LEADERSHIP STYLE AND EMPLOYEES’ ORGANIZATIONAL COMMITMENT

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External Examiner                   Signature

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Internal Examiner                   Signature
DECLARATION

I, the under signed, declare that this research project is my original work and that it has not been presented either in part or in full for a degree in any other higher learning institution. I further confirm that all sources of materials used for this research have been duly acknowledged.

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Addis Ababa University       June, 2014
ENDORSEMENT

This research project has been submitted to Addis Ababa University, College of Business and Economics, Department of Management for examination with my approval as a university advisor.

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Name                        Signature
Addis Ababa University       June, 2014
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<td>ACS</td>
<td>Affective Commitment Scale</td>
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<td>Contextual Leadership Intelligence</td>
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<td>Contingent Reward</td>
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<td>MLQ</td>
<td>Multifactor Leadership Questionnaire</td>
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<td>NCS</td>
<td>Normative Commitment Scale</td>
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<td>OCQ</td>
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Abstract
The purpose of this research was to investigate the relationship between employees’ perceptions of their immediate supervisors’ leadership styles and their Organizational Commitments. Bass & Avolio's (1995) Multifactor Leadership Questionnaire (MLQ Form 5X) was used to measure leadership styles of supervisors. And Allen& Meyer's (1997) Organizational Commitment Questionnaire (OCQ) was used to measure employees’ organizational commitments. Participants of the study were 106middle and top level managers working for various private, governmental, non-governmental and international organizations in Addis Ababa who are also attending the Executive-MBA program at Addis Ababa University. The result showed that the level of Affective Commitment is generally low and that it is unaffected by most of the leadership styles. The only correlations found regarding Affective commitment were very weak and negative correlation with Attributed Idealized Influence and very weak but positive correlation with Intellectual Stimulation. All of the transformational leadership and Contingent Reward styles showed the existence of weak but positive relationship with Normative Organizational Commitment. Idealized Influence (Attributed) showed weak and negative relationship with Continuance Commitment while Management-by-exception (Active) and Laissez-faire showed weak but positive relationship.

Keywords:- Leadership style, Employee commitment
CHAPTER ONE
Introduction

1.1 Background of the study

Today organizations need to continuously improve their organizational performance in order to meet the ever increasing demands of various stakeholders. Customers demand better products and services at cheaper prices, employees demand higher pay and improved working conditions, shareholders demand adequate return on their investments and governments require compliance to increasing number of laws, rules and regulations. And all this is expected to be achieved in a highly volatile environment where competition is increasing from time to time both in terms of intensity and sophistication. Kotter (1990) characterizes the contemporary business world as having faster technological change, greater international competition, deregulated markets, overcapacity in capital intensive industries, an unstable oil cartel, and changing demographics of the working force. With varying proximity, most of these factors characterize the environment of business in Ethiopia too. In all its subtleties, organizations around the world have realized the human factor as an important strategic asset to deal with these very demanding environments. How organizations attract, develop, and retain employees who have the capacity to learn and innovate in dealing with the changing environment is a critical success factor. In this study the subject of retention is emphasized.

Creating a retention-rich organization that attracts, engages and builds lasting loyalty among the most talented employees is a key to success in the modern globalized economy (Devi, 2009; Coetzee, 2005) because employee commitment is positively correlated to decreased absenteeism, lower turnover, and better organizational performance (Deal & et al, 2011; Butler, 2008; Nijhof et al, 1998). Hence, it is important to understand the concept of employee commitment and its outcome.

Employee commitment is the level of connection that employees feel towards their organization. Committed employees are emotionally involved and pleased about their work and act in a manner that will promote the organization's interest. A committed
workforce helps optimize and retain talent for the long-term because the employees choose to stay, even when other employment alternatives exist.

There are three types of commitment: affective commitment, normative commitment, and continuance commitment. For example, there are employees who have positive emotional attachment with the organization. These employees engage with the organization because they feel at home with it (affective commitment). On the other hand, some employees feel they have to stay with the organization because, for example, the organization cannot manage without them (normative commitment). Finally, there are employees who carry on working for the organization mainly because they have no alternative. For example, employees may continue to work for an organization because there are no other job prospects or simply because they need the money (continuance commitment).

Research consistently shows that employees who want to stay (high Affective Commitment Score - ACS) tend to perform at a higher level than those who do not (low ACS). Employees who remain out of obligation (high Normative Commitment Scale - NCS) also tend to out-perform those who feel no such obligation low (NCS). Finally, employees who have to stay primarily to avoid losing something of value (e.g. benefits, seniority) often have little incentive to do anything more than is required to retain their positions (Allen & Meyer, 2004).

For the purpose of this study, employee commitment refers to employees’ organizational commitment and specifically to their Affective, Normative and Continuance commitments.

There are various factors that can positively or negatively influence commitment of employees. Leadership style of supervisors is among the factors that are considered to have significant influence (Butler, 2008; Limsila and Ogunlana, 2007; Lee, 2004; Rowden, 1999, Nijhof, 1998).

Leadership is the process of social influence, which maximizes the efforts of others, towards the achievement of a goal (Kruse, 2013). There are many kinds of leadership styles that leaders can choose from. For example, 

**Autocratic Leadership** which takes absolute control of the situation and decision making process may be ideal in situations where decisions must be made quickly
and without dissent. For instance, top military commanders often use this leadership style for quickly making complex decisions. Troops focus their attention on performing their allotted tasks and missions.

**Bureaucratic leadership** which requires strict adherence to rules and regulations may be the ideal choice in situations involving serious safety risks (such as working with machinery, with toxic substances, or at dangerous heights). Bureaucratic leadership is also useful in organizations where employees do routine tasks (as in manufacturing).

**Democratic leadership** which involves team members in the decision-making process may be ideal in situations where creativity and working as a team is essential, and when quality is more important than efficiency or productivity.

**People-Oriented/Relations-Oriented Leadership** is friendly leadership that pays attention to the welfare of everyone in the group. It is totally focused on organizing, supporting, and developing followers. It is often ideal in situations where creativity and risk taking behavior of employees is encouraged. Team members are often more productive and willing to take risks, because they know that the leader will provide support if they need it.

**Servant leadership** is leadership where the leader often "leads from behind," preferring to stay out of the limelight and letting his/her team accept recognition for his/her hard work. This may be the ideal approach when the creation of positive leadership culture and high morale among team members is needed. It's often most practical in politics, religious institutions or in positions where leaders are elected to serve a team, committee, organization, or community.

**Task-Oriented Leadership** focuses only on getting the job done. This leadership style actively defines the work and the roles required, puts structures in place, plans, organizes, and monitors work. It ensures that deadlines are met, and it's especially useful for team members who don't manage their time well.

**Laissez-Faire Leadership** which describes leaders who give a lot of autonomy and allow their people to work on their own may be the ideal approach when managers don't have sufficient control over their work and their people. This style is particularly
effective when individual team members are responsible, experienced, skilled and self-starters.

Transactional Leadership clarifies everyone’s roles and responsibilities and judges team members on performance. This leadership style often works well in situations where followers are ambitious or motivated by external rewards including compensation.

Transformational Leadership works by inspiring followers to pursue transcendental goals and to look beyond external rewards. These kinds of leaders expect the best from everyone on their team as well as themselves. This leadership style is often referred to as the best leadership style in western leadership theories and works best in situations where the rewards needs of followers is substantially satisfied.

Ultimately, the effectiveness of the leader will depend on his/her ability to understand the context in which leadership is being exercised and choosing the right leadership style.

The purpose of this study is to identify the relationship between transformational, transactional and passive/avoidant leadership styles of supervisors and employee commitment, in the Ethiopian context.

1.2 Statement of the Problem

Many studies have been conducted in various countries regarding employee motivation and commitment. Leadership also is a highly researched subject. The recent western Leadership theories place very high value on Transformational Leadership Style for its effectiveness in creating highly committed employees (Limsila & Ogunlana, 2007; Kirkbride, 2006; Avolio and Bass, 1995, 2004; Bass,1990).

But uncritical application of western theories in totally different cultural settings like ours, can result in dysfunctionality and may even prove to be dangerous because the relationship between leadership style and employee commitment is contingent on contextual factors such as national cultures (Jogulu, 2010; Shahin & Wright, 2004; Counsell, 1999; Blunt & Jones, 1995; Doty, 1970) age, gender and income level of
both employees and leaders (Ogba, 2008; Rowden, 1999) and demand and supply of specific set of skills in the labor market (Fortune No.708, 2013).

The macro-economic condition of a country also plays a mediating role on the relationship between leadership style and employee commitment that exists within its organizations. For example because of the inflationary economic condition in Addis Ababa, the raises in income of many employees cannot keep up with the inflation and therefore living standard of many employees is deteriorating from time to time. In such a situation, it is natural to see employees leaving their organizations in search of higher paying jobs. Because switching jobs are usually accompanied with higher remuneration, employees may find it difficult to be committed to one organization even if they like working for their current organization.

Therefore, researches conducted in other nations and different settings, may not necessarily reflect the reality in Ethiopia.

Stum (2001) developing on Maslow’s work, showed that there are five levels of work force needs, namely Safety and Security, Rewards, Affiliation, Growth and Work/Life Harmony. As each of the lower needs are met, or substantially satisfied, the individual focuses on attaining the needs at the next higher level. According to this performance pyramid model, compensation and benefits are the fundamental foundation that must be in place before higher needs such as affiliation or organizational commitment become commitment drivers.

The researcher’s argument is the rewards need of many employees in Addis Ababa is currently not substantially satisfied. Living standard of many employees has deteriorated because of the sky-rocketing cost of living. Employees in such situations are motivated more by leaders who recognize their needs and clarify how those needs can be fulfilled in exchange for their work role. Such leaders are generally known as transactional leaders and they get things done by making, and fulfilling, promises of recognition, pay increases, and advancement for employees who perform well (Bass, 1990).

The relationship between transformational leadership style and employees’ commitment is weak in Ethiopia, unless it is reinforced by transactional rewards. Given the work culture and the overall economic environment, for many employees in
Addis Ababa, work is simply a means of survival. Transformational Leadership which aims at motivating employees to look beyond rewards and into transcendental goals and higher self actualization needs is a luxury for most employees, in the Ethiopian organizational setting.

This study attempts to examine the relationship between different leadership styles and employees’ organizational commitment by studying perceptions of 72 middle and top level managers working for various organizations in Addis Ababa.

1.3 Research Questions

- What is the relationship between perceived transformational leadership style and employees’ organizational commitment?
  Perceived transformational style as measured by:
  - Idealized influence (attributed)
  - Idealized influence (behavior)
  - Inspirational motivation
  - Intellectual stimulation
  - Individualized consideration

- What is the relationship between perceived transactional leadership style and employees’ organizational commitment?
  Perceived transactional style as measured by:
  - Contingent reward
  - Management-by-exception (active)

- What is the relationship between perceived Passive/Avoidant leadership style and employees’ organizational commitment?
  Perceived Passive/Avoidant style as measured by:
  - Management-by-exception (passive)
  - Laissez-Faire

- Employees organizational Commitment as measured by:
  - Affective commitment
  - Continuance commitment
  - Normative commitment
1.4 Objectives

General Objective
The purpose of this study is to identify the leadership style that is correlated with highest employee commitment, in the Ethiopian context.

Specific Objectives

- To determine the relationship between perceived transformational leadership style and employees’ organizational commitment.
- To determine the relationship between perceived transactional leadership style and employees’ organizational commitment.
- To determine the relationship between perceived Passive/Avoidant leadership style and employees’ organizational commitment.

1.5 Scope

The number of employees and leaders considered in this study are limited to 72. Also the inclusion criteria for selecting participants is limited to Executive MBA students who are also employees working as middle and top level managers in various governmental, nongovernmental, international and business organizations, in Addis Ababa.

In this study, the Full Range Leadership Theory is taken as a comprehensive model consisting of the main leadership styles typically investigated in the field. Other leadership styles such as Autocratic, Democratic, Bureaucratic, and Servant have been excluded from this study.

The kind of commitment studied in this paper is organizational commitment and the specific organizational commitments studied are Affective, Normative and Continuance commitments. Job (work) commitment of employees is beyond the scope of this study.

The factor being investigated in this study as having an effect on employees’ commitment is leadership style of supervisors. Other factors affecting employees’
commitment like national culture, level of economic development of the country, age, gender, income level of both supervisors and employees are beyond the scope of this study.

1.6 Significance of the Study

This study is expected to have the following outcomes:

- To identify the relationship that exists between different leadership styles and different employee commitments so that leaders in Addis Ababa can use the information to adjust their leadership style and thereby improve the commitment employees have to their organizations.

- To add new stock of knowledge to the limited literature available about leadership style and employee commitment in the Ethiopian organizational setting.

- To encourage other researchers to undertake further research in the area.

1.7 Organization of the Study

This study is organized under five chapters. Chapter one contains background, statement of the problem, research questions, objectives of the study, scope of the study and significance of the study. In chapter two relevant literatures are reviewed. Methods of study are reported in chapter three. Findings are reported in chapter four. And finally conclusions and recommendations are given in chapter five.
CHAPTER TWO

Literature Review

2.1 Introduction

This chapter presents an overview of the changing environment and the increased need for commitment, different types of leadership styles, the integrated approach of the full-range leadership model, the mediating role of culture and other factors in the relationship between leadership style and employee commitment, and finally the need for contextual leadership is discussed.

2.2 The Changing environment and the increased need for commitment

Earlier organizations operated in a relatively stable environment and the challenge was to find a way of dealing with the complexity of leading large organizations to success. Therefore Managers planned or set targets, establishing detailed steps for achieving those targets and allocating resources to accomplish them. Then, managers organized to create human systems that can implement plans as precisely and efficiently as possible. Because control was central to management, highly motivated or inspired behavior was almost irrelevant (Kotter, 1990).

Compliance, which is a state in which employees follow the rules precisely, was a desired quality that resulted in the rewarding of employees. On the other hand, managers depended mainly on their legitimate and coercive powers to discourage non performance. But Compliance requires a very high level of input from the management as employees must be directed and monitored continuously if they are to deliver what is expected of them. It is evident that it is not in management's interest to rely on a compliance mode of response from employees – hence the emphasis on achieving commitment.

Today, the environment in which organizations operate is characterized by volatility, uncertainty, complexity and ambiguity. Managers must work at an unrelenting pace to
catch up with the ever changing environment. Mintzberg (1990), rightly argued that the scarcest resource managers have to allocate is their own time and that no organization can be so well run, so standardized, that it has considered every contingency in the uncertain environment in advance. It is therefore evident that setting targets and establishing detailed steps for achieving those targets will not be enough to manage today’s organizations. It is crucial that organizations have committed employees who internalize management’s values and norms and in doing so function automatically and naturally in ways preferred by management without having to be directed to do so.

Many scholars have shown the existence of positive correlation between employee commitment and organizational performance (Deal et al, 2011; Coetzee, 2005). Hence creating a retention-rich organization that attracts, engages and builds lasting loyalty among the most talented employees is a key to success in the modern globalized economy (Devi, 2009).

There are various factors that can positively or negatively affect organizational Commitment of employees like leadership style of supervisors (Butler, 2008; Limsila and Ogunlana, 2007; Lee, 2004; Rowden, 1999; Nijhof et al, 1998) age, gender and cultural background of employees (Ogba, 2008; Lok & Crawford, 2003; Chelli and Rosti, 2002; Carnicer et al, 2003;) and Job attitude of employees (Humborstad and Perry, 2011).

The purpose of this study is to identify the relationship between transformational, transactional and passive/avoidant leadership styles of supervisors and employee commitment, in the Ethiopian context.

2.3 Leadership Styles

There are many kinds of leadership styles. From the styles of Alexander the great, Adolf Hitler and Martin Luther King to Mother Teresa, Steve Jobs and Nelson Mandela, it seems there is countless number of effective ways to lead people towards the achievement of a goal. These are all excellent leaders because they achieved extra ordinary results in whatever objectives they pursued. But they all had different styles. If there is anything these leaders have in common, it is probably
Contextual Leadership Intelligence (CLI). CLI is defined as a profound ability to discern trends in the face of complexity and uncertainty as well as adaptability while still trying to shape events. It allows leaders to adjust their style to the situation and to their followers’ needs (Nye, 2013).

It is therefore important for a leader to know that there is no “one best way” of leading and adjust his/her style to fit the situation and/or the specific group of followers.

Businesspeople and psychologists describe the main styles of leadership as follows:

A. **Autocratic Leadership**

Autocratic leaders have absolute power over their people. Staff and team members have little opportunity to make suggestions. (It is) the traditional command and control paradigm that discourages participative decision making, preferring that decisions be made by the leader for the subordinates (Marshal, 2001).

B. **Bureaucratic Leadership**

A style of leadership that emphasizes procedures and historical methods regardless of their usefulness in changing environments. Bureaucratic leaders attempt to solve problems by adding layers of control, and their power comes from controlling the flow of information (http://www.businessdictionary.com, accessed on June 2, 2014)

One of the main objectives of this style is to create a predictable and reliable system that does not differentiate its outcomes and procedures according to individual differences or favoritism.

C. **Democratic/Participative Leadership**

Democratic leaders involve team members in the decision-making process, although the final decision may vary from the leader having the final say - to facilitating consensus in the group. Democratic leaders get result by leading discussions, asking questions to involve others, encourage others to take responsibility, confirming commitments (Roul, 2012).
D. Laissez-Faire Leadership

This French phrase means "leave to do," and it describes leaders who avoid playing the role of leadership. Laissez-faire leaders may give their teams a lot of freedom to do their work and set their own deadlines. They provide team support with resources and advice, if needed, but otherwise don't get involved. (Lewin’s Leadership Styles, http://www.mindtools.com, accessed on June 2, 2014)

E. People-Oriented Leadership

The people oriented approach involves supporting and developing people in their team. This style requires a high level of participation from leadership. People-orientated leaders consider how their decisions will affect others and weights their decisions heavily against any final action. (http://www.ehow.com, accessed on June 2, 2014). This is a participatory style and tends to encourage good teamwork and creative collaboration.

F. Servant Leadership

Stone et al (2003) characterized Servant leaders as those who emphasize the importance of appreciating and valuing people, listening, mentoring or teaching, and empowering followers. While the traditional Machiavellian style of leadership promotes amassing power and fearsome respect at the top of the pyramid, servant leadership shares power, puts the needs of others first and helps people develop and perform as highly as possible. Servant leaders often lead by example and "lead from behind," preferring to stay out of the limelight and letting their team accept recognition for their hard work. They have high integrity and lead with generosity (Kirkbride, 2006)

G. Task-Oriented Leadership

Task-Oriented leadership places an emphasis on getting a very specific job done. This form of leadership does not place the well being of staff members as its main priority and requires its leader to have a clear definition of productivity and roles
required. Performance goals and deadlines are what motivate task driven leaders to succeed. (http://www.ehow.com, accessed on June 2, 2014).

H. Transactional Leadership

Transactional Leaders recognize followers’ needs and desires and then clarify how those needs and desires will be met in exchange for enactment of the follower’s work role (Waldman et al, 1990). This form of leadership depends on the leader’s power to reinforce subordinates for their successful completion of the bargain (Bass et al, 1987). Transactional leadership is often used in business; when employees are successful, they are rewarded; when they fail, they are punished.

I. Transformational Leadership

Transformational leadership is a Style of leadership in which the leader identifies the needed change, creates a vision to guide the change through inspiration, and executes the change with the commitment of the members of the group. (http://www.businessdictionary.com, accessed on June 2, 2014)

2.4 The full Range Leadership Model – FRL

The full range model of leadership was developed to broaden the range of leadership styles typically investigated in the field. Its aim is to provide a comprehensive toolbox to the leader so that he/she selects the leadership style or behavior that is most conducive to the situation or context.

The model was labeled "full range" to challenge the leadership field to broaden its thinking about what constitutes a much broader range of leadership styles than the paradigms of initiation of structure and consideration (Avolio and Bass, 2004).

The full-range leadership theory suggests that there are three types of leadership behaviors, represented by nine distinct factors.
Transformational Leadership

(I) Idealized influence

Idealized influence is a leadership behavior in which the leader behaves so that followers seek to imitate him/her in their own actions. This transformational style refers to the leader who has become an idealized influence (II) or “role model” for those around him/her. Such leaders are often seen as being high on morality, trust, integrity, honesty and purpose. Key indicators of this style according to Kirkbride (2006) would be:

- Has demonstrated unusual competence;
- Celebrates followers’ achievements;
- Addresses crises “head on”; and
- Uses power for positive gain.
According to the full-range leadership theory, every leader exhibits each style or behavior to a certain extent ranging from transformational to laissez faire. But one should make a conscious effort to apply more of the transformational styles, less of the transactional styles and avoid laissez – fair as much as possible. Rather than insisting that one must lead “like this”, the FRL model makes the point that what is required is a change in the balance of leadership behaviors, away from the more transactional and more towards the transformational (Kirkbride, 2006).

The theory claims that the three leadership styles are hierarchically structured, so that the optimal leader is the one who exhibits mostly the transformational style, and to a lesser extent the transactional and avoiding Passive/Avoidant styles (Avolio, 1999) [as cited by Mannheim and Halamish, (2008)]

(II) Inspirational motivation

Inspirational Motivation is the ability of a leader to provide meaning and context to the work of those under him/her. The inspirationally motivating (IM) leader has the ability to motivate the followers to superior performance. Such leaders are characterized as having a profound ability to create excitement about a vision of the future that the followers are able to accept and strive towards. Key indicators of this style according to Kirkbride (2006) would be:

- Presents an optimistic and attainable view of the future;
- Moulds expectations and shapes meaning;
- Reduces complex matters to key issues using simple language; and
- Create a sense of priorities and purpose.

(III) Intellectual stimulation

Intellectually stimulating leaders are willing and able to show their employees new ways of looking at old problems, to teach them to see difficulties as problems to be solved, and to emphasize rational solutions (Bass, 1990). Kirkbride (2006) describes this behavior as a style that parents often use with their children but often is less frequent in organizations where many managers favor a “telling” approach to a questioning one. Key indicators of this style according to Kirkbride (2006) would be:

- Re-examines assumptions;
- Recognizes patterns that are difficult to imagine;
- Is willing to put forth or entertain seemingly foolish ideas;
- Encourages followers to revisit problems; and
- Creates a “readiness” for changes in thinking.

A high score (on Intellectually Stimulating Leadership Style) indicates that the leader provides ideas which result in a rethinking of issues that had never been questioned before and which enabled subordinates to think about old problems in new ways.

(IV) Individualized consideration

Individually Considerate Leaders Focus on understanding the needs of each follower and work continuously to get them to develop to their full potential. (Bass and Avolio, 2004). Key indicators of this style according to Kirkbride (2006) would be:

- Recognizes differences among people in their strengths and weaknesses, likes and dislikes;
- Is an “active” listener;
- Assigns projects based on individual ability and needs;
- Encourages a two-way exchange of views; and
- Promotes self-development.

Transactional Leadership

Transactional Leadership clarifies everyone’s roles and responsibilities and judges team members on performance. This leadership style often works well in situations where followers are ambitious or motivated by external rewards including compensation.

Transactional leaders engage in transactional relationship in which followers’ needs can be met if their performance is as contracted with their leader (Hollander, 1978). This kind of manager may use disciplinary threats to bring group’s performance up to standards – However whether the promise of rewards or the avoidance of penalties motivates the employees depends on whether the leader has control of the rewards or penalties, and on whether the employees want the rewards or fear the penalties (as cited in Bass, 1990).
(I) Contingent reward

Leaders can transact with followers by rewarding effort contractually, telling them what to do to gain rewards, punishing undesired action, and giving extra feedback and promotions for good work. Such transactions are referred to as contingent reward (CR) leadership (Lievens et al, 1997). Most leaders have limited capacity to reward good performance financially. But rewards can be non-financial ranging from the more tangible (extra holiday, preferred work, time off) to the less tangible (praise, visibility, recognition). The CR leader then monitors performance and provides (or exchanges) the reward and recognition if the performance targets are met or exceeded. If done successfully, this style will produce performance at the required levels.

Key indicators of this style according to Kirkbride (2006) would be:

- Recognizes what needs to be accomplished;
- Provides support in exchange for required effort;
- Gives recognition to followers when they perform and meet agreed-upon objectives;
- Follows up to make sure that the agreement is satisfactorily met; and
- Arranges to provide the resources needed by followers to accomplish their objectives.

(II) Management by Exception- Active

The active MBE leader focuses on monitoring task execution for any problems that might arise and correcting those problems to maintain current performance levels (Bass and Avolio, 2004). Key indicators of this style according to Kirkbride (2006) would be:

- Arranges to know if something has gone wrong;
- Attends mostly to mistakes and deviations;
- Remains alert for infractions of the rules; and
- Teaches followers how to correct mistakes.
Passive/Avoidant Leadership

(I) Management by Exception- Passive

Management by exception is a style of management that focuses on identifying and taking corrective action on cases that deviate from the norm. Passive Management by exception is a lot like laissez-faire under normal circumstances. As long as there is no visible problem the leader doesn’t interfere. According to Kirkbride (2006) such kind of leaders tend to have a relatively wide performance acceptance range and poor performance monitoring systems. And key indicators of this style are:-

- Avoids unnecessary changes;
- Takes no action unless a problem arises;
- Enforces corrective action when mistakes are made;
- Places energy on maintaining status quo; and
- Fixes the problem and resumes normal functioning.

Waiting for problems to arise or remaining oblivious until a mishap occurs is seen as poor, ineffective leadership and is typically highly dissatisfying for followers (Bass and Avolio, 2004).

(II) Laissez-faire

Kirkbride (2006) describes Laissez- faire leaders as managers who tend to withdraw from the leadership role and offer little in terms of either direction or support. They are often “absent” or indifferent to the needs of their followers. Key indicators of this style according to Kirkbride (2006) would be:

- Avoids making decisions;
- Abandons responsibilities;
- Refuses to take sides in a dispute; and
- Shows lack of interest in what is going on.

Most ineffective and dissatisfying (leadership style) is laissez-faire leadership, wherein the individual avoids leadership and abdicates responsibility." (Avolio and Bass, 2004)
2.4 The Mediating role of Culture and other Factors in the relationship between leadership style and employee commitment.

Different societies place different interpretations on the meaning of work. Likewise, national norms and social attitudes prescribe, to some degree, varying behavioral responses to similar stimuli within the executive suite." (Doktor, 1990).

Employees' expectations, behavior and performance may be different with various national cultures" (Redding, 1990 as sited by Peter Lok et, al). The study of leadership is deeply attached to culture. Both the leader’s actions and followers’ responses inevitably reflect the forms of behavior which are regarded as legitimate and appropriate within their society (Shahin and wright, 2004).

Age and gender are also factors that affect the level of commitment employees have. Older people tend to be more committed to their organization (Rowden, 1999). Because workers consider the entire stream of future gains from mobility, older workers are much less likely to change jobs. By contrast, the probability of quitting is very high among young inexperienced workers, because they are unaware of the extent to which their preferences match the characteristics of different jobs (Blau and
Female workers tend to be more stable and more attached to their organizations than men. Women have lower mobility than men, and the mobility of men and women is explained by different factors (Carnicer et al, 2003).

Industry specific conditions also play a role. For example, the limited supply of trained and experienced professionals within the banking sector (of Ethiopia) has led to increased competition between banks to staff their businesses appropriately. Banks are growing and expanding their operations at a rate faster than the supply of skilled and experienced manpower required. Therefore banks are offering increasingly attractive packages to snatch employees from their competitors, creating a situation in which employees bounce around from job to job in search of an improved salary package (Fortune No.708, 2013).

2.5 The need for Contextual Leadership

Those people in leadership positions act as the interface between the organization and the employee, and their leadership style plays a significant role in determining employee commitment (Nijhof et al, 1998; Limsila and Ogunlana, 2007; Lee, 2007).

The recent western Leadership theories place very high value on Transformational Leadership Style for its positive role in the creation of highly committed employees (Limsila & Ogunlana, 2007; Kirkbride, 2006; Avolio and Bass, 1995, 2004; Bass, 1990).

But direct application of these theories in cultures that differ significantly from the American culture can be a recipe for disaster. Studies of leadership styles have revealed that there are not only differences in the styles preferred by followers in different cultures, but the specific behaviors which reflect these styles may vary from culture to culture (Smith and Peterson, 1988).

…Vision, in the Western sense, may be out of place in many organizations in Africa. Leaders are seen to possess genuine authority but are expected by their subordinates
to use it only sparingly and in a humane and considerate way. (Blunt and Jones, 1996).

It is of paramount importance, therefore, that Ethiopian Leaders make every effort to understand the context in Ethiopia before adopting any kind of leadership style. Understanding the situation and the needs of various stakeholders so as to decide when and how to use transactional and inspirational skills will ultimately determine how effective the leader will be in his/her leadership role.

For example, Doty (1970) gave a generalized portrait of the Ethiopian manager as shown below. The portrait is based on:-

I) The views of a mixed group of top managers (Ethiopians, Europeans and Americans) looking “down” at Ethiopian middle level managers and

II) Views of Ethiopian middle managers looking “up” at top Ethiopian managers and looking “in” at their own feelings and potential.

1. Not Achievement-Oriented: Low Work Commitment.
2. Poor at Planning and Goal-Setting: Lives in the Present.
3. Unhurried — Finds it Difficult to Get Work Done on Time.
4. Little Training or Practice in Decision-Making: Lacks Confidence.
6. Communicates Poorly at Work, Especially "Down" and "Around."
7. Highly Individualistic in Personal Outlook and Interests.
11. Sensitive to Criticism: Rarely Criticizes Others Directly.
Cultural Values Influencing Managerial Behavior in Ethiopia, according to Doty

1. Authoritarian Institutions: Government, Church, Village and Father.  
   (Impedes delegation and participation in decision-making.)

   (Fosters rugged individualism instead of attitudes of cooperation.)

   (Weakens incentives; curbs achievement-competitive drives.)

4. Belief in Fate Plus Time Concept of: "time never disappears."  
   (Downplays forecasting, planning and goal-setting in life.)

5. Past Stress on Education in Language and Religion.  
   (No emphasis on science, mathematics and technology.)

6. Multiple Cultures — Many Tribes and Languages.  
   (Creates divergent viewpoints and loyalties — blocks communication.)

7. Warrior Tradition: Great Pride; Emphasis on Status and Title.  
   (May cause Ethiopian managers to seek power for its own sake.)

As a general recommendation, the author suggested that effective development has to be tailor made and implemented within the context of the Ethiopian culture.

Doty’s study is more than 40 years old and it is likely that much has changed since then. But some of the conclusions appeal to common sense that they reflect current realities. Especially poor planning and goal setting, being unhurried, lack of initiative, poor communication down wards & horizontally and sensitivity to criticism seem to be valid descriptions of many managers currently in Ethiopia. Also, some of the cultural values mentioned above still continue to influence managerial behavior in Ethiopia.

Another study by Councel (2012) examined strategies used by Ethiopian careerists to improve their chances of promotion and career advancement. He found the most frequently mentioned strategy to be “skill development”, (similar to respondents in UK). But “Opportunity development” – Actions designed to have one’s interests and aspirations known to others and to become aware of opportunities, was second most important strategy for the Ethiopians (41 %) while sixth (19.6 %) for the British. Networking, a significant element of opportunity development, seemed particularly attractive to Ethiopian careerists. This shows that provision of training & skill development and networking opportunities is an effective motivation tool for Ethiopian careerists.
Also studying factors those Ethiopian careerists in Addis Ababa saw as influencing their career related thoughts and decisions. The most important factors (37.7% of respondents) were found to be economic and political considerations. 34.4% of respondents felt that certain key individuals in their lives – often their bosses – had influenced the way they thought about their career. This shows that Ethiopian Careerists view economic rewards and leadership style of supervisors, as important factors determining their career decisions.

North America and Europe, where most of the leadership theories emanate, are well developed economically and their nationals are provided with social welfare that fulfills basic human needs as a birth right. Employees in such countries can afford to look beyond rewards and into self actualizing needs because their rewards needs are at least partially fulfilled. In such a situation transformational leadership may work.

But in developing countries like Ethiopia, the reality is different. The rewards need of many employees is not satisfied. The majority of employees in Ethiopia do not feel secured about basic necessities like food and shelter to themselves and their families. The situation is so sever, it has become normal to hear heart breaking news about school children in Addis Ababa who are so starved, that they lack the energy to stay awake during class. In such an environment, employees are motivated more by leaders who recognize their needs and clarify how those needs can be fulfilled in exchange for their work role.

Stum (2001) developing on Maslow’s work showed that there are five levels of work force needs, forming a performance pyramid model.

1) Safety/security. The employee first and foremost must feel physically and psychologically safe in the work environment for commitment to be possible.

2) Rewards. Extrinsic rewards in compensation and benefits are the next need that must be met in the hierarchy.

3) Affiliation. The need for affiliation is intrinsic. A sense of belonging to the work team and/or the larger organization is sought at this level.

4) Growth. The need for positive individual and organizational change must be addressed to drive commitment at this level.
(5) Work/life harmony. At this level, the drive is to achieve a sense of fulfillment in balancing work and life responsibilities.

As each of these needs is met, or substantially satisfied, the individual focuses on attaining the needs at the next level, thus striving to move up the hierarchy.

This Performance Pyramid model places compensation and benefits as the fundamental foundation that must be in place before higher needs such as affiliation or organizational commitment become commitment drivers. Therefore a leader in Ethiopia must understand that rewarding good performance is an important factor that cannot be ignored.

### 2.6 Conceptual Model

Figure 3: Conceptual model

<table>
<thead>
<tr>
<th>Full Range Leadership Model</th>
</tr>
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<tbody>
<tr>
<td>- Transformational Leadership</td>
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<tr>
<td>- Transactional Leadership</td>
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<tr>
<td>- Passive/Avoidant Leadership</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Commitment</th>
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<tr>
<td>- Affective Commitment</td>
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<tr>
<td>- Normative Commitment</td>
</tr>
<tr>
<td>- Continuance Commitment</td>
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<table>
<thead>
<tr>
<th>Outcomes of Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Effectiveness</td>
</tr>
<tr>
<td>- Satisfaction</td>
</tr>
<tr>
<td>- Extra effort</td>
</tr>
</tbody>
</table>
CHAPTER THREE
Research Design and Methodology

3.1 Introduction

This chapter describes the research methodology used in this study. The research design, methodology, population of the study, sample and the sampling technique is described. Furthermore, the two data gathering instruments that were used are described and their applicability discussed. Finally, a brief description of the relevant statistical techniques used in the study is also provided.

3.2 Research Design Approach

The research design is descriptive and the research approach is quantitative. Exploratory data analysis with descriptive and inferential statistics is used. Descriptive statistics is used to summarize basic features like mean scores and standard deviation. Chrombach’s alpha test is also done to test the reliability of the instruments of data collection.

Finally two-tailed Pearson correlation is used to analyze the kind and level of correlation between different leadership styles and different employee commitment subscales.

3.3 Sampling Design

Participants of the study are 106 Executive MBA students at Addis Ababa University, working for various governmental, non-governmental, international and business organizations as middle or top level managers. Out of the 106 questionnaires distributed, 72 were collected (a response rate of approx. 68%).

Executive MBA students of 2012 and 2013 entries, at Addis Ababa University, are the participants. These students represent the middle and top level managers working in Addis Ababa because they come randomly from different kinds of organizations found in Addis Ababa. Also they can more readily understand the questionnaires and the purpose of the study, as they are fellow students and are
educated with a minimum qualification of a BA degree. Convenience of data collection was also an added benefit because the participants are accessible at the university before and after class hours.

3.4 Instruments of Data Collection

To determine the level of commitment participants have to their organization, Meyer & Allen’s (1997) Organizational Commitment Questionnaire (OCQ) was used.

The questionnaire is self-administered and designed to measure three types of organizational commitment, namely Affective Commitment (a measure of how much the employee wants to stay with the organization and feels emotionally attached), Normative Commitment (a measure of how much the employee feels obligated to stay with the organization because it is the moral and right thing to do) and continuance Commitment (a measure of how much the employee needs to stay with the organization because the cost of leaving is too high).

The Organizational Commitment Questionnaire (OCQ) has 18 questions, 6 questions measuring each of the three types of organizational commitment. The respondent answers the questions by choosing the most appropriate response using a 5-point Likert scale with anchors labeled: 0 = strongly disagree, 1 = disagree, 2 = neither agree nor disagree, 3 = agree, 4 = strongly agree.

Meyer, Stanley, Herscovitch and Topolnytsky (2002) performed a meta-analysis of studies using Allen and Meyer’s OCQ. They collected data from people who had sought permission to use the OCQ during the last 15 years as well as from computer databases dating back to 1985. The mean reliability from all the studies was 0.82 for affective, 0.73 for continuance and 0.76 for normative. These results showed that the three commitment constructs could be reliably measured (Nyengane, 2007).

To measure Transformational, Transactional and Passive/Avoidant leadership behaviors of leaders working as immediate supervisors of the participants, Bass & Avolio's (1995) self administered Multifactor Leadership Questionnaire (MLQ Form 5X) was used.

There are five subscales under Transformational Leadership Style, namely Idealized Influence (Attributed), Idealized Influence (Behavior), Inspirational Motivation,
Intellectual Stimulation and Individualized Consideration. Transactional Leadership Style has two subscales, namely Contingent Reward and Management-by-exception (Active). Passive/avoidant leadership style also has two subscales called Management-by-exception (Passive) and Laissez-faire.

MLQ form 5X has a total of 45 questions rated using a 5-point Likert scale with anchors labeled as 0 = not at all, 1 = once in a while, 2 = sometimes, 3 = fairly often, 4 = frequently, if not always. 36 questions are dedicated to the 9 leadership subscales. (4 questions measuring each of the nine subscales) and 9 questions measuring three outcomes of leadership namely Effectiveness, Satisfaction with leadership and Extra effort.

Howell & Hall-Marenda (1999) tested the reliability and validity of the MLQ when they undertook a study to determine the impact that leader-follower relationships had on performance. The authors used all the subscales of the MLQ except laissez-faire. The aggregated reliability for the transformational leadership subscales was .93. Reliabilities for the subscales of contingent reward was .95, management-by-exception (active) was .86, and management-by-exception (passive) was .90 (Brown, 2003).

3.5 Methods of Data Analysis

SPSS (version 13) was used to perform descriptive statistics (Mean, Standard Deviation and Chrombach’s alpha) on the survey data. Output of the analysis was used to check normality of the data, summarize its basic features and test the reliability of data collection instruments.

Also the same statistical software was used for Inferential Statistical analysis. i.e. two-tailed Pearson Correlation was computed to analyze the type and level of correlation between different leadership styles and different employee commitment subscales.
3.6 Study Variables

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Variables</th>
<th>scales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifactor Leadership Questionnaire Form 5X</td>
<td>Transformational Leadership Style</td>
<td>Idealized Influence (Attributed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Idealized Influence (Behavior)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inspirational Motivation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Intellectual Stimulation</td>
</tr>
<tr>
<td></td>
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<td>Individual Consideration</td>
</tr>
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<td></td>
<td>Transactional Leadership Style</td>
<td>Contingent Reward</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management-by-Exception (Active)</td>
</tr>
<tr>
<td></td>
<td>Passive/Avoidant</td>
<td>Management-by-Exception (Passive)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Laissez-faire</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Variable</th>
<th>Scales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allen &amp; Meyer’s Organizational Commitment Questionnaire</td>
<td>Organizational Commitment</td>
<td>Affective Commitment</td>
</tr>
<tr>
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<td></td>
<td>Normative Commitment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continuance Commitment</td>
</tr>
</tbody>
</table>

Table 3.6: Study Variables

3.7 Ethical Issues

The purpose of the study is fully explained to all participants and all of them participated in the study voluntarily. Also, because the sensitive nature of the information being gathered about the participants and their supervisors, specific personal information like their names and names of their supervisors and their organizations are kept anonymous. And all sensitive data collected for this study are kept confidential.
CHAPTER FOUR
Findings and Interpretations

4.1 Introduction

This chapter presents and discusses the results obtained from reliability analysis of the data collection instruments and describes the study participants based on demographics data. Then descriptive statistics is used to summarize basic features of the quantitative data collected and finally inferential statistics is used to analyze relationships which are not visible in the raw data.

4.2 Reliability Analysis of MLQ and Allen and Meyer’s OCQ

Reliability analysis (Chrombach’s alpha) was performed on each of the subscales of the Multifactor Leadership questionnaire and Allen and Meyer’s Organizational Commitment Questionnaire.

As can be seen in the table below, Results for most of the transformational leadership style subscales revealed reasonably high alphas. Idealized Influence (attributed), Idealized Influence (behavior), Inspirational Motivation and Intellectual Stimulation all had alphas greater than .7. Individualized Consideration scored an acceptable reliability with an alpha of .527.

Table 4.2A: Chrombach’s alpha for MLQ subscales

<table>
<thead>
<tr>
<th>Subscales</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealized Influence (attributed)</td>
<td>.774</td>
</tr>
<tr>
<td>Idealized Influence (behavior)</td>
<td>.768</td>
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<tr>
<td>Inspirational Motivation</td>
<td>.795</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>.720</td>
</tr>
<tr>
<td>Individualized Consideration</td>
<td>.527</td>
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<tr>
<td>Contingent Reward</td>
<td>.818</td>
</tr>
<tr>
<td>Management-by-Exception (Active)</td>
<td>.655</td>
</tr>
<tr>
<td>Management-by-Exception (Passive)</td>
<td>.659</td>
</tr>
<tr>
<td>Laissez-Faire</td>
<td>.658</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>.884</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>.792</td>
</tr>
<tr>
<td>Extra Effort</td>
<td>.844</td>
</tr>
<tr>
<td>Collective Alpha of MLQ</td>
<td>.93</td>
</tr>
</tbody>
</table>
The transactional leadership style subscales also scored moderate to high alpha. Especially the Contingent Reward subscale had high reliability with an alpha of .818. The other transactional subscale (Active Management by Exception) had a moderately high alpha (greater than .65).

Passive/Avoidant Leadership also had a moderately high alpha with Management by Exception (passive) scoring an alpha of .659 and Laissez-Faire scoring an alpha of .658.

Reliability of other subscales measuring Outcomes of Leadership was also examined. Subscales measuring effectiveness of the leader, the ability of the leader to generate satisfaction in his/her followers, and the ability of the leader to generate extra effort in his/her followers revealed high reliability with an alpha score ranging from .792 and .884.

Although, there is no generally accepted cutoff, the higher the alpha is, the more reliable the test is. A reliability coefficient alpha is excellent if alpha is larger than 0.75; acceptable if alpha is between 0.40 and 0.74 and poor if alpha is less than 0.4 (Nunally, 1978; Shriner and Norman, 2008).

Table 4.2B Chrombach’s alpha for OCQ subscales

<table>
<thead>
<tr>
<th>Organizational Commitment of Employees</th>
<th>Affective Commitment</th>
<th>Alpha = .701</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Normative Commitment</td>
<td>Alpha = .523</td>
</tr>
<tr>
<td></td>
<td>Continuance Commitment</td>
<td>Alpha = .612</td>
</tr>
</tbody>
</table>

Collective Alpha of OCQ Alpha = .7

Reliability analysis conducted on the subscales of Allen and Meyer’s Organizational Commitment Questionnaire also revealed acceptable reliability with Affective Commitment scoring the highest alpha (.701) followed by Continuance Commitment (.612) and Normative Commitment (.523)

4.2 Demographics of Participants

The respondents were 92% male, 88% were married, 100% were supervisors themselves, 84% have a Bachelor's Degree, 16% have Master's Degree, 70% were 36 years or older, 30% were between the ages of 26 & 35, and more than 90% have
worked under their current supervisors for at least 1 year. Leaders, on the other hand were 91% male and 85% married.

4.3 Descriptive Statistics for Leadership Styles and Outcomes

The result obtained shows relatively lower standard deviation for Transactional Leadership Style showing that respondents have relatively similar perceptions about how frequently they see this leadership behavior in their supervisors. On the contrary, relatively higher standard deviation result for Outcomes of Leadership shows that there is a relatively wider difference in opinion among respondents about the end results of leadership styles of their supervisors.

Table 4.3 Mean and standard deviations for leadership Styles and outcomes

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
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<tr>
<td>Transformational Leadership Styles</td>
<td>60</td>
<td>.35</td>
<td>3.8</td>
<td>2.39</td>
<td>.75</td>
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<tr>
<td>Idealized Influence (attributed)</td>
<td>69</td>
<td>0</td>
<td>4.00</td>
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<td>.89</td>
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<tr>
<td>Idealized Influence (behavior)</td>
<td>65</td>
<td>0</td>
<td>4.00</td>
<td>2.50</td>
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<td>Inspirational Motivation</td>
<td>67</td>
<td>0</td>
<td>4.00</td>
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<td>.92</td>
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<td>Intellectual Stimulation</td>
<td>71</td>
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<td>3.75</td>
<td>2.44</td>
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<td>Individualized Consideration</td>
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<td>3.75</td>
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<td>Transactional Leadership Styles</td>
<td>64</td>
<td>1.00</td>
<td>3.38</td>
<td>2.40</td>
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<tr>
<td>Contingent Reward</td>
<td>67</td>
<td>.50</td>
<td>4.00</td>
<td>2.47</td>
<td>.91</td>
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<tr>
<td>Management-by-Exception (active)</td>
<td>67</td>
<td>.50</td>
<td>3.75</td>
<td>2.23</td>
<td>.80</td>
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<td>Passive/ Avoidant Leadership Styles</td>
<td>59</td>
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<td>Management-by-Exception (passive)</td>
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<td>Laissez-Faire</td>
<td>66</td>
<td>0</td>
<td>3.75</td>
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<td>.91</td>
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<td>Outcomes of Leadership</td>
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<td>.17</td>
<td>4.00</td>
<td>2.36</td>
<td>1.03</td>
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<tr>
<td>Effectiveness</td>
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<td>0</td>
<td>4.00</td>
<td>2.35</td>
<td>1.08</td>
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<tr>
<td>Satisfaction with Leadership</td>
<td>70</td>
<td>0</td>
<td>4.00</td>
<td>2.28</td>
<td>1.10</td>
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<tr>
<td>Extra Effort</td>
<td>67</td>
<td>0</td>
<td>4.00</td>
<td>2.33</td>
<td>1.05</td>
</tr>
</tbody>
</table>
The standard deviation result was also used to see if the data contains reasonable variance and normality to warrant further analysis. The results obtained from all MLQ and OCQ subscales showed that the data has normal distribution.

Mean scores were the other important outputs obtained. These scores show on average, how frequently supervisors were perceived exercising each leadership style.

Figure 4: Mean Scores for Transformational, Transactional and Passive/Avoidant Leadership Styles.

![Mean Scores Graph](image)

The result implies that leaders under this study exhibit Transactional leadership styles slightly more frequently than Transformational leadership styles and much more frequently than Passive/Avoidant leadership styles. The means of Transformational leadership ($M=2.39$, $SD=0.75$) and Transactional leadership ($M=2.4$, $SD=0.52$) indicate that the frequency at which the Leaders practice these two forms of leadership ranges between “sometimes” and “fairly often”. The frequency at which Passive-avoidant leadership ($M =1.58$, $SD=0.77$) is observed ranges between “once in a while” and “sometimes”.
To gain a general idea of how wide the difference is between the leadership practice in Ethiopia and what Bass and Avolio recommend as ideal, mean scores from this study are compared with Bass and Avolio’s “research validated ideal benchmarks”. Mean scores from this study are also given in comparison with mean scores obtained from similar survey in the U.S. However, direct evaluation of the leadership styles of Ethiopian supervisors based on western practices or western benchmarks will be wrong because of the existence of contextual differences like culture and economic factors. What is considered “ideal” in the west may not necessarily be ideal for Ethiopia.

4.3.1. Results for Transformational Leadership Style Subscales

**Idealized Attributes:**- This subscale identifies leaders who are able to BUILD TRUST in their followers. The “research validated bench mark” for this subscale is 2.66 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.52.

**Idealized Behaviors:**-This subscale identifies leaders who ACT WITH INTEGRITY. The “research validated bench mark” for this subscale is 3.21 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.5.

**Inspirational motivation:**-This subscale identifies leaders who INSPIRE OTHERS. The “research validated bench mark for this subscale” is 3.08 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.53.

**Intellectual Stimulation:**-This subscale identifies leaders who are able to ENCOURAGE INNOVATIVE THINKING. The “research validated bench mark” for this subscale is 3.12 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.44.

**Individualized Consideration:**-This subscale identifies leaders who are able to COACH PEOPLE. The research validated bench mark for this subscale is 2.87 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.06.

According to the full range leadership theory, more frequent exercise of the above mentioned leadership styles is required. The only subscale that came to being very close to the suggested “ideal level” is Idealized Attributes. It means leaders in this study were perceived to inspire power and pride in their followers by going beyond
their own individual interests and focusing on the interests of the group and its members, almost at the “ideal” level according to the full range leadership theory. The other subscales revealed that leaders under this study were less transformational than the “ideal” level.

Compared with Percentiles for Individual Scores Based on Lower Level Ratings in the U.S. (Bass and Avolio, 2004), the leaders in this study were at the 30th percentile for Idealized Influence (Attributed & Behavioral), Inspirational Motivation and Intellectual Stimulation, meaning 70% of the leaders in the U.S. were perceived to be exercising these leadership style subscales more frequently than their counterparts in this study. For individualized consideration, the result obtained goes even lower to the 20th percentile.

4.3.2 Results for Transactional Leadership Style Subscales

*Contingent Reward*: This subscale identifies leaders who are able to REWARD ACHIEVEMENT. The “research validated bench mark” for this subscale is 3.08 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.47.

*Management-by-Exception (active)*: This subscale identifies leaders who focus on MONITORING MISTAKES. The “research validated bench mark” for this subscale is 2.43 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.23.

The mean score for contingent reward suggests that some employees perceived their immediate supervisors as performing less than “ideally” on clarifying expectations and recognizing accomplishments. This was also the case for the management-by-exception (active) mean score, which implies that some employees perceived their immediate supervisors as taking longer time than “ideal” to take corrective action.

Compared with leaders in the U.S., the leaders in this study were at the 30th percentile for Contingent Reward and at 70th percentile on the less desired Active Management-by-Exception.

4.3.3 Results for Passive/Avoidant Leadership Styles

*Management-by-Exception (passive)*: This subscale identifies leaders who FIGHT FIRES in their team or organization. The “research validated bench” mark for this
subscales is 1.23 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 1.67.

**Laissez-Faire:** This subscale identifies leaders who tend to AVOID INVOLVEMENT. The “research validated bench mark” for this subscale is 0.88 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 1.47.

Mean scores for Passive/Avoidant Leadership Style suggests some employees perceived their immediate supervisors as non-responsive in resolving problems or taking corrective action.

Compared with leaders in the U.S, the leaders in this study were on average at the 80th Percentile for Passive Management-by-exception and Laissez-faire. This means 80% of the leaders in the U.S, displayed less of Passive/Avoidant leadership behavior than the leaders in this study.

**4.3.4 Results for Outcomes of Leadership**

**Effectiveness:** According to Avolio and Bass (2004), this subscale identifies leaders who are able to BE EFFICIENT. Efficient leaders represent the group in front of the higher organizational authority efficiently, are efficient in meeting organizational objectives and generally generate a higher efficiency in all the structures they are involved with.

The “research validated bench mark” for this subscale is 3.08 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.35. This result suggests that some employees perceived their immediate supervisors as not displaying “ideal” levels of effectiveness and efficiency in their organizations. And compared with leaders in the U.S, the effectiveness of leaders in this study is at less than the 20th percentile.

**Satisfaction With Leadership:** According to Avolio and Bass (2004), this scale identifies leaders who are able to GENERATE SATISFACTION in their followers. Satisfaction with leadership identifies with its higher scores leaders who generate interpersonal satisfaction in their followers and colleagues. These leaders are warm, nurturing, open, authentic, honest persons, with good interpersonal and social skills, capable of developing feelings of satisfaction in their followers.
The research validated bench mark for this subscale is 2.92 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.28. This result suggests that some employees did not see their immediate supervisors as warm, nurturing, open, authentic and honest persons, according to the full range leadership theory. And Compared with leaders in the U.S., satisfaction of followers in this study is at less than the 20th percentile.

*Extra Effort:* According to Avolio and Bass (2004), this subscale identifies leaders who are able to GENERATE EXTRA EFFORT in their followers. Extra effort, as one of the direct effects of an efficient leadership style, is defined as the wish of followers to strive for superior performance by deploying supplementary efforts, positively exceeding legitimate behavioral expectations of their leaders, their group or their organization. High scorers in this scale amplify the wish of their followers to succeed and to overstep objectives and induce positive supplementary behaviors.

The research validated bench mark for this subscale is 3.03 (Avolio and Bass, 1995, 2004) and the mean score obtained in this study is 2.33. This result suggests that some supervisors did not do a very good job in generating extra effort in their followers, according to the full range leadership theory. Compared with leaders in the U.S., the Extra effort generated by leaders in this study is at the 30th percentile.

### 4.4 Descriptive Statistics for Commitment Subscales

The output obtained for commitment subscales shows relatively low standard deviation. This shows that respondents have relatively similar perceptions about their level of organizational commitment. Especially for Affective commitment, the difference in perception between respondents seems to be small.

**Table 4.4 Mean and standard deviations for Commitment subscales**

<table>
<thead>
<tr>
<th>Subscale</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment</td>
<td>65</td>
<td>1.00</td>
<td>3.67</td>
<td>2.66</td>
<td>.54</td>
</tr>
<tr>
<td>Normative Commitment</td>
<td>63</td>
<td>1.00</td>
<td>4.33</td>
<td>3.11</td>
<td>.71</td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td>63</td>
<td>1.00</td>
<td>4.67</td>
<td>2.86</td>
<td>.70</td>
</tr>
</tbody>
</table>
Results for Affective & Continuance Commitment sub scales

A mean score of 2.66 for affective commitment and a mean score of 2.86 for continuance commitment shows that most of the respondents generally have low levels of positive emotional attachment with their organizations and low levels of desire to maintain organizational membership.

In describing the application of their Organizational Commitment Questionnaire (OCQ) scales, Meyer & Allen (1997) do not provide guidance about expected, desired, average, or ideal means for affective, continuance, and normative commitment. Instead, Meyer & Allen (1997) and other researchers (Allen & Meyer, 1996; Dunham, Grube, & Castaneda, 1994; Hackett, Bycio, & Hausdorf, 1994; Whitener & Walz, 1993; Lee, 1992; Vardi, Wiener, & Popper, 1989) examined whether there was a positive or negative relationship between the different types of organizational commitment and the outcomes that are being measured, as well as the pattern for those findings. The desired pattern is highest scores for affective commitment, followed by normative commitment, then continuance commitment (as cited by Brown, 2003).

Figure 5: Mean scores for Commitment subscales

Chelli & Rosti (2002) showed that younger workers were more likely to change jobs than older workers and women were more likely to change jobs than men. But participants of this study are 92% men and they are not particularly young because almost 70% of the respondents are 36 years or older. One possible explanation for
the low level of affective commitment and high level of continuance commitment could be unsatisfied rewards needs of the respondents. According to Stum (2001) people with unsatisfied economic needs do not pursue higher affiliation needs like affective organizational commitment. It is possible that these employees maintain low levels of emotional attachment with their organizations simply because they can’t afford to ignore the possibilities of finding better rewards elsewhere.

Also, the result obtained for the least desired type of commitment, which is continuance commitment, is higher than the desired level. Employees with high levels of continuance commitment stay with the organization simply because there are no other job prospects. They don’t have feelings of obligation or any positive emotional attachment to their organization. These kind of employees leave their organization as soon as they find better jobs and often have little incentive to do anything more than is required to retain their positions.

**Results for Normative Commitment**

Normative Commitment scores were the highest of all commitment scales. The reason to stay with their organizations, for a larger proportion of the respondent’s is a sense of obligation to their colleagues and/or their organizations. Such employees feel it is morally wrong to abandon their group in pursuit of personal gain. Living in a collectivist culture (Doty, 1970) it is not surprising to see such kind of personal sacrifices to maintain interpersonal relations and to abide by group norms.

In Africa individual achievements frequently are much less valued than are interpersonal relations. Self-reliance and self-interest tend to take a back seat to ethnicity and group loyalty (Dia, 1994, p. 176 [as cited by Blunt & Jones, 1996]).

**4.5 Correlations among Leadership Subscales.**

In statistical terms, correlation shows the strength and direction (positive or negative) of relationship between two variables. If there is no relationship between two variables the correlation coefficient (r) is 0. As the strength of the relationship between the variables increases, so does the value of the correlation coefficient, with a value of 1 showing a perfect relationship.
In general, the higher the correlation coefficient, the stronger the relationship between the given variables. University of Strathclyde suggests the following as one possible rule of thumb for determining the strength of correlation.

**Table 4.5A Rule of thumb for determining Strength of Correlation**

<table>
<thead>
<tr>
<th>Value of the Correlation Co-Efficient</th>
<th>Strength of the Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Perfect</td>
</tr>
<tr>
<td>0.8 - 0.9</td>
<td>Very Strong</td>
</tr>
<tr>
<td>0.5 - 0.8</td>
<td>Strong</td>
</tr>
<tr>
<td>0.3 - 0.5</td>
<td>Moderate</td>
</tr>
<tr>
<td>0.1 - 0.3</td>
<td>Modest</td>
</tr>
<tr>
<td>&gt; 0.1</td>
<td>Weak</td>
</tr>
<tr>
<td>0</td>
<td>Zero</td>
</tr>
</tbody>
</table>

Source: University of Strathclyde, Humanities and Social Sciences (www.strath.ac.uk)

Correlations for all the subscales within the MLQ Form 5X were analyzed as shown in the table below.

**Table 4.5B Correlations among leadership styles**

<table>
<thead>
<tr>
<th></th>
<th>II-A</th>
<th>II-B</th>
<th>IM</th>
<th>IS</th>
<th>IC</th>
<th>CR</th>
<th>MBE-A</th>
<th>MBE-P</th>
<th>LF</th>
</tr>
</thead>
<tbody>
<tr>
<td>II-A</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>.777**</td>
<td>.781**</td>
<td>.678**</td>
<td>.554**</td>
<td>.777**</td>
<td>-.028</td>
<td>-.323**</td>
<td>-.411**</td>
</tr>
<tr>
<td>II-B</td>
<td>1</td>
<td></td>
<td>.862**</td>
<td>.704**</td>
<td>.636**</td>
<td>.824**</td>
<td>.044</td>
<td>-.312*</td>
<td>-.314*</td>
</tr>
<tr>
<td>IM</td>
<td>1</td>
<td></td>
<td>.703**</td>
<td>.650**</td>
<td>.831**</td>
<td>-.069</td>
<td>-.250*</td>
<td>-.347**</td>
<td></td>
</tr>
<tr>
<td>IS</td>
<td>1</td>
<td></td>
<td>.581**</td>
<td>.695**</td>
<td>.063</td>
<td>-.309*</td>
<td>-.256*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC</td>
<td>1</td>
<td></td>
<td>.633**</td>
<td>-.052</td>
<td>-.024</td>
<td>-.149</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CR</td>
<td>1</td>
<td></td>
<td>.633**</td>
<td></td>
<td>-.202</td>
<td>-.331**</td>
<td>-.502**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBE-A</td>
<td>1</td>
<td></td>
<td>.186</td>
<td>.160</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBE-P</td>
<td>1</td>
<td></td>
<td>.496**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LF</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is statistically significant with p<.01  
*. Correlation is statistically significant with p<.05**

**Key:**- Transformational Leadership:- Idealized Influence Attributed (II-A), Idealized Influence Behavioral (II-B), Inspirational Motivation (IM), Intellectual Stimulation (IS), Individualized Consideration (IC)  
Transactional Leadership:- Contingent Reward (CR), Management-By-Exception Active (MBE-A)
4.5.1 Correlations among Transformational Style Subscales

Results revealed strong positive and significant correlations among the transformational subscales, \((r=.55 \text{ to } r=.86, p<.01)\). Correlation results from other researchers support these findings. Bass & Avolio (2004) reported high, positive correlations among the five transformational leadership scales.

4.5.2 Correlations among Transformational, Transactional and Passive/Avoidant Subscales.

There were strong, positive and significant correlations between the contingent reward subscale and each of the five scales comprising transformational leadership \((r=.633 \text{ to } r=.831, p<.01)\). This is consistent with the full range leadership theory.

The high correlations among the transformational scales and transactional contingent reward leadership were expected for several reasons. First, both transactional and transformational leadership represents active, positive forms of leadership. Second, leaders have been shown in repeated investigations to be both transactional and transformational. Third, as Shamir (1995) argues, the consistent honoring of transactional agreements builds trust, dependability, and perceptions of consistency with leaders among followers, which are each a basis for transformational leadership. Therefore, we would expect to obtain a high positive correlation among these factors” (as cited by Bass & Avolio, 2004).

There was no correlation between Active Management-by-exception and the transformational leadership subscales \((r=-.07 \text{ to } r=.06, p>.05)\). There was however a modest negative correlation \((r=-.202, p>.05)\) between Contingent Reward and Active Management-by-exception.

There was a modest positive correlation between Active Management-by-exception and the two Passive/avoidant leadership subscales \((r=.19 \text{ and } r=.16, p>.05)\). Bass & Avolio, (2004) reported that MBEA positively correlated with its more passive and corrective form management-by-exception Passive (MBEP) and inactive laissez-faire leadership ratings.

Passive Management-by-exception and Laissez-faire show significant, relatively strong and positive correlation between them \((r=.496, P<.01)\). These
Passive/Avoidant subscales also show moderate and significant correlations with Attributed and Behavioral Ideal Influence \((r=-.32 \text{ and } r=-.41, p<.01)\), Inspirational Motivation \((r=-.25 \text{ and } r=-.35, p<.05)\), Intellectual Stimulation \((r=-.31 \text{ and } r=-.26, p<.05)\). It is interesting to note however, that the strongest negative correlation score was obtained between Contingent Reward and the two Passive/Avoidant Leadership subscales \((r=-.33 \text{ to } r=-.50, p<.01)\).

### 4.6 Correlations between Affective, Normative and Continuance Commitments

Table 4.6 Correlations among commitment subscales

<table>
<thead>
<tr>
<th></th>
<th>Affective Commitment</th>
<th>Normative Commitment</th>
<th>Continuance Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment</td>
<td>1</td>
<td>.281*</td>
<td>.217</td>
</tr>
<tr>
<td>Normative Commitment</td>
<td></td>
<td>1</td>
<td>.073</td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

* Correlation is statistically significant with \(p<.05\)

There is a significant modest and positive correlation between Affective commitment and Normative Commitment \((r=.28, p<.05)\). Continuance Commitment has a modest positive correlation with Affective Commitment \((r=.22, p>.05)\) but no correlation with Normative Commitment subscale \((r=.07, p>.05)\).

### 4.7 Correlation between Transformational Leadership Style and Employees’ Organizational Commitment.

Table 4.7 Correlation between transformational leadership and commitment subscales

<table>
<thead>
<tr>
<th></th>
<th>Affective Commitment</th>
<th>Normative Commitment</th>
<th>Continuance Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealized Influence (Attributed)</td>
<td>-0.19</td>
<td>0.19</td>
<td>-0.13</td>
</tr>
<tr>
<td>Idealized Influence (Behavioral)</td>
<td>-0.07</td>
<td>0.23</td>
<td>0.04</td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>0.04</td>
<td>0.25</td>
<td>0.12</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>0.17</td>
<td>0.26*</td>
<td>0.10</td>
</tr>
<tr>
<td>Individually Considerate</td>
<td>0.08</td>
<td>0.14</td>
<td>-0.04</td>
</tr>
</tbody>
</table>

* Correlation is statistically significant with \(p<.05\)
There is a modest positive and statistically significant correlation between Intellectual Stimulation and Normative Organizational Commitment ($r=.26, p<.05$). Affective Commitment has a modest negative correlation with Attributed Idealized influence ($r=-.19, p>.05$) and a modest but positive correlation with Intellectual stimulation ($r=.17, p>.05$). The other Transformational leadership subscales have no correlations with Affective Commitment ($r=-.07 \text{ to } r=.08, p>.05$).

The Transformational leadership subscales have modest but positive correlation with Normative Commitment. Specially, the correlation between Intellectual stimulation and normative commitment is positive and significant ($r=.26, p<.05$).

Continuance Commitment shows weak negative correlation with Attributed Idealized Influence ($r=-.13, p>.05$) and weak but positive correlation with Inspirational Motivation ($r=.12, p>.05$) and Intellectual Stimulation ($r=.10, p>.05$).

### 4.8 Correlation between Transactional Leadership Style and Employees’ Organizational Commitment

#### Table 4.8 Correlation between transactional leadership and commitment subscales

<table>
<thead>
<tr>
<th></th>
<th>Affective Commitment</th>
<th>Normative Commitment</th>
<th>Continuance Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent Reward</td>
<td>-0.01</td>
<td>0.25*</td>
<td>0.02</td>
</tr>
<tr>
<td>Management-by-exception (Active)</td>
<td>0.02</td>
<td>0.04</td>
<td>0.19</td>
</tr>
</tbody>
</table>

* Correlation is statistically significant with $p<.05$

There is a modest positive and statistically significant correlation between Contingent Reward and Normative Organizational Commitment ($r=.25, p<.05$). There is also a modest but positive correlation between Active Management-by-exception and Continuance commitment ($r=.19, p>.05$).

Affective Commitment has no correlation with either of the transactional leadership style subscales ($r=-.01 \text{ and } r=.02, p>.05$). The same is true between contingent reward and continuance commitment ($r=.02, p>.05$) & between management-by-exception (active) and Normative commitment ($r=.04, p>.05$).
4.9 Correlation between Passive/Avoidant Leadership Style and Employees’ Organizational Commitment

There is modest negative correlation between Normative Commitment and both Management-by-exception (passive) and Laissez-faire ($r=-.16$ and $r=-.19$, $p>.05$). There is also a weak but positive correlation between laissez-faire and continuance commitment ($r=.15$, $p>.05$).

4.10 Transformational Leadership Style and its Outcomes

There is a strong, positive and statistically significant relationship between all of the transformational leadership subscales and Effectiveness, Satisfaction and Extra effort. Especially Attributed and Behavioral Idealized Influences and Inspirational Motivation have strong to very strong correlation with Effectiveness, Satisfaction and Extra effort ($between r=.74 and r=.83$, $p<.01$).
4.11 Transactional Leadership Style and its Outcomes

Table 4.11 Transformational leadership style and its outcomes

<table>
<thead>
<tr>
<th></th>
<th>Effectiveness</th>
<th>Satisfaction</th>
<th>Extra effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent Reward</td>
<td>0.81**</td>
<td>0.77**</td>
<td>0.84**</td>
</tr>
<tr>
<td>Management-by-Exception (Active)</td>
<td>-0.07</td>
<td>-0.17</td>
<td>-0.23</td>
</tr>
</tbody>
</table>

* Correlation is statistically significant with p<.05
** Correlation is statistically significant with p<.01

There is a very strong, positive and significant relationship between Contingent Reward and desirable outcomes like Effectiveness, Satisfaction and Extra effort ($r=.81$, $r=.77$ and $r=.84$, $p<.01$). On the other hand Management-by-exception (Active) has modest and negative correlation with Satisfaction ($r=-.17$, $p>.05$) and Extra effort ($r=-.23$, $p>.05$) and no correlation with Effectiveness ($r=-.07$, $p>.05$).

4.12 Passive/Avoidant Leadership Style and its Outcomes

Table 4.12 Passive/Avoidant leadership style and its outcomes

<table>
<thead>
<tr>
<th></th>
<th>Effectiveness</th>
<th>Satisfaction</th>
<th>Extra effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management-by-Exception (Passive)</td>
<td>-0.32**</td>
<td>-0.28*</td>
<td>-0.21</td>
</tr>
<tr>
<td>Laissez-faire</td>
<td>-0.35**</td>
<td>-0.35**</td>
<td>-0.33**</td>
</tr>
</tbody>
</table>

* Correlation is statistically significant with p<.05
** Correlation is statistically significant with p<.01

Laissez-faire has a moderate negative and statistically significant correlation with Effectiveness and Satisfaction ($r=-.35$, $p<.01$) and Extra effort ($r=-.33$, $p<.01$). Passive Management-by-Exception also shows a moderate negative and statistically significant correlation with Effectiveness ($r=-.32$, $p<.01$), modest negative and statistically significant correlation with Satisfaction ($r=-.28$, $p<.05$) and modest and negative correlation with Extra effort ($r=-.21$, $p>.05$).
CHAPTER FIVE
Conclusions and recommendations

5.1 Conclusions

The most desired kind of employee commitment is Affective Commitment. The majority of participants of this study however, displayed low levels of this type of Commitment towards their organizations. The mean score of Affective Commitment ($M=2.66$, $Sd=.54$) was lower than both Normative ($M=3.11$, $Sd=.71$) and Continuance Commitments ($M=2.86$, $Sd=.70$)

Overall, the correlation found between leadership styles and employee commitments is modest. This may be due to the true nature of the relationship between the two dimensions or there may be some contextual conditions which are required to exist for the relation to be stronger. The correlation between the transformational subscales and affective commitment was very weak. Intellectual Stimulation showed weak but positive relationship with affective commitment ($r=.17$, $p>.05$). But noting that all participants are currently pursuing their education in search of intellectual enlightenment, it is possible that they have a bias for Intellectual Stimulation. It is therefore difficult to assume that these people are true representatives of employees in Addis Ababa, when it comes to perceptions about intellectual stimulation.

Affective Commitment showed modest negative correlation with Attributed Idealized influence ($r=-.19$, $p>.05$) but the other Transformational leadership subscales have no correlations with Affective Commitment ($r=-.07$ to $r=.08$, $p>.05$).

Normative Commitment has modest but positive correlation with all of the Transformational Leadership subscales and Contingent Reward. The correlation was statistically significant and relatively strong between Normative Commitment and Intellectual Stimulation ($r=.26,p<.05$) and Contingent Reward ($r=.25, p<.05$) showing that fulfillment of rewards and intellectual stimulation needs can have a positive effect on employees feeling of obligation to stay committed to their organizations. Continuance Commitment, on the other hand, has a modest positive correlation with Active Management-by-exception ($r=.19$, $p>.05$) and Laissez-faire ($r=.15, p>.05$) and a weak negative correlation with Attributed Idealized Influence ($r=-.13, p>.05$).
The relationship between all of the Transformational leadership styles and desirable leadership outcomes like Effectiveness, Satisfaction and generation of Extra effort, show the existence of strong, positive and statistically significant correlation (\(r = .59\) to \(r = .83\), \(p < .01\)). Contingent reward shows even stronger, positive and statistically significant correlation with Effectiveness, Satisfaction and Extra effort (\(r = .77\) to \(r = .84\), \(p < .01\)).

Management-by-Exception (Active and Passive) and Laissez-faire have negative effects on Effectiveness, Satisfaction and Extra effort.

Bass and Avolio have grouped Contingent Reward and Active Management-by-exception together as Transactional Leadership styles. But the results obtained from this study suggest Contingent Reward belongs more to the Transformational Leadership styles. On the other hand, Active Management-by-exception should be grouped together with Passive Management-by-exception and Laissez-faire. This suggestion is based on the fact that:

1. There is a negative correlation between Contingent Reward and Active Management-by-exception (\(r = -.2\), \(p > .05\)). Active Management-by-exception has no correlation with the Transformational leadership subscales (\(r = -.07\) to \(r = .06\), \(p > .05\)) and modest but positive correlations with Passive Management-by-exception and Laissez-faire (\(r = .186\) and \(r = .16\), \(p > .05\)).

2. Contingent Reward has strong, positive and statistically significant correlation with transformational subscales (\(r = .633\) to \(r = .831\), \(p < .01\)) and most of the time contingent reward’s correlation with the transformational leadership subscales is stronger than the correlation that exists between them.

3. Contingent Reward has the strongest negative correlation score with the two Passive/Avoidant Leadership subscales in comparison with all of the Transformational Leadership subscales (\(r = -.331\) and \(r = -.502\), \(p < .01\))

4. Contingent Reward has comparatively stronger positive correlation with employee commitment (\(r = .25\), \(p < .05\)) than all of the transformational leadership subscales except Intellectual Stimulation (\(r = .26\), \(p < .05\)).
5. Contingent Reward has the strongest positive correlation with Extra Effort in comparison with all of the transformational leadership subscales \((r=.84, p<.01)\). It’s correlation with Satisfaction and Effectiveness is also strong and positive \((r=.77 \text{ and } r=.81, p<.01)\) and stronger than results obtained from Intellectual Stimulation and Individually Considerate subscales.

5.2 Recommendation for Leaders

The main objective of the study was to investigate the relationship between various leadership styles and various employee commitments. The findings suggest that Transformational leadership styles and Contingent Reward Style have modest but positive correlation with employee commitment. On the other hand, transformational and contingent reward styles have strong, positive and statistically significant correlations with employee extra effort, satisfaction with the leader and effectiveness \((r=.59 \text{ to } r=.84, p<.01)\).

Leaders in Addis Ababa are therefore advised to do more of:-

- Rewarding Achievement – Contingent Reward
- Building Trust – Idealized Attributes
- Acting with Integrity – Idealized Behaviors
- Inspiring Subordinates – Inspirational Motivation
- Encouraging Innovative Thinking – Intellectual Stimulation, and
- Coaching Subordinates – Individualized Consideration.

And less of:-

- Monitoring Mistakes – Management-by-Exception (Active)
- Fighting Fires - Management-by-Exception (Passive), and
- Avoiding the Leadership Role – Laissez-faire
5.3 Recommendation for Further Research

It would be highly desirable if additional researches are conducted involving larger number of participants to:-

- Investigate the role national culture plays on the relationship between leadership style and employees’ organizational commitment in the Ethiopian context.
- Determine the appropriate categorization of the leadership subscales in the Ethiopian context.
- Determine the ideal level benchmark for various leadership styles, in the Ethiopian context.
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Appendices

Part I

Sample Multifactor Leadership Questionnaire Items.

The following statements concern how you feel about the **Organization** where you work. Please indicate the extent of your agreement or disagreement with each statement by **circling** a number from 1 to 5. Please **do not put your name on this questionnaire**.

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

**Idealized Influence (Attributed)**
10. Instills pride in me for being associated with him/her ………………………… 0 1 2 3 4

**Inspirational Motivation**
9. Talks optimistically about the future …………………………………………………… 0 1 2 3 4

**Contingent Reward**
1. Provides me with assistance in exchange for my efforts ……………………………… 0 1 2 3 4

**Management-by-Exception (Active)**
24. Keeps track of all mistakes …………………………………………………………….. 0 1 2 3 4

**Laissez-Faire**
5. Avoids getting involved when important issues arise ……………………………… 0 1 2 3 4

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Part II

Organizational Commitment Questionnaire (OCQ)

The following statements concern how you feel about the organization where you work. Please indicate the extent of your agreement or disagreement with each statement by circling a number from 1 to 5. Please do not put your name on this questionnaire. Strongly Disagree= 1; Disagree= 2; Neither Agree Nor Disagree= 3; Agree= 4; Strongly Agree= 5.

1. It would be very hard for me to leave my department right now, even if I wanted to ........................................................................... 1 2 3 4 5
2. I do not feel any obligation to remain with my current employer ........................................................................................................... 1 2 3 4 5
3. I would be very happy to spend the rest of my career with this department .......................................................................................... 1 2 3 4 5
4. One of the few negative consequences of leaving this department would be the scarcity of available alternatives... 1 2 3 4 5
5. Even if it were to my advantage, I do not feel it would be right to leave my organization now ......................................................... 1 2 3 4 5
6. I really feel as if this department’s problems are my own ....................................................................................................................... 1 2 3 4 5
7. Right now, staying with my department is a matter of necessity as much as desire ............................................................................. 1 2 3 4 5
8. I do not feel a strong sense of "belonging" to my department ................................................................................................................. 1 2 3 4 5
9. I feel that I have too few options to consider leaving this department ........................................................................................................... 1 2 3 4 5
10. I do not feel "emotionally attached" to this department ............................................................................................................................ 1 2 3 4 5
11. I would feel guilty if I left my organization now ................................................................................................................................. 1 2 3 4 5
12. I do not feel like "part of the family" at my department ......................................................................................................................... 1 2 3 4 5
13. This organization deserves my loyalty .................................................................................................................................................. 1 2 3 4 5
14. If I had not already put so much of myself into this department, I might consider working elsewhere ...................... 1 2 3 4 5
15. Would not leave my organization right now because I have a sense of obligation to the people in it ..................... 1 2 3 4 5
16. This department has a great deal of personal meaning for me .............................................................................................................. 1 2 3 4 5
17. Too much of my life would be disrupted if I decided I wanted to leave my department now ................................................................. 1 2 3 4 5
18. I owe a great deal to my organization ...................................................................................................................................................... 1 2 3 4 5
Part III

Demographic Questions

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. **You are:** Male □ Female □  **Your Immediate Supervisor is:** Male □ Female □

2. **You are:** Single □ Married □ Divorced □  **Your Immediate Supervisor is:** Single □ Married □ Divorced □

3. What is your Job Title? ________________________________

4. How long have you worked for the current organization?  _______________ Years _______________ Months

5. How long have you worked on the current position?  _______________ Years _______________ Months

6. How long have you worked under your current supervisor?  _______________ Years _______________ Months

7. What is your Age Group?
   26 to 35 □
   36 to 45 □
   46 to 55 □
   56 to 65 □

8. What is your highest level of Education? ________________________________
