

Employee Commitment

- Affective Commitment: wants to stay with the organization and feels emotionally attached.
- Continuance Commitment: needs to stay with the organization because the cost of leaving is too high.
- Normative Commitment: feels obligated to stay with the organization because it is the moral and right thing to do.

Appendix B: Multifactor Leadership Questionnaire (MLQ) Scoring Key

Description	Leadership Factors	Raw Factors	Question numbers
	Transformational	Idealized Influence (Attributed)	9,14 and 17
	Transformational	Idealized Influence (Behaviors)	6,18 and 25
	Transformational	Inspirational Motivation	8,12 and 27
	Transformational	Intellectual Stimulation	2,7 and 23
	Transformational	Individualized Consideration	13,15 and 22
Constructive Transaction	Transactional	Contingent Reward	1,10 and 26
Corrective Transaction	Transactional	Management by Exception (Active)	4,19 and 20
Corrective Transaction	Transactional	Management by Exception (Passive)	3,11 and 16
	Non-Transactional	Laissez-Faire	5,21 and 24

Appendix C: Organizational Commitment Questionnaire (OCQ) Scoring Key

Organizational Commitment Factor	Question numbers
Affective Commitment	1, 4, 9 and 10
Continuance Commitment	2, 3, 5 and 6
Normative Commitment	7, 8, 11 and 12

Appendix D: Multifactor Leadership Questionnaire (MLQ) Questionnaire filled by Leaders at Dashen Bank S.C

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
GENERAL MBA PROGRAM**

Questionnaire to be filled by Leaders at Dashen Bank S.C

Dear respondents,

I am graduating class MBA student of 2018 at St. Mary's University. Currently I am conducting research on **“the relationship between leadership style and employees commitment” The case of Dashen Bank S.C.** This paper is required as a partial requirement for MBA degree at the University and its purpose is merely academic Hence, I want to assure you that the confidentiality of the information you give me will never be identified by your name nor disclosed to any other party..

Please answer items below by **putting (√) sign a number from 1 to 5** that best reflects your perception. Judge how frequently each statement fits you. The word "others" may mean your peers, clients, direct reports, supervisors, and/or all of these individuals. I would like to thank you in advance for your indispensable cooperation!!!

Use the following rating scale:

Description	
1	Very rarely
2	Rarely
3	Sometimes
4	Frequently
5	Very frequently

S/N	Description of items	1	2	3	4	5
1	I provide others with assistance in exchange for their efforts					
2	I re-examine critical assumptions to question whether they are appropriate					
3	I fail to interfere until problems become serious					
4	I focus attention on irregularities, mistakes, exceptions, and deviations from standards					
5	I avoid getting involved when important issues arise					
6	I talk about my most important values and beliefs					
7	I seek differing perspectives when solving problems					
8	I talk optimistically about the future					
9	I instill pride in others for being associated with me					
10	I discuss in specific terms who is responsible for achieving performance targets					
11	I wait for things to go wrong before taking action					
12	I talk enthusiastically about what needs to be accomplished					
13	I spend time teaching and coaching					
14	I go beyond self-interest for the good of the group					
15	I treat others as individuals rather than just as a member of a group					
16	I demonstrate that problems must become chronic before I take action					
17	I act in ways that build others' respect for me					
18	I consider the moral and ethical consequences of decisions					
19	I keep track of all mistakes					
20	I direct my attention toward failures to meet standards					
21	I avoid making decisions					
22	I help others to develop their strengths					
23	I suggest new ways of looking at how to complete assignments					
24	I delay responding to urgent questions					
25	I emphasize the importance of having a collective sense of mission					
26	I express satisfaction when others meet expectations					
27	I express confidence that goals will be achieved					

Appendix E: Demographic Questions filled by Leaders at Dashen Bank S.C

Demographic Questions to be filled by Leaders at Dashen Bank S.C

The following questions concern your position and other personal information. Completion of this information is voluntary and its confidentiality is assured. No individual data will be reported.

THANK YOU!

- 1. What is your Sex? Male Female
- 2. How long have you worked on the current position?
1-3 4-6 7-9 10-12 more than 13
- 3. How long is your previous work experience on the same position?
1-3 4-6 7-9 10-12 more than 13
- 4. What is your Age Group?
Under 26 26 to 35 36 to 45 46 to 55 56 or older
- 5. What is your highest level of Education?
Diploma or level IV
Bachelor's degree
Master's degree
- 6 . What is your marital status?
Married Single Other _____

==== Thank you for your co-operation!!====

Appendix F: Multifactor Leadership Questionnaire (MLQ) Questioner filled by employees of Dashen Bank S.C

Dear respondents,

I am graduating class MBA student of 2018 at St.Marys`University. Currently I am conducting research on **“the relationship between leadership style and employees commitment”** **The case of Dashen Bank S.C.** This paper is required as a partial requirement for MBA degree at the University and its purpose is merely academic.Hence,I want to assure you that the confidentiality of the information you give me will never be identified by your name nor disclosed to any other party.

Please answer items below by **putting (√) sign a number from 1 to 5** that best reflects your perception. Judge how frequently each statement fits you. The word "others" may mean your peers, clients, direct reports, supervisors, and/or all of these individuals. I would like to thank you in advance for your indispensable cooperation!!!

Use the following rating scale:

Description	
1	Very rarely
2	Rarely
3	Sometimes
4	Frequently
5	Very frequently

S/N	Description of items	1	2	3	4	5
1	My leader provides me with assistance in exchange for my efforts					
2	My leader re-examines critical assumptions to question whether they are appropriate					
3	My leader fails to interfere until problems become serious					
4	My leader focuses attention on irregularities, mistakes, exceptions, and deviations from standard					
5	My leader avoids getting involved when important issues arise					
6	My leader talks about their most important values and beliefs					
7	My leader seeks differing perspectives when solving problems					
8	My leader talks optimistically about the future					
9	My leader instills pride in me for being associated with him/her					
10	My leader discusses in specific terms who is responsible for achieving performance targets					
11	My leader waits for things to go wrong before taking action					
12	My leader talks enthusiastically about what needs to be accomplished					
13	My leader spends time teaching and coaching					
14	My leader goes beyond self-interest for the good of the group					
15	My leader treats me as an individual rather than just as a member of a group					
16	My leader demonstrates that problems must become chronic before taking action					
17	My leader acts in ways that builds my respect					
18	My leader considers the moral and ethical consequences of decisions					
19	My leader keeps track of all mistakes					
20	My leader directs my attention toward failures to meet standards					
21	My leader avoids making decisions					
22	My leader helps me to develop my strengths					
23	My leader suggests new ways of looking at how to complete assignments					
24	My leader delays responding to urgent questions					
25	My leader emphasizes the importance of having a collective sense of mission					
26	My leader expresses satisfaction when I meet expectations					
27	My leader expresses confidence that goals will be achieved					

Appendix G: Employee Opinion Survey- Organizational Commitment Questionnaire (OCQ)

Use the following rating scale:

Descriptions of rating Scales	
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

S/N	Descriptions of items	1	2	3	4	5
1	I feel like part of the family at this organization					
2	Too much of my life would be disrupted if I decided that I wanted to leave this organization now					
3	I would not leave this organization right now because of what I would stand to lose					
4	This organization has a great deal of personal meaning for me					
5	It would be very costly for me to leave this organization right now					
6	For me personally, the cost of leaving this organization would be far greater than the benefit					
7	Even if it were to my advantage, I do not feel it would be right to leave my organization now					
8	I would violate a trust if I quit my job with this organization now					
9	I feel a strong sense of belonging to this organization					
10	I feel emotionally attached to this organization					
11	I would feel guilty if I left my organization now					
12	I would not leave this organization right now because I have a sense of obligation to the people in it					

Appendix H: Demographic Questions to be filled by Employees of Dashen Bank S.C

The following questions concern your position and other personal information. Completion of this information is voluntary and its confidentiality is assured. No individual data will be reported.

THANK YOU!

- 1. What is your Sex? Male Female
- 2. How long have you worked for the current organization?
1-5 6-10 11-15 16-20 more than 20
- 3. How long have you worked for your current leader?
1-3 4-6 7-9 10-12 more than 13
- 4. What is your Age Group?
Under 26 26 to 35 36 to 45 46 to 55 56 or older
- 5. What is your highest level of Education?
Diploma or level IV
Bachelor's degree
Master's degree
- 6. What is your marital status?
Married Single Other_____

==== Thank you for your co-operation!!=====