

Addis Ababa  
University  
(Since 1950)



**The relationship between Leadership Styles and Employee  
Commitment in Private Higher Education Institutions at Addis  
Ababa City**

A thesis submitted to the School of Graduate Studies of Addis Ababa  
University in partial fulfilment of the requirements for the Degree of  
Masters in Business Administration

By

**Temesgen Teshome**

**Advisor: Tilahun Teklu (PhD)**

**Addis Ababa University  
College of Management, Information, and Economic Sciences  
School of Business and Public Administration  
MBA Program**

*June, 2011  
A.A.U, Ethiopia*

**The relationship between Leadership Styles and Employee Commitment in  
Private Higher Education Institutions at Addis Ababa City**

**By: Temesgen Teshome**

Approved By:

\_\_\_\_\_  
Advisor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Examiner

\_\_\_\_\_  
Signature

## DECLARATION

I, the under signed, declare that this thesis is my original work and has not been presented for a degree in any other University, and that all the sources of material used for the thesis have been duly acknowledged.

**Name: Temesgen Teshome Gebremichael**

Signature \_\_\_\_\_

Date \_\_\_\_\_

Confirmed by:

**Tilahun Teklu (PhD)**

\_\_\_\_\_

\_\_\_\_\_

Advisor

Signature

Date

## **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 PHEIs at AAC. Total participants in the research were 115, included 95 academic staff and 20 leaders, with a non-response rate of 27.7% from 12 PHEIs. Two separate instruments, namely multifactor leadership questionnaire (MLQ) and organizational commitment questionnaire (OCQ), were used to measure leadership styles and employees' organizational commitment respectively. The findings of the study revealed that transformational leadership style has significant and positive correlations 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.

**Keywords:** Leadership styles, Employee commitment, PHEIs

## **ACKNOWLEDGMENTS**

Several individuals have contributed to making the dream of earning this MBA come true.

I am deeply indebted to my advisor Dr. Tilahun Teklu without him this thesis would not be possible. Dr., thank you for your guidance, encouragement, and invaluable comments throughout this process. I am so honored that you agreed to advise me and I am truly grateful for your positive words of encouragement.

I cannot begin to list everyone who helped me but I extend my thanks to each of them, especially to Ashenafi Yohannes, Berhanu Achamo, and Minale Tefera who helped me with computer access; many other colleagues, thank you. Thanks to the leaders of all PHEIs who allowed me to use their staff as respondents, the Deans and secretaries who helped in distributing my questionnaires and to the employees who took time to complete the questionnaires.

I would like to acknowledge the support and encouragement of my father Teshome Gebremichael and my mother Zenebech Tirore. I am also profoundly thankful for my fiancée's support. Tsega, you tolerated my many hours of studying and you encouraged and gave me time to complete the program. My darling, thank you!

Most of all, I would like to be grateful to my Almighty God for giving me health, strength and perseverance to continue and finish this study.

Temesgen Teshome

AAU, June 2011

## Table of Contents

<b>Abstract .....</b>	<b>i</b>
<b>ACKNOWLEDGMENTS.....</b>	<b>ii</b>
<b>Table of Contents .....</b>	<b>iii</b>
<b>List of Figures.....</b>	<b>vi</b>
<b>Abbreviations.....</b>	<b>vi</b>
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>1</b>
<b>1.1 Background of the Study .....</b>	<b>1</b>
<b>1.2 Background of the Study Organizations.....</b>	<b>3</b>
<b>1.3 Statement of the Problem .....</b>	<b>4</b>
<b>1.4 Objectives of the Study.....</b>	<b>5</b>
<b>1.5 Research Questions .....</b>	<b>5</b>
<b>1.6 Potential Ethical Issues.....</b>	<b>6</b>
<b>1.7 Significance of the Study.....</b>	<b>6</b>
<b>1.8 Scope of the Study .....</b>	<b>7</b>
<b>1.9 Limitations of the Study .....</b>	<b>7</b>
<b>1.10 Structure of the Study .....</b>	<b>8</b>
<b>CHAPTER TWO .....</b>	<b>9</b>
<b>LITERATURE REVIEW .....</b>	<b>9</b>
<b>2.1 Introduction.....</b>	<b>9</b>
<b>2.2 The Concept of Leadership.....</b>	<b>9</b>
<b>2.3 The Emergence of Leadership Theories .....</b>	<b>11</b>
<b>2.4 Full Range Leadership Model (FRLM) .....</b>	<b>12</b>
<b>2.4.1 Transformational Leadership.....</b>	<b>14</b>
<b>2.4.2 Transactional Leadership.....</b>	<b>16</b>
<b>2.4.3 Laissez-Faire leadership .....</b>	<b>17</b>
<b>2.5 The Concept of Employee Commitment.....</b>	<b>18</b>
<b>2.6 The Dimensions of Employee Commitment.....</b>	<b>19</b>
<b>2.7 The Relationship between Leadership Styles and Employee Commitment.....</b>	<b>21</b>

<b>CHAPTER THREE .....</b>	<b>25</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>25</b>
<b>3.1 Population and Sampling Procedures .....</b>	<b>25</b>
<b>3.2 Response Rate and Sample Size.....</b>	<b>26</b>
<b>3.3 Data Sources and Type.....</b>	<b>26</b>
<b>3.4 Data Gathering Instruments.....</b>	<b>27</b>
<b>3.4.1 Multifactor Leadership Questionnaire (MLQ Form 5X).....</b>	<b>28</b>
<b>3.4.2 Organizational Commitment Questionnaire (OCQ) .....</b>	<b>28</b>
<b>3.5 Independent and Dependent Variables of the Study.....</b>	<b>29</b>
<b>3.6 Data Analysis and Presentation Procedures .....</b>	<b>30</b>
<b>CHAPTER FOUR .....</b>	<b>32</b>
<b>RESULTS AND DISCUSSION .....</b>	<b>32</b>
<b>4.1 Demographic Characteristics of the Participants .....</b>	<b>32</b>
<b>4.2 Descriptive Statistics for Leadership Styles and Employee Commitment.....</b>	<b>34</b>
<b>4.2.1 Employees Perception to Leadership Styles .....</b>	<b>35</b>
<b>4.2.2 Employees Perception to their Organizational Commitment.....</b>	<b>36</b>
<b>4.3 Comparisons between Leader and Employee Responses on Leadership Styles .....</b>	<b>37</b>
<b>4.4 The Relationship between Leadership Styles and Employee Commitment.....</b>	<b>42</b>
<b>4.4.1 Correlations between Transformational Leadership Style and Employee Commitment Dimensions.....</b>	<b>42</b>
<b>4.4.2 Correlations between Transactional Leadership Style and Employee Commitment Dimensions.....</b>	<b>45</b>
<b>4.4.3 Correlations between Laissez-Faire leadership style and Employee Commitment Dimensions.....</b>	<b>46</b>
<b>4.4.4 Comparisons of Overall Correlations among the Variables .....</b>	<b>47</b>
<b>CHAPTER FIVE .....</b>	<b>48</b>
<b>CONCLUSIONS AND SUGGESTIONS .....</b>	<b>48</b>
<b>5.1 Conclusions .....</b>	<b>48</b>
<b>5.2 Suggestions .....</b>	<b>51</b>
<b>5.2.1 Suggestions for PHEIs.....</b>	<b>51</b>
<b>5.2.2 Suggestions for Future Research .....</b>	<b>53</b>

<b>References .....</b>	<b>54</b>
<b>Appendices .....</b>	<b>57</b>
<b>Appendix A: Operationalization of Leadership Styles and Employee Commitment .....</b>	<b>57</b>
<b>Appendix B: Multifactor Leadership Questionnaire (MLQ) Form 5X Scoring Key .....</b>	<b>58</b>
<b>Appendix C: Organizational Commitment Questionnaire (OCQ) Scoring Key .....</b>	<b>58</b>
<b>Appendix D: Independent Samples T-Test (MLQ) .....</b>	<b>59</b>
<b>Appendix E: Correlations between Leadership Styles and Employee Commitment.....</b>	<b>60</b>
<b>Appendix F: Verification of the Study Organizations Cooperation.....</b>	<b>61</b>
<b>Appendix G: Leader Opinion Survey- Multifactor Leadership Questionnaire (MLQ) .....</b>	<b>62</b>
<b>Appendix H: Employee Opinion Survey- Multifactor Leadership Questionnaire (MLQ) .....</b>	<b>64</b>
<b>Appendix I: Employee Opinion Survey- Organizational Commitment Questionnaire (OCQ) .....</b>	<b>66</b>
<b>Appendix J: Demographic Questions (Leaders and Employees) .....</b>	<b>67</b>



## List of Tables

Table 3.1: Institutions, sample size and response rates.....	26
Table 3.2: Independent and dependent variables.....	30
Table 4.1: Summary of Leaders' Profile.....	33
Table 4.2: Summary of Academic Staff's Profile.....	33
Table 4.3: Mean and Standard Deviations of Leadership Styles and Employee Commitment for Academic Staff's Responses.....	34
Table 4.4: Comparison for the MLQ (leaders and employees) responses.....	38
Table 4.5: T-test results for equality of mean scores by the two samples on MLQ.....	41
Table 4.6: Pearson correlation matrix between leadership styles and employee commitment dimensions.....	42

## List of Figures

Figure 1.1: Outline of the thesis.....	8
Figure 2.1: Bernard Bass's Revised Full Range Leadership Mode.....	14

## Abbreviations

AAC	Addis Ababa City
HERQA	Higher Education Relevance & Quality Agency
PHEIs	Private Higher Education Institutions
SPSS	Statistical Package for Social Science

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

The workplace 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.

Researchers recognize that employee commitment (Brockner *et al.*, 1992; Meyer *et al.*, 2004; Allen & Myer, 1990) and leadership styles (Bass, 1997; Bass *et al.*, 2003; Trottier *et al.*, 2008) are of major factors to the organizational success or failure. Allen & Myer (1990) also suggest that the continued interest is a result of the belief that if properly managed, employee commitment can result in benefits such as leadership effectiveness, improved employee performance, reduced turnover and absenteeism. This pursue to exploit the potential organizational benefits has resulted in the large number of studies that focus on the nature of employee commitment.

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).

According to Bass & Avolio (1993), leadership styles are behaviors or processes that leaders conduct or participate in that enable extraordinary things to be done in or by the organization. Therefore, leadership 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 management in some way or another. To be effective, the skills of committed employee management 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. Therefore, the first step in building commitment is to improve the quality of management (Hunt & Morgan, 1994; Meyer *et al.*, 2004).

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. Commitment is complex and continuous, and requires employers or managers to discover ways of enhancing the work life of their employees (Meyer *et al.*, 2004; Avolio *et al.* 2004). Thus, the commitment of competent employees is critical to the success of the organization.

## **1.2 Background of the Study Organizations**

Over the last decades we have witnessed a dramatic mushrooming of private higher education institutions in Ethiopia; both in the capital and in the regions. Previously higher education institutions were finger counted and owned by the public. However, in recent years this trend has been changed for several reasons:

First and above all, after the current government adopted liberalism which was typically characterized by privatization of earlier government owned institutions, different service sectors were freed. Thus, the education sector became one, among them. Consequently, many investors and academicians started to enroll themselves in to it.

Second, since Education, arguably become one of the back bone of modernization and a power by itself at the 21<sup>st</sup> century, the societies' demand for higher education centers had increased instantly. In the contrary, the few public higher education institutions could not manage to satisfy all those needs. Thus, the above fact opened the channel to growing of a number of private higher education institutions to fulfill those unsatisfied desires as well as investment in private higher education institutions by Ethiopian entrepreneurs is continued to grow.

What so ever the case may be, the opening of these private higher education institutions has directly and indirectly played a great role for the multilateral development process the country is undergoing. It then would be very convinced to mention the role of education and educated society in the development process of a country; be it economic, political, or social.

Among others, private higher education institutions are playing the following major roles and contributions (World Bank, 2003):

They have broadened the country's investment opportunities on the service sector especially on education where Ethiopia used to have a poor record;

They contribute in overcoming the deficiency of highly educated people in Ethiopia; which in fact are the machinery of development efforts;

They facilitate and organize different forums to train and educate the people by engaging in different panel discussions, conducting researches and the like; And finally,

They open job opportunity directly for a considerable number of employees with different educational background ranging and indirectly for nearby small business cooperatives like

photo copy and print houses, cafeterias and others.

The commitment of employees to the organization is an important factor for the sustainable and effective growth of the institutions. However, most of the employees in these organizations do not seem to be committed to their organization. Since this indicates as there is a need for better leadership and management to realize employee commitment as well as upgrading of skills (staff career) and gearing towards results orientation and efficiency, these institutions are considered to explore such cases in detail.

### **1.3 Statement of the Problem**

In any given discipline, the success of a venture can nearly always be traced directly back to the vision and will of the leadership. Therefore, having effective leadership styles for the organization to retain competent employees is crucial to its survival. Brockner *et al.* (1992) recommended that the ability of an organization, to successfully implement business strategies, to gain a competitive advantage and optimize human capital, largely depends, among other factors, on the leadership styles that encourage employee commitment.

James & Collins (2008) suggest that employees develop global beliefs of perceived organizational and perceived supervisor support. Due to the norm of mutual relationship, this support makes the employee feel obligated to exhibit beneficial organizational attitudes (commitment). Also Awan & Mahmood (2009) depict that employee commitment reflects the quality of the leadership in the organization. Therefore, it is logical to assume that leadership behavior would have a significant relationship with the development of employee commitment.

Many of the previous researches have suggested a positive direct relationship between leadership styles and employee commitment. To mention some of these, Bučiūnienė & Škudienė (2008) identified positive relationship between leadership styles and employees commitment. Ponnu & Tennakoon (2009) also indicated that ethical leadership behavior has a positive association with employees' organizational commitment. Also Avolio *et al.* (2004) discovered that transformational leadership is generally associated with employee commitment though it is limited to only one variable of leadership styles excluding others (transactional & laissez-faire leadership).

Although there have been studies that have identified leadership behaviors as vital component to and determinant of employee commitment (Brockner *et al.*, 1992; Bučiūnienė & Škudienė, 2008) in one hand, and examining the relationship between leadership styles and employee commitment (Avolio *et al.* 2004; Awan & Mahmood, 2009; Ponnu & Tennakoon, 2009) on the other hand, the number of studies conducted in education organizations is lacking, more so in the case of Ethiopia.

Therefore, this study is considered important to determine the relationship between leadership styles of education institutions administrators (i.e. transformational, transactional and laissez-faire leadership) and employee commitment of instructors (i.e. affective, normative and continuance) in private higher education institutions in Addis Ababa city.

#### **1.4 Objectives of the Study**

The overall aim of this study is to explore the relationship between leadership styles and employee commitment of Private Higher Education Institutions in Addis Ababa City. To achieve this aim, the specific objectives of this study are:

- ✓ To identify the employees' perceptions about leadership styles and different dimensions of employee commitment
- ✓ To examine the relationship between different leadership styles and employee commitment dimensions

#### **1.5 Research Questions**

In view of the above objectives, the main and specific questions that are to be addressed in this study are:

- What is the nature of leadership styles and employee commitment in Private Higher Education Institutions (PHEIs)?... main research question.

Specific research questions are:

1. What are the perceptions of academic staff about leadership styles & employee commitment of PHEIs?

2. What is the relationship between transformational leadership style and affective, continuance, and normative employee commitment?
3. What is the relationship between transactional leadership style and affective, continuance, and normative employee commitment?
4. What is the relationship between laissez-faire leadership style and affective, continuance, and normative employee commitment?

Where, the measurement/operationalization for leadership styles and employee commitment are presented in Appendix A.

### **1.6 Potential Ethical Issues**

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

### **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 PHEIs because this particular type of study had not been previously conducted on these organizations. Therefore, its result is important to create awareness to leaders of aforementioned 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 could also be helpful for individuals who want to conduct further studies in related topics and other organizations those faces similar problems.

Inevitably, this study has contributed 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 would have added value to the literatures on supervisors' leadership styles, especially in the Ethiopian settings since there were limited literatures done on similar setting.

### **1.8 Scope of the Study**

The main focus of this study is examination of the relationship between leadership styles and employee commitment in PHEIs. The data for this study is delimited to the academic employees and their leaders of the PHEIs in Addis Ababa city. This study also has its share of delimitation in the sampling frame which only considered a particular group of private higher education institutions and therefore the results cannot be generalized to the whole education industry or to other types of organizations of the country. Therefore, any term found in this study should be interpreted in relation to the leadership styles and employee commitment of PHEIs in Addis Ababa city.

### **1.9 Limitations of the Study**

Some constraints such as time and lack of sufficient fund hindered the need to include a large sample size that could nearly represent the total population of the study. In order to get a stronger picture of the issues in the different organizations I would have liked to involve a larger number of respondents. But due to the time frame limitations provided by our study program this was not possible. The shortage of up to date reference materials and research works, specifically to the Ethiopian context, also narrowed the content of the study.

The leadership styles that were part of this study may not have been extremely important factors in determining employees' levels of organizational commitment. Instead, environmental factors may have been more important for these employees. As well, results might be different for employees who were employed by public companies. A further consideration involves the demographics. Results might have been different if percentages for sex, age, time with institution, time with leader, and education were different.

Another barrier I came across in the process of data collection was refusal by management of some institutions to formally permit the distribution of the questionnaire for unconvincing reasons such as lack of time to fill the questionnaire, fear of sensitivity of the questionnaire



contents if its results present to public, etc. Although I have a great group of participants who were willing to fill the questionnaire, there were some employees who would not volunteer to be part of the study for unknown reasons. Unfortunately non returned questionnaires were also a limitation for this study.

### **1.10 Structure of the Study**

This thesis is organized into six chapters. Figure 1.1 shows the structure of the thesis. Chapter-1 is already presented in the current section; the contents of the following chapters are briefed here.

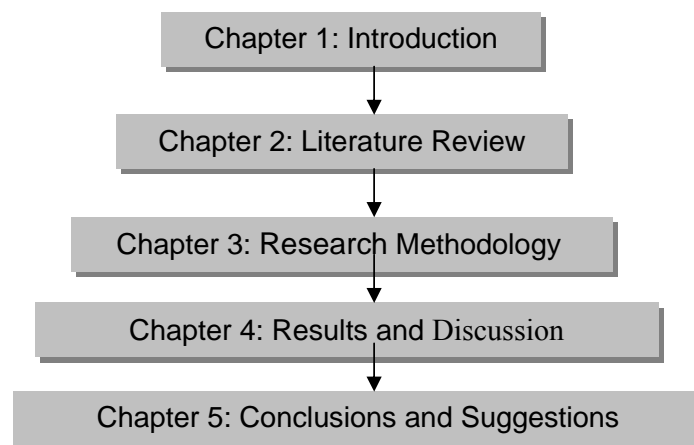


Figure 1.1: Outline of the thesis

Chapter-2 provides an overview of the state of the art analysis of the existing literature. Chapter-3 presents the methodology used in this thesis. The chapter includes the research approach as well as describes the data collecting and analysis methods used. Chapter-4 analyses and presents the research findings obtained through the thesis methodology by showing how each of the research questions has been answered and how these findings together contribute to the main purpose of the study. Finally, Chapter-5 ends the thesis with conclusions and a set of suggestions derived from the research findings and the conclusions of this work. At the end of the thesis document, references and a set of appendices are included that contain the questionnaires of the survey forms used to collect primary data for this work and other supplementary documents of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The existing leadership and management research suggests that the leadership style of managers can lead to higher measures of organizational commitment in their direct reports. As previously suggested, there is a significant body of literature that implies the relationship of leadership style to employees' organizational commitment. Some of these researches (Avolio *et al.*, 2004; Lo *et al.*, 2009) have demonstrated positive relationships between numerous leadership styles and employee attitudes, motivation and performance; all of which can affect to employee commitment levels.

Also the benefits of employee's organizational commitment have been well documented in the existing management literature. Committed employees are more likely to develop patterns of punctuality or to be chronically present at work (Brockner *et al.*, 1992; Hunt & Morgan, 1994). Employees that are committed are also less likely to leave the organization to explore other opportunities (Allen and Meyer, 1990). Organizational commitment has also been shown to positively affect motivation, organizational citizenship, and job performance (Lok & Crawford, 1999; Meyer & Becker, 2004).

#### **2.2 The Concept of Leadership**

Leaderships can be of many facets and they differ in effectiveness in terms of consequences of their actions towards internal and external stakeholders. Since organizations today are faced with many challenges, especially with the constant changes in technology, economic, social, political and legal conditions and internal processes, flexibility is required in resource utilization and in the promotion of continuous learning (James & Collins, 2008; Leavy & Mckiernan, 2009). Therefore, there is a need for leaders in organizations to contribute not only in terms of knowledge or ideas but also in making right decisions and responding to the changes.

Leadership has existed for as long as people have interacted, and it is present in all cultures no matter what their economic or social makeup. Although leadership is an age-old concept, it remains a complex term that researchers and scholars grapple with continuously. One of the

main reasons is the extensive number of definitions for this term. It is commonly punned that there are nearly as many definitions of leadership as there are researchers and commentators. As cited in Trottier *et al.*, 2008, some researchers and commentators rely on narrow definitions for ease of communication (e.g., leadership is the act of getting other people to do what they would not otherwise willingly do (Bennis, 1959) or for specific research interests (e.g., the investigation of power relationships) (French and Raven, 1959).

Leadership can be defined as a complex social process, rooted in aspects of values, skills, knowledge as well as ways of thinking of both leaders and followers. Thus, it is all about the continuous process of establishing and maintaining a connection between who aspire to lead and those who are willing to follow (Hersey & Blanchard, 1984). Furthermore, it has been the focal point of many academic research projects and of more than dozen journals in the market. Many academicians and researchers have made vital contributions in the different theories as well as practices of leadership, and after of extensive research, the subject of leadership has emerged as a legitimate discipline. However, there is still agreement about what leadership actually is. Many of scholars and researchers agreed that leadership is a combination of skills and behavior which exhibits those skills (Bass *et al.*, 2003; Bolden et al, 2003; James & Collins, 2008).

Hersey & Blanchard (1984) defines leadership as the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation. Similarly, Bass (1997) defined leadership in different terms from earlier to the recent times.

The earlier definitions identified leadership as a focus of group process and movement, personality in action. The next type considered it as the art of inducing compliance. The more recent definitions conceive leadership in terms of influence relationships, power differentials, persuasion, influence on goal achievement, role differentiation, reinforcement, initiation of structure, and perceived attributions of behavior that are consistent with what the perceivers believe leadership to be. Finally, he concluded that as leadership may involve all these things. Therefore, leadership 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.

## 2.3 The Emergence of Leadership Theories

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 (see table below). 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 exceptional people, 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.
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.
Behaviorist Theories	These concentrate on what leaders actually do rather than on their qualities. Different patterns of behavior are observed and categorized as 'styles of leadership'. This area has probably attracted most attention from practicing managers.
Situational Leadership	This approach sees leadership as specific to the situation in which it is being exercised. For example, whilst some situations may require an autocratic style, others may need a more participative approach. It also proposes that there may be differences in required leadership styles at different levels in the same organization.

Contingency Theory	This is a refinement of the situational viewpoint and focuses on identifying the situational variables which best predict the most appropriate or effective leadership style to fit the particular circumstances.
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.
Transformational Theory	The central concept here is change and the role of leadership in envisioning and implementing the transformation of organizational performance.

Source: Bolden *et al.* (2003)

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 ‘leaderful’ organizations with a collective responsibility for leadership (Bolden *et al.*, 2003).

## 2.4 Full Range Leadership Model (FRLM)

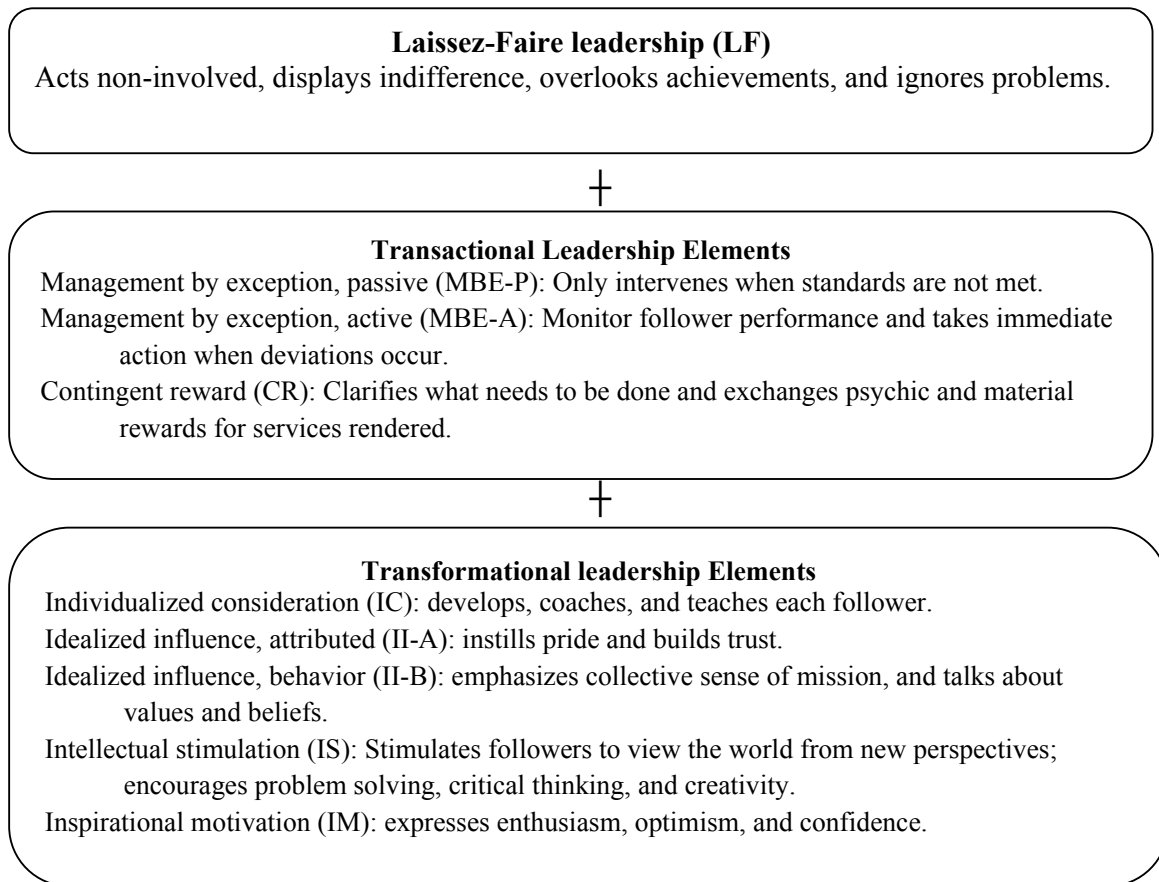
The FRLM describes a full range of influencing styles from ‘non-leadership’ to powerful transformational leadership behaviors. The model captures different kinds of behaviors which make a difference to outcomes for associates of the leader. In other words, the range of behaviors starts with transformational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

Trottier *et al.* (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 Bučiūnienė & Škudienė, 2008). Figure 2.1 depicts these concepts.



**Figure 2.1: Bernard Bass's Revised Full Range I Leadership Mode**

### **2.4.1 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 *et al.*, 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 *et al.*, 2003; MLQ, undated).

According to Bass *et al.* (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 (Lok & 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 *et al.* (2003) and Trottier *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).



### **2.4.2 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 (Trottier *et al.*, 2008; Bass *et al.*, 2003). Rewards and positive reinforcement are provided or mediated by the leader. Thus transactional leadership 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 *et al.*, 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 (MLQ, undated; Bass *et al.*, 2003; Bolden *et al.*, 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 *et al.*, 2003, Trottier *et al.*, 2008; Bass *et al.*, 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 outlines the beginnings of his theory of leadership, in which both transactional and transformational leadership are needed to enhance performance. Bass developed the full range leadership model based on his belief that transformational leadership and transactional leadership are not ends on a single continuum but rather are leadership patterns that all leaders possess and use in differing amounts. For exceptional performance, transformational leadership behaviors need to augment transactional leadership behaviors (Bass and Avolio, 1993). Therefore, according to Bass, the best performance is the result of using both transactional and transformational leadership behaviors with subordinates.

### **2.4.3 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 Bučiūnienė & Škudienė, 2008). James & Collins (2008) describe the laissez-faire leader as an extreme passive leader who is reluctant to influence subordinates' considerable freedom, to the point of handing over his/her responsibilities. In a sense, this extremely passive type of leadership indicates the absence of leadership.

Laissez-faire leadership style has a negative impact on followers and associates- opposite to what is intended by the leader - manager. There are many behaviors that represent laissez-faire leadership as a “do nothing” or “hands-off” approach. Such behaviors include staying away from employees, shirking supervisory duties, and being “inactive, rather than reactive or proactive” (MLQ, undated).

Researchers have consistently reported that laissez-faire leadership is the least satisfying and least effective style of leadership. That is because these leadership behaviors are accompanied by little sense of accomplishment, little clarity, little sense of group unity, and followers do

not hold as much respect for their supervisors (Trottier *et al.*, 2008; Lok & Crawford, 1999). It is probably for these reasons that many researchers choose to exclude laissez-faire leadership from their research involving only transformational and transactional leadership.

Bass (1990) [as cited in Lok & Crawford, 1999 and Bučiūnienė & Škudienė, 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.

## **2.5 The Concept of Employee Commitment**

Employee commitment<sup>1</sup> 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, Batemen and Strasser (1984) [as cited in Lok & 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.”

Multiple definitions of employee commitment are found in the literature. The way employee commitment is defined depends on the approach to commitment that one is adhering to. Hunt

---

<sup>1</sup> I used the term ‘employee commitment’ throughout this study to describe what has previously been referred to as ‘employees’ organisational commitment’ or simply ‘organizational commitment’ since the concept ‘organisational commitment’ has grown to embrace a range of dimensions inviting confusion when the same term is used to describe one sub factor. However, to be consistent with reference of previous and contemporary studies the generic terms ‘organizational commitment’, ‘employees’ organizational commitment’ and ‘commitment’ are used.

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 (Brockner *et al.*, 1992). Organizational commitment is associated with increased satisfaction, performance, and organizational adaptability (Lok & Crawford, 1999; Meyer & Becker, 2004), as well as decreased absenteeism and employee turnover (Lo *et al.*, 2010).

## **2.6 The Dimensions of Employee 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; Meyer *et al.*, 2004).

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; Brockner *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 argues 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 *et al.*, 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.

## **2.7 The Relationship between Leadership Styles and Employee Commitment**

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 (e.g., Ugboro, 2006), who treat them with consideration (e.g., Shore & Wayne, 1993), fairness (e.g., Brockner *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 Awan & 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, Lok & 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 Bučiūnienė & Škudienė, 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 Bučiūnienė and Škudienė (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 (Bučiūnienė & Škudienė, 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 Bučiūnienė & Škudienė (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 Bučiūnienė & Škudienė, 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. Eisenberger *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 employee's 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; Bučiūnienė & Škudienė, 2008; Lok & Crawford, 1999; Awan & 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 employee commitment of PHEIs in AAC.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This study was intended to be carried out at PHEIs found in Addis Ababa City. The study was designed as the cross - sectional survey for the quantitative study which was used to gather the relevant and pertinent information with regard to leadership styles and employee commitment. Thus, this study is classified as survey research.

#### **3.1 Population and Sampling Procedures**

Since the purpose of this study is to explore the relationship between leadership styles and employee commitment by surveying employees and leaders from PHEIs, the target population of this study included both employees (instructors) and leaders (college/faculty deans) of PHEIs which are found in Addis Ababa City (AAC). As per information obtained from the Higher Education Relevance & Quality Agency (HERQA), there are about 50 PHEIs serving in the city as of October 2010. Because of the activities performed by all PHEIs are almost similar, 12 are selected as feasible ones based on the self set criteria such as duration of establishment, scope of programs offered, and having full-time employees so that they can represent the remaining others. This followed the procedure of purposive sampling.

Since there is little previous research on the same topic and related areas in Ethiopia up on which one can estimate sample size, I decided about sample size based on factors such as: time available, budget, and proportionality to total population. The prerequisite for employee's participation as respondents in this study was that 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. Then proportional number of samples (employees and supervisors) was allocated to main divisions – strata such as colleges/faculties or departments- of each institution, and then samples were randomly drawn from each stratum.

To sum up, a combination of purposive, stratified and simple random sampling techniques was used to select samples. This was to ensure that target groups within a population are adequately represented in the sample, and to improve efficiency by gaining greater control on the composition of the sample.

### 3.2 Response Rate and Sample Size

As summarized in Table 3.1, the sample consisted of participants of this study surveyed from 12 PHEIs found in AAC. I distributed 21 leader questionnaires and 138 subordinate questionnaires whereas 20 leader and 95 subordinate questionnaires were successfully completed and returned with a non-response rate of 4.8 % and 31.2%, respectively. Finally, the total sample size of 115 respondents, including leaders and instructors, were used in this study amounting to a total non-response rate of approximately 27.7% from the original sample.

**Table 3.1: Institutions, sample size and response rates**

No.	Name of Institution	Sample size		Responses	
		Leader	Academic staff	Leader	Academ. staff
1	Unity University	2	20	2	13
2	St. Mary's University College	2	20	2	14
3	Admas University College	1	10	1	7
4	Alpha University College	2	15	2	8
5	Africa Beza University College	1	12	1	8
6	Universal University College	3	10	3	7
7	CPU University College	2	6	2	4
8	Addis College	2	15	2	12
9	KIA-MED University College	2	8	1	7
10	Lion Tourism and Hotels Mgt College	1	6	1	4
11	Gage College	1	6	1	4
12	New Generation University College	2	10	2	7
<b>Total</b>		<b>21</b>	<b>138</b>	<b>20</b>	<b>95</b>

### 3.3 Data Sources and Type

In order to generate relevant data for this study, both primary and secondary data sources were considered. According to Biggam (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 me is directly linked with this study, thus providing me with important information.

As this study is basically empirical in nature, primary data was gathered from academic employees (instructors) and their leaders/supervisors to answer the above questions. Hence, the more emphasis is inclined to the primary data source. The closed ended questionnaires which are designed on an *ordinal scale* of measurement basis were used to collect primary data, so that the variables could be 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 mindset of what it is that one wants to accomplish with the study. This will help the researcher save time and effort because he/she 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. I used it to validate and compare the data get through questionnaire to existing literature and articles.

### **3.4 Data Gathering Instruments**

For the purpose of this study a quantitative methodology involving a close-ended questionnaire was used as the measuring instrument. The close-ended questionnaires can be 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) and organizational commitment questionnaire (OCQ), were used in this research to obtain quantitative information on leadership styles and employees' organizational commitment respectively.

### 3.4.1 Multifactor Leadership Questionnaire (MLQ Form 5X)

Prior to selecting the Multifactor Leadership Questionnaire (MLQ Form 5X) 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 *et al.*, 2003; Avolio *et al.*, 2004). For these reasons, none of them was considered appropriate for this research.

The Multifactor Leadership Questionnaire (MLQ) has been improved and tested since 1985 with the result that many versions of the questionnaire have been developed. 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 *et al.*, 2003], presented the MLQ Form 5X 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 Form 5X 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 are rated using a 5-point Likert scale labeled as 0 = not at all, 1 = once in a while, 2 = sometimes, 3 = fairly often, 4 = frequently, if not always. High score shows high effectiveness of leadership style perception while low score implies low effectiveness perception in the scale.

Examples of items from the MLQ-Form 5X questionnaire include (*Ibid.*):

- (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.

### 3.4.2 Organizational Commitment Questionnaire (OCQ)

Although there is another identically-named Organizational Commitment Questionnaire (OCQ) developed by Porter *et al.* (1974) [as cited in Lo *et al.*, 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 was selected 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 Likert scale labeled as 0 = strongly disagree, 1 = disagree, 2 = neither agree nor disagree, 3 = agree, 4 = 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 now.

### **3.5 Independent and Dependent Variables of the Study**

The Variables those are used in measuring Full Range Leadership behaviors were considered separately as independent variables. The subscales for these variables are contained in the Multifactor Leadership Questionnaire (MLQ Form 5X). On the other hand, three separate measures of employee commitment were used 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.

**Table 3.2: Independent and dependent variables**

<b>Independent variable Measures</b>		
<i><b>Instrument</b></i>	<i><b>Variables</b></i>	<i><b>Scales/Subscales</b></i>
<i>Multifactor Leadership Questionnaire(MLQ Form 5X)</i>	Transformational leadership	Idealized Influence (Attributed) Idealized Influence (Behavior) Inspirational Motivation Intellectual Stimulation Individual Consideration
	Transactional leadership	Contingent Reward Management-by-Exception (Active) Management-by-Exception (Passive)
	Laissez-Faire	Laissez-Faire
<b>Dependent variable Measures</b>		
<i><b>Instrument</b></i>	<i><b>Variables</b></i>	<i><b>Scales</b></i>
<i>Organizational Commitment Questionnaire(OCQ)</i>	Employee Commitment	Affective Commitment Continuance Commitment Normative Commitment

### **3.6 Data Analysis and Presentation Procedures**

After the data collected, it is necessary to utilize statistical techniques to analyze the information as this study is quantitative in nature. Therefore, the survey data was processed using an SPSS (version 16). First the relevant data was coded, summarized and then transferred to SPSS to be 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 was 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). This is followed with presentation of the detail discussions on variables along with interpretations.



## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

This chapter presents and discusses the results of the study. Several key findings emerged that shed light on leadership styles and its association with employee commitment. Findings about the demographics of study participants, and the statistical analyzes used to answer the research questions also presented. This helped to interpret and understand the results.

#### **4.1 Demographic Characteristics of the Participants**

There were a total sample of 115 full-time employees, 20 leaders and 95 instructors, who participated in this study from various departments and positions of 12 PHEIs within AAC. Table 4.1 and 4.2 presented the summary of the leaders' and academic instructors' demographic data results respectively. In the leaders' sample, almost all are males (90%) and there are more males (88.4%) than females in the academic staffs' sample. From the academic staff participants, the majority's age group was between 26 to 35 years (56.8%) followed by those 36 to 45 years old (16.8 %) whereas most of the leaders falling in the range of 26 to 35 years of age (40%) followed by those between 36 to 45, 46 to 55, and 66 or older years old (15% each).

Most of the total academic staff have worked from 3 to 5 years (35.8%) followed by 1 to 3 years (34.7%), 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 (73.7%). The majority of leaders have worked from 3 to 5 years, as the minimum requirement was 3 years, for their current organization (55%) followed by 5 to 7 years (30%) as well as having similar previous work experience of above 5 years (50%) followed by under 1 year (30%).

From the total participants, most of the leaders are married (65%) whereas almost half of the academic employees are single (50.5 %) followed by 46.3% married. Education levels of both groups varied, with 5% & 8.4% having some college, no degree, 40% & 51.6% having Bachelor's degree, and 55% & 40% falling in the range of Master's degree to having some Post Masters degree credits and Doctorate degree for both leaders and academic employees, respectively.

**Table 4.1: Summary of Leaders' Profile**

	<b>Variables</b>	<b>Frequency</b>	<b>Percent</b>
Sex	Female	2	10
	Male	18	90
Worked on current position	3 to 5 years	11	55
	5 to 7 years	6	30
	Above 7 years	3	15
Previous work experience	under 1 year	7	35
	1 to 3 years	3	15
	3 to 5 years	1	5
	Above 5 years	9	45
Age group	Under 26	1	5
	26 to 35	8	40
	36 to 45	3	15
	46 or older	8	40
Marital status	Single	6	30
	Married	13	65
	Other	1	5

**Table 4.2: Summary of Academic Staff's Profile**

	<b>Variables</b>	<b>Frequency</b>	<b>Percent</b>
Sex	Female	11	11.6
	Male	84	88.4
worked for current organization	1 to 3 years	33	34.7
	3 to 5 years	34	35.8
	Above 5 years	28	29.5
worked under current Supervisor	1 to 3 years	70	73.7
	3 to 5 years	15	15.8
	Above 5 years	10	10.5
Age group	Under 26	12	12.6
	26 to 35	54	56.8
	36 to 45	16	16.8
	46 or older	13	13.3
Marital status	Single	48	50.5
	Married	44	46.3
	Other	3	3.2

## 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 academic staffs' 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.

**Table 4.3: Mean and Standard Deviations of Leadership Styles and Employee Commitment for Academic Staff's Responses**

Variables	Mean	Std. Deviation
Idealized Influence (attributed)	2.12	1.09
Idealized Influence (behavior)	2.53	.93
Inspirational Motivation	2.52	.99
Intellectual Stimulation	2.18	.96
Individualized Consideration	2.13	.88
<b>Transformational Leadership</b>	<b>2.30</b>	<b>.80</b>
Contingent Reward	2.31	.99
Management-by-Exception (active)	1.86	.89
Management-by-Exception (passive)	1.66	1.05
<b>Transactional Leadership</b>	<b>1.94</b>	<b>.48</b>
<b>Laissez-Faire</b>	<b>1.75</b>	<b>1.02</b>
Affective Commitment	2.41	.83
Continuance Commitment	1.51	.88
Normative Commitment	2.07	.72

**Note:** N=95

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 95 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 2.12 to 2.53 and having the standard deviation value of nearly 1; whereas for those of transactional leadership ranges from 1.66 to 2.31 and standard deviation of nearly 1. The mean and standard deviation values for laissez-faire are 1.75 and 1.02, respectively. From the leadership subscales, idealized influence (attributed) has the highest standard deviation approximately 1.09 followed by management-by-exception (passive) which scored approximately 1.05 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. Mean scores for the subscales in this study ranged from 2.12 to 2.53.

On the other hand, the same authors suggested a mean score of 2.0 for contingent reward while this study's sample data mean score is 2.31, which is only slightly higher than the suggested one. The score for management-by-exception (active) in this study is 1.86; this is found within the suggested range of 1.0 and 2.0. In the same way, the suggested scores for management-by-exception (passive) and laissez-faire are between 1.0 and 0.0, but mean scores for my study have higher ranges of 1.66 and 1.75, respectively.

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 academic staff 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 ( $M = 2.30$ ) than to that of transactional ( $M = 1.94$ ) and laissez-faire ( $M = 1.75$ ). Therefore, this supports the finding by Trottier *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 employees' 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 2.41 and .83, continuance commitment has 1.51 and .88, and normative commitment has 2.07 and .72, respectively. When we see from highest to lowest mean scores, respondents ranked their "Affective commitment" with highest mean of 2.41 whereas their "Continuance commitment" having lowest mean of 1.51 from total. From standard deviation scores, continuance commitment has the highest value of all, i.e., 0.88.

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 (Brockner *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 abovementioned 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 academic staff 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 academic institutions 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: Comparison for the MLQ (leaders and employees) responses**

<b>Variables</b>	<b>Participants</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>
Idealized Influence (attributed)	Employees	95	2.12	1.09	.11133
	Leaders	20	2.75	.73	.16379
Idealized Influence (behavior)	Employees	95	2.53	.93	.09550
	Leaders	20	2.88	.77	.17147
Inspirational Motivation	Employees	95	2.52	.99	.10183
	Leaders	20	3.25	.64	.14281
Intellectual Stimulation	Employees	95	2.18	.96	.09886
	Leaders	20	3.10	.54	.12115
Individualized Consideration	Employees	95	2.13	.88	.09012
	Leaders	20	2.77	.66	.14730
Transformational Leadership	Employees	95	2.30	.80	.08254
	Leaders	20	2.95	.38	.08389
Contingent Reward	Employees	95	2.31	.99	.10141
	Leaders	20	3.43	.43	.09703
Management-by-Exception (active)	Employees	95	1.86	.89	.09151
	Leaders	20	2.30	.95	.21344
Management-by-Exception (passive)	Employees	95	1.66	1.05	.10757
	Leaders	20	1.15	1.11	.24836
Transactional Leadership	Employees	95	1.94	.48	.04969
	Leaders	20	2.29	.55	.12206
Laissez-Faire	Employees	95	1.75	1.02	.10490
	Leaders	20	.87	.74	.16473

According to the results shown in the Table 4.4, the mean score for employees' responses on each of the transformational leadership subscales are ranged from 2.12 to 2.53 with the standard deviation values from .88 to 1.09 whereas for those of leaders has mean scores ranged from 2.75 to 3.25 with standard deviation values from .54 to .77. If we consider the mean and standard deviation scores of the transformational leadership scales taken as a whole for both groups, employees' group has 2.30 and .80 respectively whereas leaders' group has 2.95 and .38 respectively.

On the other hand, the mean and standard deviation scores for each of transactional leadership subscales ranges from 1.66 to 2.31 mean and standard deviation of nearly 1 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.

When we consider the standard error mean, the results indicate that employees' responses have smaller standard error mean than that of the leaders almost in all variables. The great difference in the size of the two samples (employees = 95, leaders = 20) could be considered as a possible reason. Another reason may be as the standard error depends on both the standard deviation of the samples and the sample size. Berenson *et al.* (2002) explain that as the size of the sample increases the standard error decreases. Thus, it is obvious that as the sample size increases, the higher the possibility will be that the samples mean is not too far from the population mean.

The analysis results of the T-test for equality of mean scores are presented in the Table 4.5 below. This test 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		t	df	Sig. (2-tailed)
Contingent reward	Equal variances assumed	-4.975	113	.000
	Equal variances not assumed	-8.012	67.012	.000
Management by exception (active)	Equal variances assumed	-1.967	113	.052
	Equal variances not assumed	-1.881	26.446	.071
Management by exception (passive)	Equal variances assumed	1.956	113	.053
	Equal variances not assumed	1.883	26.608	.071
Idealized influence (attributed)	Equal variances assumed	-2.465	113	.015
	Equal variances not assumed	-3.167	38.931	.003
Idealized influence (behavior)	Equal variances assumed	-1.587	113	.115
	Equal variances not assumed	-1.801	31.994	.081
Inspirational motivation	Equal variances assumed	-3.137	113	.002
	Equal variances not assumed	-4.146	41.083	.000
Intellectual stimulation	Equal variances assumed	-4.114	113	.000
	Equal variances not assumed	-5.868	48.391	.000
Individualized consideration	Equal variances assumed	-3.045	113	.003
	Equal variances not assumed	-3.668	34.901	.001
Laissez-faire leadership	Equal variances assumed	3.681	113	.000
	Equal variances not assumed	4.546	36.328	.000
Transactional Leadership	Equal variances assumed	-2.878	113	.005
	Equal variances not assumed	-2.660	25.676	.013
Transformational Leadership	Equal variances assumed	-3.533	113	.001
	Equal variances not assumed	-5.538	61.873	.000

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

Note: N=95

\*. 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). It can also be said that 9% of the variance in affective commitment and 6% of the variance in continuance commitment originate from the transformational leadership behaviors when coefficient of determination ( $r^2=0.09$  & 0.06, respectively) are taken into consideration.

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 PHEIs. 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.

This study, therefore, supports the suggestions by Brown & Dodd (2003) [cited in Bučiūnienė & Škudienė, 2008] that transformational leadership and affective commitment are correlated but not that of having with normative commitment and not having correlation with

continuance commitment. Consistent with the finding of Bučiūnienė & Škudienė (2008), transformational leadership has positive relationship with affective and continuance commitment but different for that of normative commitment. Similarly, this study does not support suggestions made by Simon (1994) that a transformational leadership style has a positive relationship with normative commitment and a negative correlation with continuance commitment.

Similar to the findings of Bučiūnienė & Škudienė (2008), transformational leadership, according to the results of this research, has a positive but lower relationship with employees' continuance commitment. The finding of this study also coincides with the findings of Bycio *et al.* (1995) [cited in Ponnu & Tennakoon, 2009] that revealed transformational leadership was a better predictor of affective, continuance, and normative commitment than transactional leadership. Another consistent finding was that by Lok & Crawford (1999) which revealed the leadership style variable, consideration, had relatively stronger relationship with commitment when compared with other variables.

Generally, the present study has exhibited that transformational leaders have a more significant positive relationships with employee commitment in psychological, value, and economic terms. This is consistent with previous studies by Lo *et al.* (2009) and Lo *et al.* (2010), who elucidated that transformational leadership styles have a more significant positive correlation with employee commitment dimensions. Given that a transformational leadership style is often associated with emotional aspects, it is not surprising that transformational leadership has the greatest correlation with affective employee commitment.

Consistent with the study of (Avolio *et al.*, 2004), the result of my study indicated significant and positive associations between transformational leadership and employee commitment dimensions. Accordingly, it can be said that there is a significant relationship between employee commitments and transformational leadership behaviors of PHEIs. As a transformational leader helps followers develop beyond their potential and satisfy their higher order needs, he/she is likely to gain their followers' commitment to the organization (Bass, 1997).

#### 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). It can also be said that 5% of the variance in normative commitment originates from the transactional leadership behaviors when coefficient of determination ( $r^2=0.05$ ) is taken into consideration.

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. It can also be said that 12% of the variance in affective commitment originates from the laissez-faire leadership behaviors when coefficient of determination ( $r^2=0.12$ ) is taken into consideration. But it has no relationship with both continuance commitment (-.046) and normative commitment (.024).

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 PHEIs.

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 PHEIs.

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.

#### **4.4.4 Comparisons of Overall Correlations among the Variables**

The findings of this study reveal that transformational leadership has positive associations with the dimensions of employee commitment, and that transformational and transactional leadership are important in relation to followers' organizational commitment. Such findings clearly indicate the important role of transformational leadership, and the importance for organizations to nurture transformational leadership qualities among their leaders.

When compared to transformational leadership, transactional leadership is effective in affecting only employees' normative commitment whereas transformational leadership is effective in affecting both employees' affective and continuance commitments without having any effect on normative commitment. Compared to transformational and transactional leadership, laissez-faire leadership has significant and negative correlation with affective employees' commitment but not has any significant correlation to both continuance and normative commitments.

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 Lok & 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

### CONCLUSIONS AND SUGGESTIONS

#### 5.1 Conclusions

The main objective of this research was to examine the relationship between leadership styles and employees' organizational commitment in PHEIs. According to the analysis results and discussion of the study, conclusions are made on the nature and relationship of leadership styles and employee commitment.

Most of the total academic employees have worked from 3 to 5 years (35.8%), as the minimum requirement was 1 year, for their current organization and from 1 to 3 years under current leader (73.7%). The majority of leaders have worked from 3 to 5 years, as the minimum requirement was 3 years, for their current organization (55%).

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 academic staff'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 PHEIs.

The lowest mean score of continuance commitment suggests that employees of the institutions 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 PHEIs, 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 PHEIs 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.

Almost in all leadership variables, the standard error mean 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 variation in whether employees *want to* or *do not want to* stay with the PHEIs. For continuance commitment, these same transformational leadership activities explain a little less of the variation in whether employees feel *needed to* or *do not feel needed to* stay with the institutions. 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.

## 5.2 Suggestions

It is clear that owners and managers want their organizations to have sustainable development and growth. One of the ways to achieve this is to create favorable conditions to employees. Based on the findings of this study, I suggest the following points to PHEIs and for future research.

### 5.2.1 Suggestions for PHEIs

Although leadership functions may vary by organizational level or discipline, the study presented here suggests that the interaction of transformational and transactional leadership styles are potentially important point of influence in affecting attitudes toward commitment to the organization.

It is suggested that the leaders of PHEIs should pay more attention to developing efficient team work and express warm concern and trust to co-workers through transformational leadership behaviors. This is because leaders can play a role in building commitment by assuring that the organization makes effort to address both the work content and the work context by engaging in management practices to increase psychological attachment of employees to the organization.

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, PHEIs 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 academic leaders at the institutions that they can focus in developing their academic staff, 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.

Since the laissez-faire leadership has significant and negative correlation with affective employees' commitment, leaders should avoid such behaviors like displaying indifference, overlooking achievements, and ignorance of problems to improve the commitment levels of employees. In other word, leaders may be able to improve their laissez-faire leadership behaviors by giving negative feedback in a timely manner and using language that is both clarifying and encouraging.

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 labour turnover. These are major factors which influence the decisions of employees about *want to*, *need to* or *ought to* stay in the current organization.

### **5.2.2 Suggestions 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 higher education institutions 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 higher education institutions.

The findings of this study may not be generalized to the whole education industry or to other types of organizations in the country. Generalization of the present findings should, therefore, be examined in future research in public higher education institutions 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.

## References

- Allen, N., & Meyer, J. (1990), The measurement and antecedents of affective, continuance, and normative commitment to the organization''. *Journal of Occupational Psychology*, 63, 1-18. Retrieved March 28, 2011 from <http://workandbabies.com/wp-content/uploads/2009/11/allen-myer-1990.pdf>
- Avolio, B., Zhu, W., Koh, W. & Bhatia, P. (2004), Transformational Leadership and Organizational Commitment: Mediating Role of Psychological Empowerment and Moderating Role of Structural Distance. *Journal of Organizational Behavior*, 25, 951–968. Retrieved March 18, 2011 from [http://download.clib.psu.ac.th/datawebclib/e\\_resource/trial\\_database/WileyInterScienceCD/pdf/JOB/JOB\\_3.pdf](http://download.clib.psu.ac.th/datawebclib/e_resource/trial_database/WileyInterScienceCD/pdf/JOB/JOB_3.pdf)
- Awan, M. R. & Mahmood, K. (2009), Relationship among leadership style, organizational culture and employee commitment in university libraries. *Library Management*, 31, 253-266. Retrieved January 11, 2011 from [www.emeraldinsight.com/0143-5124.htm](http://www.emeraldinsight.com/0143-5124.htm)
- Bass, B.M., Avolio, B. J., Jung, D.I., & Berson, Y. (2003), Predicting Unit Performance by Assessing Transformational and Transactional Leadership. *Journal of Applied Psychology*, 88, 207–218. Retrieved March 14, 2011 from <http://forum.hrdiscussion.com/forum5/topic579.html>
- Bass, B.M. (1997), The ethics of transformational leadership. *KLSP: Transformational Leadership, Working Papers*. Retrieved September 28, 2010 from [http://www.academy.umd.edu/publications/klspdocs/bbass\\_pl.htm](http://www.academy.umd.edu/publications/klspdocs/bbass_pl.htm)
- Bass, B.M. & Avolio, B. J. (1993), Transformational Leadership and Organizational Culture. *Public Administration Quarterly*, 12, 113-121.
- Bernson, M., Levine, D., & Krehbiel, T. (2002), Basic Business Statistics: Concepts and Applications (8<sup>th</sup> ed.). New Jersey: Prentice-Hall, Inc.
- Biggam, J. (2008), Succeeding with your Master's Dissertation: A step-by-step handbook. London: McGraw Hill.
- Bolden, R., Gosling, J., Marturano, A. and Dennison, P. (2003), A review of Leadership Theory and Competency Frameworks, Centre for Leadership Studies, University of Exeter, United Kingdom. Retrieved March 28, 2011 from [http://centres.exeter.ac.uk/cls/documents/mgmt\\_standards.pdf](http://centres.exeter.ac.uk/cls/documents/mgmt_standards.pdf)
- Brockner, J., Tyler, T., & Scheneider (1992), The Influence of Prior Commitment to An Institution on Reactions to Perceived Unfairness: The higher they are, the harder they fall. *Administrative Science Quarterly*, 37, 241-2615.
- Bučiūnienė, I. & Škudienė, V. (2008), Impact of Leadership Styles on Employees' Organizational Commitment in Lithuanian Manufacturing Companies. *SEE Journal*, 33, 57-65

- Devore, J. & Peck, R. (1993), *Statistics: The exploration and analysis of data* (2<sup>nd</sup> ed.). California: Wadsworth Inc.
- Brooks, G., & Wallace J. (2006), A discursive examination of the nature, determinants and impact of organisational commitment. *Asia Pacific Journal of Human Resources*, 44: 222-239. Retrieved Feb.24, 2011 from <http://apj.sagepub.com/content/44/2/222>
- Hall, J., Johnson, S., Wysocki, A. & Kepner, K. (2002), Transformational leadership: The Transformation of managers and associates. Retrieved March 16, 2011 from <http://edis.ifas.ufl.edu>
- Hersey, P., & Blanchard, K. (1984), **Management of organizational behavior** (4<sup>th</sup> ed.). Englewood Cliffs: NJ: Prentice-Hall.
- Hunt, S. D. & Morgan, R.M. (1994), Organizational Commitment: One of Many Commitments or Key Mediating Construct? *Academy of Management Journal*, 37, 1568-1587. Retrieved March 28, 2011 from <http://www.jstor.org/stable/256799>
- James, K. & Collins, J. (2008), *Leadership Perspectives: Knowledge into Action*. London: Palgrave Macmillan.
- James, K. & Burgoyne, J. (2001), *Leadership Development: Best practice guide for organizations*. London: Council for Excellence in Management and Leadership. Retrieved March 14, 2011 from <http://www.managementandleadershipcouncil.org>.
- Leavy, B., & Mckiernan, P. (2009), *Strategic Leadership: Governance & Renewal*. London: Palgrave Macmillan.
- Lo, M., Ramayah, T., & Min, H. (2009), Leadership styles and organizational commitment: A test on Malaysia manufacturing industry. *African Journal of Marketing Management*, 1, 133-139. Retrieved April 16, 2011 from <http://www.academicjournals.org/ajmm>
- Lo, M., Ramayahb, T., Minc, H., & Songand, P. (2010), The relationship between leadership styles and organizational commitment in Malaysia: Role of leader–member exchange. *Asia Pacific Business Review*, 16, 79–103. Retrieved April 16, 2011 from <http://www.informaworld.com>
- Lok, P. & Crawford, J. (1999), The relationship between commitment and organizational culture, subculture, leadership style and job satisfaction in organizational change and development. *Leadership & Organization Development Journal*, 13, 365-373: <http://www.emerald-library.com>
- Mannheim, B. & Halamish, H. (2008), Transformational leadership as related to team outcomes and contextual moderation. *Leadership & Organization Development Journal*, 29, 617-630. Retrieved Feb. 8, 2011 from [www.emeraldinsight.com/0143-7739.htm](http://www.emeraldinsight.com/0143-7739.htm)
- Marmaya, N., Hitam, M., Torsiman N., and Balakrishnan, B. (2011), Employees' perceptions of Malaysian managers' leadership styles and organizational commitment. *African Journal of Business Management*, 5, 1584-1588. Retrieved April 18, 2011 from <http://www.academicjournals.org/ajbm/PDF/pdf2011/4Mar/Marmaya%20et%20al.pdf>



- Meyer, J.P., Becker, T.E., & Vandenberghe, C. (2004), Employee Commitment and Motivation: A Conceptual Analysis and Integrative Model. *Journal of Applied Psychology*, 89, 991-1007. Retrieved March 28, 2011 from [http://www.mona.uwi.edu/spsw/downloads/coursemat/PS66G/2005-2006/sem2/meyer\\_becker\\_vandenberghe\\_2004\\_motivation\\_and\\_employee\\_commi.pdf](http://www.mona.uwi.edu/spsw/downloads/coursemat/PS66G/2005-2006/sem2/meyer_becker_vandenberghe_2004_motivation_and_employee_commi.pdf)
- MLQ leadership Assessment & Development services (undated), Transforming Leadership. Retrieved March 28, 2011 from [http://www.mlq.com.au/Products/MLQ\\_Products\\_and\\_Services.pdf](http://www.mlq.com.au/Products/MLQ_Products_and_Services.pdf)
- Perren, L. & Burgoyne, J. (2001), Management and Leadership Abilities: An analysis of texts, testimony and practice. London: Council for Excellence in Management and Leadership: <http://www.managementandleadershipcouncil.org/reports/r30.htm>.
- Ponnu, C. H. & Tennakoon, G. (2009), The Association between Ethical Leadership and Employee Outcomes. *Electronic Journal of Business Ethics and Organization Studies*, 14, 21-32. Retrieved Feb.16, 2011 from [http://ejbo.jyu.fi/pdf/ejbo\\_vol14\\_no1\\_pages\\_21-32.pdf](http://ejbo.jyu.fi/pdf/ejbo_vol14_no1_pages_21-32.pdf)
- Shore, L. M., & Wayne, S. J. (1993), Commitment and Employee Behaviour: Comparison of Affective Commitment and Continuance Commitment with Perceived Organizational Support. *Journal of Applied Psychology*, 78: 774-780: [http://www-rohan.sdsu.edu/~lshore/reprints\\_pdf/](http://www-rohan.sdsu.edu/~lshore/reprints_pdf/)
- Sosik, J. & Dinger, S. (2007), Relationships between leadership style and vision content: The moderating role of need for social approval, self-monitoring, and need for social power. *The Leadership Quarterly*, 18, 134–153. Retrieved April 16, 2011 from <http://www.elsevier.com/locate/leaqua>
- Trottier, T., Van Wart, M., and Wang, X. (2008), Examining the Nature and Significance of Leadership in Government Organizations. *Public Administration Review*, 319-333. Retrieved October 23, 2010 from <http://onlinelibrary.wiley.com/doi/10.1111/j.1540-6210.2007.00865.x/pdf>
- Ugboro, I.O. (2006), Organizational Commitment, Job Redesign, Employee Empowerment and Intent to Quit Among Survivors of Restructuring and Downsizing. North Carolina: Institute of Behavioral and Applied Management. Retrieved March 14, 2011 from <http://www.ibam.com/pubs.pd>
- World Bank (2003), Higher Education Development for Ethiopia: Pursuing the Vision. Sector study Document of the World Bank

## Appendices

### Appendix A: Operationalization of Leadership Styles and Employee Commitment

#### Transformational Style Operationalization

- 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 Operationalization

- 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 Operationalization

- Laissez-Faire: acts non-involved, displays indifference, overlooks achievements, and ignores problems.

#### Employee Commitment Operationalization

- 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) Form 5X Scoring Key

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

## Appendix C: Organizational Commitment Questionnaire (OCQ) Scoring Key

Organizational Commitment Factor	#	#	#	#
Affective Commitment	1	4	9	10
Continuance Commitment	2	3	5	6
Normative Commitment	7	8	11	12

### Appendix D: Independent Samples T-Test (MLQ)

		t-test for Equality of Means						
		t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Contingent reward	Equal variances assumed	-4.975	113	.000	-1.12456	.22606	-1.57243	-.67669
	Equal variances not assumed	-8.012	67.012	.000	-1.12456	.14035	-1.40470	-.84442
Management by exception (active)	Equal variances assumed	-1.967	113	.052	-.43684	.22209	-.87685	.00316
	Equal variances not assumed	-1.881	26.446	.071	-.43684	.23223	-.91380	.04011
Management by exception (passive)	Equal variances assumed	1.956	113	.053	.50965	.26058	-.00660	1.02590
	Equal variances not assumed	1.883	26.608	.071	.50965	.27065	-.04607	1.06536
Idealized influence (attributed)	Equal variances assumed	-2.465	113	.015	-.62719	.25445	-1.13130	-.12309
	Equal variances not assumed	-3.167	38.931	.003	-.62719	.19804	-1.02780	-.22659
Idealized influence (behavior)	Equal variances assumed	-1.587	113	.115	-.35351	.22273	-.79477	.08776
	Equal variances not assumed	-1.801	31.994	.081	-.35351	.19627	-.75329	.04628
Inspirational motivation	Equal variances assumed	-3.137	113	.002	-.72719	.23183	-1.18649	-.26790
	Equal variances not assumed	-4.146	41.083	.000	-.72719	.17539	-1.08139	-.37300
Intellectual stimulation	Equal variances assumed	-4.114	113	.000	-.91754	.22302	-1.35939	-.47570
	Equal variances not assumed	-5.868	48.391	.000	-.91754	.15637	-1.23189	-.60320
Individualized consideration	Equal variances assumed	-3.045	113	.003	-.63333	.20801	-1.04543	-.22123
	Equal variances not assumed	-3.668	34.901	.001	-.63333	.17268	-.98393	-.28274
Laissez-faire leadership	Equal variances assumed	3.681	113	.000	.88772	.24116	.40993	1.36550
	Equal variances not assumed	4.546	36.328	.000	.88772	.19529	.49177	1.28367
Transactional Leadership	Equal variances assumed	-2.878	113	.005	-.35058	.12182	-.59194	-.10923
	Equal variances not assumed	-2.660	25.676	.013	-.35058	.13178	-.62163	-.07954
Transformational Leadership	Equal variances assumed	-3.533	113	.001	-.65175	.18445	-1.01718	-.28632
	Equal variances not assumed	-5.538	61.873	.000	-.65175	.11769	-.88703	-.41648

### Appendix E: Correlations between Leadership Styles and Employee Commitment

		Transformational Leadership	Transactional Leadership	Laissez-faire leadership	Affective commitment	Continuance commitment	Normative commitment	Total Employee commitment
Transformational Leadership	Pearson Correlation	1	.184*	-.572**	.305**	.238*	.053	.303**
	Sig. (2-tailed)		.049	.000	.003	.020	.612	.003
	N	115	115	115	95	95	95	95
Transactional Leadership	Pearson Correlation	.184*	1	.168	.075	.177	.222*	.229*
	Sig. (2-tailed)	.049		.072	.469	.087	.030	.026
	N	115	115	115	95	95	95	95
Laissez-faire leadership	Pearson Correlation	-.572**	.168	1	-.349**	-.046	.024	-.189
	Sig. (2-tailed)	.000	.072		.001	.655	.814	.066
	N	115	115	115	95	95	95	95
Affective commitment	Pearson Correlation	.305**	.075	-.349**	1	.197	.233*	.709**
	Sig. (2-tailed)	.003	.469	.001		.055	.023	.000
	N	95	95	95	95	95	95	95
Continuance commitment	Pearson Correlation	.238*	.177	-.046	.197	1	.140	.693**
	Sig. (2-tailed)	.020	.087	.655	.055		.175	.000
	N	95	95	95	95	95	95	95
Normative commitment	Pearson Correlation	.053	.222*	.024	.233*	.140	1	.629**
	Sig. (2-tailed)	.612	.030	.814	.023	.175		.000
	N	95	95	95	95	95	95	95
Total Employee commitment	Pearson Correlation	.303**	.229*	-.189	.709**	.693**	.629**	1
	Sig. (2-tailed)	.003	.026	.066	.000	.000	.000	
	N	95	95	95	95	95	95	95

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

## Appendix F: Verification of the Study Organizations Cooperation

### Verification of Organizations Cooperation

May 2011

Organizations those allowed me to collect primary data for this study verify their cooperation in the following manner:

No.	Name of Institution	Authorized representative	Contact information		Signature
			Email	Telephone	
1	Unity University	[Signature]	unity@unity.edu.et	0116298159	[Signature]
2	St. Merry University College	[Signature]	st.merry@smuc.edu.et	0115538025	[Signature]
3	Admas University College	Alenayehu Tesfaye	admasedu@ethionet.et	0116637796/85	[Signature]
4	Alpha University College	Masrash	alphauc@ethionet.et	0114669711	[Signature]
5	Africa Beza University College	Yared Ayale	ayale.yared@abuc.edu.et	0911047476	[Signature]
6	Universal University College	[Signature]	Universal@universal.edu.et	011-565039	[Signature]
7	CPU University College	Prekshawit Hailu	daazale@cpu.edu.et	011-6635693	[Signature]
8	Addis College	Nigata Fantaye	addis-college@ethionet.et	0116629523	[Signature]
9	KIA-MED Medical College	Tibebu Goshime	kemedet@yahoo.com		[Signature]
10	Lion Tourism and <sup>Hotel</sup> Business College	me kurian		0115524838	[Signature]
11	Gage IT & Business college Ato Golan.			091195402	[Signature]
12	New Generation U.C.	Dr. Ayalew Kano		011 6638441	[Signature]

## Appendix G: Leader Opinion Survey- Multifactor Leadership Questionnaire (MLQ)

I am graduating class MBA student of 2011 at Addis Ababa University. This questionnaire is designed to help you describe your leadership style as you perceive it. Please answer items below by circling a number from **0 to 4** 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. If you are unsure or do not know the answer, leave the answer blank. Whatever information you give me is strictly confidential and could be used for academic purpose only. I would like to thank you in advance for your indispensable cooperation.

**Use the following rating scale:**

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly Often	Frequently, if not always

1. I provide others with assistance in exchange for their efforts..... 0 1 2 3 4
2. I re-examine critical assumptions to question whether they are appropriate..... 0 1 2 3 4
3. I fail to interfere until problems become serious..... 0 1 2 3 4
4. I focus attention on irregularities, mistakes, exceptions, and  
deviations from standards..... 0 1 2 3 4
5. I avoid getting involved when important issues arise..... 0 1 2 3 4
6. I talk about my most important values and beliefs ..... 0 1 2 3 4
7. I seek differing perspectives when solving problems..... 0 1 2 3 4
8. I talk optimistically about the future..... 0 1 2 3 4
9. I instill pride in others for being associated with me..... 0 1 2 3 4
10. I discuss in specific terms who is responsible for  
achieving performance targets..... 0 1 2 3 4
11. I wait for things to go wrong before taking action..... 0 1 2 3 4
12. I talk enthusiastically about what needs to be accomplished..... 0 1 2 3 4
13. I spend time teaching and coaching..... 0 1 2 3 4
14. I go beyond self-interest for the good of the group..... 0 1 2 3 4

**Use the following rating scale:**

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly Often	Frequently, if not always

15. I treat others as individuals rather than just as a member of a group..... 0 1 2 3 4
16. I demonstrate that problems must become chronic before I take action..... 0 1 2 3 4
17. I act in ways that build others' respect for me..... 0 1 2 3 4
18. I consider the moral and ethical consequences of decisions..... 0 1 2 3 4
19. I keep track of all mistakes..... 0 1 2 3 4
20. I direct my attention toward failures to meet standards..... 0 1 2 3 4
21. I avoid making decisions..... 0 1 2 3 4
22. I help others to develop their strengths..... 0 1 2 3 4
23. I suggest new ways of looking at how to complete assignments..... 0 1 2 3 4
24. I delay responding to urgent questions..... 0 1 2 3 4
25. I emphasize the importance of having a collective sense of mission..... 0 1 2 3 4
26. I express satisfaction when others meet expectations..... 0 1 2 3 4
27. I express confidence that goals will be achieved..... 0 1 2 3 4

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



## Appendix H: Employee Opinion Survey- Multifactor Leadership Questionnaire (MLQ)

I am graduating class MBA student of 2011 at Addis Ababa University. Thus, you are being requested to participate in a survey to provide your organization with leadership styles related information that will help improve the working environment for employees. Participation in this survey is voluntary and no individual data will be reported. If you are unsure or do not know the answer, leave the answer blank.

Please indicate the extent of your agreement or disagreement with each statement about your leader/supervisor by circling a number from **0 to 4**. Whatever information you give me is strictly confidential and could be used for academic purpose only. I would like to thank you in advance for your indispensable cooperation.

**Use the following rating scale:**

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly Often	Frequently if not always

1. Provides me with assistance in exchange for my efforts.....0 1 2 3 4
2. Re-examines critical assumptions to question whether they are appropriate..... 0 1 2 3 4
3. Fails to interfere until problems become serious..... 0 1 2 3 4
4. Focuses attention on irregularities, mistakes, exceptions, and  
deviations from standards.....0 1 2 3 4
5. Avoids getting involved when important issues arise..... 0 1 2 3 4
6. Talks about their most important values and beliefs..... 0 1 2 3 4
7. Seeks differing perspectives when solving problems.....0 1 2 3 4
8. Talks optimistically about the future..... 0 1 2 3 4
9. Instills pride in me for being associated with him/her..... 0 1 2 3 4
10. Discusses in specific terms who is responsible for  
achieving performance targets..... 0 1 2 3 4
11. Waits for things to go wrong before taking action..... 0 1 2 3 4
12. Talks enthusiastically about what needs to be accomplished..... 0 1 2 3 4
13. Spends time teaching and coaching..... 0 1 2 3 4

**Use the following rating scale:**

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly Often	Frequently, if not always

14. Goes beyond self-interest for the good of the group..... 0 1 2 3 4
15. Treats me as an individual rather than just as a member of a group.....0 1 2 3 4
16. Demonstrates that problems must become chronic before taking action.....0 1 2 3 4
17. Acts in ways that builds my respect..... 0 1 2 3 4
18. Considers the moral and ethical consequences of decisions..... 0 1 2 3 4
19. Keeps track of all mistakes..... 0 1 2 3 4
20. Directs my attention toward failures to meet standards..... 0 1 2 3 4
21. Avoids making decisions..... 0 1 2 3 4
22. Helps me to develop my strengths..... 0 1 2 3 4
23. Suggests new ways of looking at how to complete assignments..... 0 1 2 3 4
24. Delays responding to urgent questions..... 0 1 2 3 4
25. Emphasizes the importance of having a collective sense of mission.....0 1 2 3 4
26. Expresses satisfaction when I meet expectations..... 0 1 2 3 4
27. Expresses confidence that goals will be achieved..... 0 1 2 3 4

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

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

Please indicate the extent of your agreement or disagreement with each statement as objectively as you can by circling a number from **0 to 4**. Whatever information you give me is strictly confidential and could be used for academic purpose only, so please respond honestly. I would like to thank you in advance for your indispensable cooperation.

**Use the following rating scale:**

0	1	2	3	4
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1. I feel like part of the family at this organization..... 0 1 2 3 4
2. Too much of my life would be disrupted if I decided that I wanted  
to leave this organization now..... 0 1 2 3 4
3. I would not leave this organization right now because of what I  
would stand to lose..... 0 1 2 3 4
4. This organization has a great deal of personal meaning for me..... 0 1 2 3 4
5. It would be very costly for me to leave this organization right now..... 0 1 2 3 4
6. For me personally, the cost of leaving this organization would be  
far greater than the benefit..... 0 1 2 3 4
7. Even if it were to my advantage, I do not feel it would be right to leave my  
organization now..... 0 1 2 3 4
8. I would violate a trust if I quit my job with this organization now..... 0 1 2 3 4
9. I feel a strong sense of belonging to this organization..... 0 1 2 3 4
10. I feel emotionally attached to this organization..... 0 1 2 3 4
11. I would feel guilty if I left my organization now..... 0 1 2 3 4
12. I would not leave this organization right now because I have a sense of  
obligation to the people in it..... 0 1 2 3 4

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

## Appendix J: Demographic Questions (Leaders and Employees)

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. What is your Job Title? \_\_\_\_\_

3. How long have you worked for the current organization?

\_\_\_\_\_ Years \_\_\_\_\_ Months

3'. How long have you worked on the current position? (Only for a leader)

\_\_\_\_\_ Years \_\_\_\_\_ Months

4. How long have you worked for your current leader?

\_\_\_\_\_ Years \_\_\_\_\_ Months

4'. How long is your previous work experience on the same position? (Only for a leader)

\_\_\_\_\_ Years \_\_\_\_\_ Months

5. What is your Age Group?

☐ Under 26    ☐ 46 to 55

☐ 26 to 35    ☐ 56 to 65

☐ 36 to 45    ☐ 66 or older

6. What is your highest level of Education?

☐ Some College, no degree

☐ Master's degree

☐ Bachelor's degree

☐ some post-master's credits, no degree

☐ Some master's credits, no degree

☐ Doctorate degree or professional degree

7. What is your marital status?

☐ Married

☐ Single

Other \_\_\_\_\_