

Addis Ababa
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**Leadership Behavior in CBE and Its Effect on Employee Performance: The
Mediating Role of Organizational Commitment.**



**A Thesis Submitted to School of Graduate Studies of Addis Ababa University
for Partial Fulfillment of the Requirements of the Degree of Executive Master in
Business Administration in Management (EMBA)**

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Addis Ababa, Ethiopia**

Declaration

I, the undersigned, declare that this study entitled “**Leadership Behavior in CBE and Its Effect on Employee Performance: The Mediating Role of Organizational Commitment.**”

is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

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DDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES

" Leadership Behavior in CBE and Its Effect on Employee Performance: The
Mediating Role of Organizational Commitment."

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Acronyms and Abbreviations

AA	Addis Ababa
CBE	Commercial Bank of Ethiopia
OC	Organizational Commitment
OP	Organizational Performance
EP	Employee Performance
LB	Leadership Behavior
AC	Affective Commitment
CC	Continuance Commitment
NC	Normative Commitment
TP	Task Performance
CP	Contextual Performance
BSC	Balanced Score Card
PMS	Performance Management System

Abstract

The increasingly competitive global economy has pushed companies to exploit their available resources as a means of achieving competitive advantage. In this regard leadership is critically important because it has a great impact on the condition of the organization. The purpose of this quantitative study is to investigate the relationship between Leadership behavior and employees' Performance and employee commitment as mediating factor. The research is cross-sectional one. The research approach applied for this study was quantitative type of research where both descriptive and explanatory analyses have been deployed. The target population of this study was employees of commercial bank of Ethiopia working in Addis Ababa area at branch level, which includes 4 districts. From 5,500 total populations of CBE branches, which are found in Addis Ababa city, 420 employees were selected as the sample of the study. Sample random sampling technique was used to select the branches and individual respondents. The standardized questionnaires of leadership behavior organizational commitment and employees' performance were adapted from previous standard questionnaire. ANOVA Analysis was used to compare the demographic characteristics of the respondents. Correlation and linear regression were used to analyze the relationship and its effect between leadership behavior and employees' performance through organization commitment as mediator. The regression results showed that the leadership behaviors have significant contribution for organizational commitment and employees' performance. Moreover, all organizational commitment dimensions have significant effect with organizational performance. At last, the result conformed that organizational commitment has a mediating effect between leadership behavior and employees performance. Generally, managers need to improve their behavior to the highest level to improve the organizational commitment and employees' performance.

Key words: leadership behavior, employees' performance and Organizational commitment

I

INTRODUCTION

1.1 Background of the Study

Leadership is critically important because it affects the current or future condition of the organization. Any organization requires effective leaders who can positively influence their followers by increasing employee performance and organizational commitment in order to achieve organizational performance. According to Kiue (2010), the behaviors of top-level leadership have significant impact on the organization. Studies on the leadership level have been independently investigated and have been shown to significantly influence employee behaviors (Cascio, Mariadoss, & Mouri, 2010), (Boonyada Nasomboon, 2014).

Leaders are vital ingredient in the success of organization. Leaders with a high commitment could be key to the development of an environment that provides organizational effectiveness. Since effective leaders have been demonstrated to be predictive of attitudes and performance in organizations, the question was raised regarding whether other leadership behaviors would also be predictive in the same way or not (Cascio et al., 2010).

Studies in the management literature suggest that top management commitment may have an even more powerful impact on organizational practices. Top management commitment has been shown to be the main driver behind employee behaviors in the areas of service quality (Babakus et al., 2003). Commitment in the workplace can take various forms and, arguably, have potential to influence organizational effectiveness (Meyer & Herscovitch, 2001).

McGrath and MacMillan (2000) report that there is significant relationship between leadership behavior and organizational performance. Effective leadership style is seen as a strong source of management development and sustained competitive advantage, leadership behavior helps organization to achieve their current objectives more efficiently by linking employee performance to valued rewards and by ensuring that employees have the resources needed to get the job done.

Sun (2002) compares leadership behavior with the leadership performance in schools and enterprises, and found that leadership behavior had a significantly positive correlation with the organizational performance in both schools and enterprises. Broadly speaking, leadership performance is identical with organizational performance. Business management attributes their successes to leadership efficiency, that is, the leadership style of administrative supervisors has a considerable effect on the organizational performance (Sun, 2002). Fu-Jin et al. (2010) lecture that

when executives use their leadership behavior to demonstrate concern, care and respect for employees, it would increase interest of employees in their work and enable them to put up better performance, thereby affecting their job satisfaction positively.

1.2. Background of the Organization

The history of the Commercial Bank of Ethiopia (CBE) dates back to the establishment of the State Bank of Ethiopia in 1942 and it was legally established as a share company in 1963. CBE merged with the privately owned Addis Ababa Bank in 1974. Since then, it has been playing significant roles in the development of the country as financial intermediary. It was mainly established to perform major banking services such as,

- Accepting saving, demand and time deposits;
- Providing short, medium and long term loans;
- Buying and selling foreign exchanges;
- Buying and selling negotiable instruments and securities issued by the government, private organizations or any other person; and Engaging in other banking activities customarily carried out by commercial banks.

Vision

A vision statement is a company's road map, indicating both what the CBE wants to become and guiding transformational initiatives by setting a defined direction for the company's growth. Vision statements undergo minimal revisions during the life of a business, unlike operational goals which may be updated from year-to-year. Vision statements can range in length from short sentences to multiple pages. Vision statements are also formally written and referenced in company documents rather than, for example, general principles informally articulated by senior management. A vision statement is not limited to business organizations and may also be used by non-profit or governmental entities. Commercial Bank of Ethiopia has vision to become a World-class Commercial Bank by the year 2025.

Mission

The Bank uses the mission statement for employees to focus on the strategies and goals of the organization. The mission statement of Commercial Bank of Ethiopia is 'We are committed to best

realizing of stakeholders' values through enhanced financial intermediation globally and supporting national development priorities by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art technology. We strongly believe that winning public confidence is the basis of our success.'

Values

CBE has the following values it upholds

- Integrity
- Customer Satisfaction
- Employee Satisfaction
- Learning Organization
- Teamwork and Collaboration
- Public Trust
- Value for money
- Decentralization
- Corporate Citizenship

Governance Structure of the CBE

Monetary and Banking Proclamation No. 83/1994, Licensing and Supervision of Banking Business Proclamation No. 84/1994, Banking Business Proclamation No 592/2008, and the various directives of the National Bank of Ethiopia (NBE) are the basis for the Bank's business operation. The CBE is supervised by Board of Directors and the day today functions of the bank are managed by the President. The Bank has a process -oriented corporate structure each process headed by a process owner. CBE performs its operations through its core and support processes. The management of the Bank reports to the President.(WWW.Combanketh.com).

Commercial Bank of Ethiopia's performance management system

The Commercial Bank of Ethiopia (CBE) institutionalized the balanced scorecard (BSC) performance management tool since 2010 to formulate and implement its strategy and track its performance. The BSC is formulated in line with the national scorecard adopted by the government of Ethiopia. To formulate its strategy, the starting point was the statement of its vision, mission and values towards which a strategy should be geared. The BSC framework translates strategy (strategic

themes) by organizing the detailed directions of actions under each theme- the strategic objectives- and their corresponding measures under four perspectives: **financial, customer, internal- business –process and learning and growth** that were adopted for the CBE.

1.3 Problem Statement

Many literatures assert that leadership behaviors can facilitate the improvement of both leadership capability and performance of followers. This ultimately contributes to enhancing organizational performance.

Leadership behavior in an organization is one of the factors that play significant role in enhancing the interest and commitment of the individuals in the organization (Obiruwu et al., 2011). Leadership style is especially important to motivate employees' commitment to fulfill organizational objectives and increase job performance, (Riaz, Akram, & Ijaz, 2011; Chi, Lan, & Dorjgotov, 2012). Moreover, according to research study conducted by (Hueryen Yeh (2012), leadership style is positively related to organizational commitment and job performance. Meanwhile, organizational commitment is positively related to job performance.

Leadership style in an organization is one of the factors that play significant role in enhancing the organizational performance and commitment. From these review of related literature, however, controversy pertaining to the respective importance of leadership styles on organizational performance and organizational commitment has been observed.

Certain studies (Rejas, Ponce, Almonte & Ponce 2006) had indicated that transformational leadership had a positive impact on performance of employee's, while transactional leadership had negative impact on performance.

Other studies (Obiruwu et al., 2011;) had established that while transactional leadership had significant positive effect on organizational performance of enterprises, transformational leadership style had positive but insignificant effect on organizational performance. Moreover, another research studies conducted by (Wu, 2009) and (Epitropaki and Martin, 2005) that showed transactional leadership style provided high satisfaction as well as organizational performance compared to transformational leadership style.

Various past studies cover different aspects of leadership and its relationship with organizational commitment. Swanepoel, Erasmus, Van Wyk and Scheck (2000) describe the organizational commitment is encouraged with the leadership style for the successful implementation of business

strategies to achieve the organizational goal. Research conducted on the leadership style and its relationship with organizational commitment (Lo, Ramayah & Min, 2009) and concluded that transactional and transformational leadership positively correlated with organizational commitment. Moreover, Riaz and Haider (2010) concluded that to bring the organization commitment transformational leaders has strong influence on employees as compare to transactional leaders.

Even though the various branches of CBE operate in a similar manner with respect to policies and practices, their performance varies from branch to branch. When the performance evaluation is observed, some branches of the bank achieved their goals at the end of the year while the remaining did not. As per the information obtained from strategic planning office of the bank in 2014/15 budget year, from 229 branches which are found in Addis Ababa city, only 116 (nearly 51%) branches achieved their goal and the remaining 113 (49%) branches did not meet their annual plan goals. This result clearly shows there is a great difference in performance among branches of the Bank and no previous study has been conducted on the effect of leadership behavior in organizational commitment and employees' performance, even if there are many factors which has an impact to change organizational commitment and employee performance such as motivation, employee satisfaction, engagement, organizational culture etc. And the organizational commitment and employee performance accumulation will lead to branches performance.

This study is, therefore, conducted to assess the leadership behavior in CBE and see its effect on organizational commitment and performance. in addition this study will also contribute to literature on leadership issues with evidence from CBE.

It seeks an answer to the question; which leadership style really influences commercial bank of Ethiopia's commitment and performance. Moreover, this study fills the controversial gaps of different research studies that have been conducted on leadership behaviors with respect to organizational commitment and employee performance. Consequently, it contributes meaningfully to the body of growing literature and knowledge in this area of study in bank.

1.4 Research Questions

The main research question of present study is as follows:

The other research questions approached and answered by the following sub-research questions.

- 1) What is the nature of leadership behavior in CBE?
- 2) What are the relationships between the leadership behaviors and organizational commitment issues in CBE?

-
- 3) What are the relationships between leadership behaviors and individual performance in CBE?
 - 4) What is the relationship between demographics and commitment and employee performance?

1.5 Objectives of the Study

1.5.1. General objective

The general objective of this study is to identify the leadership demonstrate its effect on individual performance with commitment issues as mediators.

1.5.2. Specific Objectives

The specific objectives of this study are

1. To identify the nature of leadership behavior in CBE.
2. To determine the relationship between leadership behaviors and organizational commitment issues in CBE.
3. To determine the relationship between leadership behaviors and individual performance in CBE
4. To determine the relationship between demographics and organizational commitment and employee performance.

The researcher here would like to make it clear that this study looked into how the three leadership behaviors, namely transactional, transformational and laissez faire unfold in CBE and their impact on the different commitment issues of continuance, affective and normative. In addition, the study has also addressed this issue of how the different leadership behaviors do ultimately affect individual performance with the commitment issues as mediators.

1.6 Assumption

In this study, it is assumed that individual performance, at least in the long term, is summed up to organizational performance.

1.7 Significance of the Study

The outcomes of this research have great significance especially for CBE in the following ways. First, it identify the behavior of leadership being exhibited at branch level which in turn is critically

important in crafting strategy with the behavior of leadership for its implementation in mind. Second, this study will add to literature with regard to determining the relationship of the various leadership behaviors and the different issues of organizational commitment. Third, the effect of leadership behavior on individual and organizational level performance is examined in the Ethiopian perspective. Last but not least, this research can be used as a spring board for other researches to be conducted on leadership related issues in Ethiopia in general and CBE in particular.

1.8 Scope of the Study

The applicability of the findings of this study covers the objective situation in CBE at branch level throughout the country despite the fact that data were collected from branches situated in Addis Ababa only. This is based on the understanding that the working condition, the policies, strategies etc. in CBE throughout the country is substantially similar. In addition to this, it is to be underscored that individual performance in the long term amounts to organizational performance.

1.9 Limitations of the study

Whereas the findings of this study can very well be applicable to all branches of CBE in Ethiopia, it would have been even better had some branches in particularly remote areas with greater hardship been represented in the data collection endeavor. Also some longitudinal analysis would have added up to the strength of the findings.

1.10 Structure of the study

1. Chapter One - deals with back ground of study, problem statement, Research questions and sub-objectives of the study, Limitations and expected contribution of the study, Important studies about leadership-employees' performance relationship and Structure of the study
2. Chapter Two deals with definitions of leadership, Types of leadership, Introduction of employees' performance, concept of performance management, employee performance and various related issues explained.
3. This chapter deals with introduction about research design and methodology, background of commercial Bank of Ethiopia(CBE), research design, sampling design, sampling size determination and selection, data analysis and interpretations, and validity and reliability included.
4. Chapter for contains data presentation and analysis, demographic background of the respondents, correlation analysis, regression analysis, ANOVA, T-test, Analysis of research questionnaire .

5. Chapter five focus on Conclusions, Recommendations and future research regarding the study.



II

LITERATURE REVIEW

2.1 Introduction

Gary Yukl (2006) defines leadership as “the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives”. Peter Northouse (2010) defines leadership as “a process whereby an individual influences a group of individuals to achieve a common goal”. These definitions suggest several components central to the phenomenon of leadership. Some of them are as follows: (a) Leadership is a process, (b) leadership involves influencing others, (c) leadership happens within the context of a group, (d) leadership involves goal attainment, and (e) these goals are shared by leaders and their followers. The act of defining leadership as a process suggests that leadership is not a characteristic or trait with which only a few certain people are endowed at birth.

Defining leadership as a process means that leadership is a transactional event that happens between leaders and their followers. Viewing leadership as a process means that leaders affect and are affected by their followers either positively or negatively. It stresses that leadership is a two-way, interactive event between leaders and followers rather than a linear, one-way event in which the leader affects the followers but not vice versa. Defining leadership as a process makes it available to everyone not just a select few who are born with it. More important, it means that leadership is not restricted to just the one person in a group who has formal position power (Dubrin, 2007).

Lee and Chuang (2009), explain that the excellent leader not only inspires subordinate’s potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Stogdill (1957), defined leadership as the individual behavior to guide a group to achieve the common target. Fry (2003), explains leadership as use of leading strategy to offer inspiring motive and to enhance the staff’s potential for growth and development. Several reasons indicate that there should be a relationship between leadership behavior and organizational performance. The first is that today’s intensive and dynamic markets feature innovation-based competition, price/performance rivalry, decreasing returns, and the creative destruction of existing competencies (Santora *et al.*, 1999; Venkataraman, 1997). Studies have suggested that effective leadership behaviors can facilitate the improvement of performance when organizations face these new challenges (McGrath and MacMillan, 2000; Teece, Pisano and Shuen, 1997).

2.2 Types of Leadership Behaviors

Leadership behavior has been a challenging topic for organizational effectiveness. Therefore different leadership styles have been studied across several decades and in the a modern theory which was proposed by Bass. This model is consisted of three types as Transformational, Transactional, and Laissez-Faire Leadership (Bass, 1990; Gordon, J.R. 1993; Bass & Avolio 1994; Glad and Blanton, 1997; Pillai et al., 1999; Greenberg & Baron, 2000; Sosik & Godshalk, 2000, Eren, 2010; Lather et al., 2009; Giri & Santra, 2010).

People are exposed to a broad and ever growing variety of theories that explains the concept and the practice of leadership, even if, today's leadership experts still can't dare ignore theorists like, Maslow, Smith, Barnard, Deming, Mayo, Fayol, Weber, Hamel, etc... who have crafted the most fundamental definitions of leadership and its countless characteristics. It is important to note that this submission attempts to single out some types of leadership models not all. It is not intended to introduce any new theory.

2.2.1 Laissez-faire leadership

The laissez-faire leader gives no continuous feedback or supervision because the employees are highly experienced and need little supervision to obtain the expected outcome. This type of style is also associated with leaders that do not lead at all, failing in supervising team members, resulting in lack of control and higher costs, bad service or failure to meet deadlines. In government, this is what the type of leadership, which may drive to anarchy (Lewin, Lippitt, & White, 1939). Laissez-Faire Leaders give group members the freedom to make their own decision in any process as leaders play no leadership role to subordinates (Griffin, 1993). Laissez- Faire Leaders need the less of management authority, leave responsibility to subordinates to decide goals, plans, and programs by their own within the source of possibility. In other words, laissez faire leaders do not take the responsibility and give subordinates the authority to use (Eren, 2010). Laissez-Faire Leaders do not form any control mechanism on group members, and they are completely free to take any decision (Vugt et. al., 2004).

2.2.2 Transactional leadership

The transactional leader is given power to perform certain tasks and reward or punish for a team's performance. It gives the opportunity to the manager to lead the group and the group agrees to follow his lead to accomplish a predetermined goal in exchange for something else. Power is given to the leader to evaluate, correct and train subordinates when productivity is not up to the desired

level and reward effectiveness when expected outcome is reached (Burns, 1978). According to Bass (1985), transactional leaders lead to employees by rewarding. The desired performance is based on when a leader explains what are aims, goals, results, and rewards to employees who achieved in their work.

Transactional Leadership is consisted of contingent reward, active management by exception, and passive management by exception. Contingent reward leadership may put forth a result of developmental plan, may explain why they desire to success, when they get the results, they will reward them for good performance (Sosik and Godshalk, 2000). Employ fulfill these requirements are explained explicitly (Pillai et.al, 1999). Transactional leaders choose the way of leading effective ongoing process. Leaders, who adopt this approach, especially reward employees with money, status and promotion while they pay less attention to creative and innovative acts (Eren, 2010).

2.2.3 Transformational leadership

Transformational leadership was developed by Bass in 1985 on account of stating behavior and characteristic to provide organizational change and stability while transformational leadership is comprised of idealized influence, individual consideration, intellectual stimulation, and inspirational motivation (Bass, 1990). Transformational leaders try to persuade followers that they are powerful enough to coping with individual needs and personal development which turn out to establish close relationship with employees. Leaders pay feel more special, motivated and encouraged. By this way, there is an enhancing effect on the success of the employees (Greenberg & Baron, 2000). Transformational leadership is also explained for displaying higher to come to terms with team mission and goals and also the continuity of this process. Leaders encourage employees to see beyond what they already have (Bass, 1990). The transformation leader motivates its team to be effective and efficient. Communication is the base for goal achievement focusing the group in the final desired outcome or goal attainment. This leader is highly visible and uses chain of command to get the job done. Transformational leaders focus on the big picture, needing to be surrounded by people who take care of the details. The leader is always looking for ideas that move the organization to reach the company's vision (Burns, 1978). This type of leader sets the criteria for their workers according to previously defined requirements. Performance reviews are the most common way to judge employee performance. Transactional, or managerial, leaders work best with employees who know their jobs and are motivated by the reward-penalty system. The status quo of an organization is maintained through transactional leadership. James Mac Gregor Burns (1978) first

introduced the concept of transforming leadership in his descriptive research on political leaders, but this term is now used in organizational psychology as well. According to Burns, transforming leadership is a process in which "leaders and followers help each other to advance to a higher level of morale and motivation". Burns related to the difficulty in differentiation between management and leadership and claimed that the differences are in characteristics and behaviors. He established two concepts: "transforming leadership" and "transactional leadership". According to Burns, the transforming approach creates significant change in the life of people and organizations. It redesigns perceptions and values, and changes expectations and aspirations of employees. Unlike in the transactional approach, it is not based on a "give and take" relationship, but on the leader's personality, traits and ability to make a change through example, articulation of an energizing vision and challenging goals. Transforming leaders are idealized in the sense that they are a moral exemplar of working towards the benefit of the team, organization and/or community. Burns theorized that transforming and transactional leadership were mutually exclusive styles. Transactional leaders usually do not strive for cultural change in the organization but they work in the existing culture while transformational leaders can try to change organizational culture.

Another researcher, Bernard M. Bass (1985), extended the work of Burns (1978) by explaining the psychological mechanisms that underlie transforming and transactional leadership; Bass also used the term "transformational" instead of "transforming." Bass added to the initial concepts of Burns (1978) to help explain how transformational leadership could be measured, as well as how it impacts follower motivation and performance. The extent, to which a leader is transformational, is measured first, in terms of his influence on the followers. The followers of such a leader feel trust, admiration, loyalty and respect for the leader and because of the qualities of the transformational leader are willing to work harder than originally expected. These outcomes occur because the transformational leader offers followers something more than just working for self-gain; they provide followers with an inspiring mission and vision and give them an identity. The leader transforms and motivates followers through his or her idealized influence (earlier referred to as charisma), intellectual stimulation and individual consideration. In addition, this leader encourages followers to come up with new and unique ways to challenge the status quo and to alter the environment to support being successful. Finally, in contrast to Burns, Bass suggested that leadership could simultaneously display both transformational and transactional leadership. According to Yukl (1994) the full range of leadership introduces four elements of transformational leadership:

1. **Individualized Consideration** – the degree to which the leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs. The leader gives empathy and support, keeps communication open and places challenges before the followers. This also encompasses the need for respect and celebrates the individual contribution that each follower can make to the team. The followers have a will and aspirations for self development and have intrinsic motivation for their tasks.

2. **Intellectual Stimulation** – the degree to which the leader challenges assumptions, takes risks and solicits followers' ideas. Leaders with this style stimulate and encourage creativity in their followers. They nurture and develop people who think independently. For such a leader, learning is a value and unexpected situations are seen as opportunities to learn. The followers ask questions, think deeply about things and figure out better ways to execute their tasks.

3. **Inspirational Motivation** – the degree to which the leader articulates a vision that is appealing and inspiring to followers. Leaders with inspirational motivation challenge followers with high standards, communicate optimism about future goals, and provide meaning for the task at hand. Followers need to have a strong sense of purpose if they are to be motivated to act. The visionary aspects of leadership are supported by communication skills that make the vision understandable, precise, powerful and engaging. The followers are willing to invest more effort in their tasks; they are encouraged and optimistic about the future and believe in their abilities.

4. **Idealized Influence** – Provides a role model for high ethical behavior, instills pride, gains respect and trust. As a development tool, transformational leadership has spread already in all sectors of western societies, including governmental organizations.

Yukl (1994) draws some tips for transformational leadership

1. Develop a challenging and attractive vision, together with the employees.
2. Tie the vision to a strategy for its achievement.
3. Develop the vision, specify and translate it to actions.
4. Express confidence, decisiveness and optimism about the vision and its implementation.
5. Realize the vision through small planned steps and small successes in the path for its full implementation.

2.3. Organizational Commitment

A part of job-related attitudes along with job satisfaction and job involvement, organizational commitment has attracted a vast amount of attention from organizational scientists (Allen and

Meyer, 1990; Mathieu and Zajac, 1990; Morrow, 1993; Mowday, Porter, and Steers, 1982; Riketta and Landerer, 2002; Steers, Porter, and Bigley, 1996). The vast attention to the topic also indicates a large number of attempts to define the construct; therefore little consensus exists among the definitions (Mowday, Porter, and Steers, 1982).

Despite the little consensus among the various definitions, there is a common point that organizational commitment is considered a “bond or liking of the individual to the organization” (Mathieu and Zajac, 1990). Defined simply as “a form of extreme loyalty to one’s organization” (Pinder, 1998), organizational commitment differs from job satisfaction and job involvement as it involves the individual worker’s attitude toward the organization, and not his/her job, department, work group, occupation, or career (Pinder, 1998). O’Reilly and Chatman (1986) divide organizational commitment to three distinct psychological stages (processes): Compliance, identification, and internalization. Compliance means that the person recognizes influence of others because he/she is expecting to obtain something tangible from others, whereas influence suggests that the person accepts influence in order to “maintain a satisfying, self-defining relationship” (Steers et. al., 1996). Finally, the individual internalizes, that is, he/she finds the values of the organization to be congruent with his/her personal values. This categorization is similar to continuance commitment, normative commitment, and affective commitment respectively (Meyer, and Allen, 1991, 1997; Morrow, 1993), three interrelated dimensions of the construct. Continuance commitment involves a tangible outcome that the individual does not want to let go, normative commitment includes a moral aspect, and affective commitment comprises a voluntary facet stronger than any other factor on the individual's part to continue employment with the organization. Although the three dimensions should be considered as components rather than different types of commitment (Pinder, 1998), this paper focuses on affective commitment, as it entails internalization beyond identification, the closest association between the individual's own motives and the motives of the organization (Pinder, 1998).

Why is commitment important? According to Pinder (1998), there is a belief among employers that highly committed employees perform better and are less likely to be absent. Although the evidence does not support most of the employer's beliefs and expectations about organizational commitment such as committed employee performs better (Mathieu and Zajac, 1990), affective commitment was found to be the best predictor of withdrawal in a study conducted by Somers in 1995 (Pinder, 1998). Furthermore, according to Mowday et al (1982), the strongest behavioral outcome of commitment should be reduced employee turnover, and the studies they examined corroborate their proposition.

Organizational commitment has many hypothesized antecedents such as personal characteristics, work experiences, and organizational (structural) characteristics (Meyer and Allen, 1997; Mowday, et. al, 1982). People who love their jobs are positively committed to their organizations. Some people are committed to their jobs because they love what they do, or because their goals align with those of the company. Others might stay because they fear what they could lose if they leave. Still others might stay because they feel obligated to the company, or to their manager. Clearly, some of these types of commitment can have a negative effect on a person's well-being, self-respect, and job satisfaction. So, how can you avoid this, but still help team members feel committed to your team, or organization, in a positive way?

John Meyer and Natalie Allen developed their Three Component Model of Commitment and published it in the 1991 "Human Resource Management Review." The model explains that commitment to an organization is a psychological state, and that it has three distinct components that affect how employees feel about the organization that they work for.

The three components are:

1. Affection for your job ("affective commitment").
2. Fear of loss ("continuance commitment").
3. Sense of obligation to stay ("normative commitment").

This model to increase commitment and engagement in your team, while also helping people to experience a greater feeling of well-being and job satisfaction.

2.3.1 Leadership Styles and Employee Commitment

Previous researches have devoted a great deal of attention to the relationship between leadership behavior and organizational commitment. They have shown that organizational commitment is greater for employees whose leaders encourage their participation in decision-making (e.g., Ugboro, 2006), who treat them with consideration (e.g., Shore & Wayne, 1993), fairness (e.g., Brockner *et al.*, 1992; Allen & Meyer, 1990) and are supportive of them (e.g., Allen & Meyer, 1990). Also, Mowday *et al.* (1979) [as cited in Ponnu & Tennakoon, 2009], has indicated supervision as one of the critical organizational factors that can influence employee commitment to the organization. A relationship between commitment and leadership style has been reported in the organizational and management literatures. Several studies found a positive relationship between the two variables. For instance, Lo *et al.* (2010) concluded that the leadership styles of supervisors are important dimensions of the social context because they shape subordinates' organizational commitment in various important ways. Likewise, Ponnu & Tennakoon (2009) indicate that ethical leadership behavior has a positive impact on employee

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

In another study involving 156 participants, Lo *et al.* (2009) examined leadership styles and employees' organizational commitment in Malaysia manufacturing industry to ensure the successful management of employees and to improve productivity and achievements of an organization. They discovered that several dimensions of transactional and transformational leadership have positive relationship with organizational commitment but the impacts are stronger for transactional leadership style. Similarly, Marmaya *et al.* (2011) investigated the employees' perceptions of leadership style among Malaysian managers and its impact on organizational commitment and then found that leadership tends to be more transformational than transactional. The study by Bučiūnienė and Škudienė (2008) has investigated the relationship between employees' organizational commitment dimensions and leadership styles and found positive correlations between a transformational leadership style and affective and normative employee commitments whereas a laissez-faire leadership style was found to be negatively associated with employees' affective commitment.

Davenport (2010) also measured the relationship between leadership style and organizational commitment as moderated by follower's locus of control and reported that suggests that separately leader style and locus of control are important drivers of organizational commitment. Research findings have consistently highlighted the positive influence of transformational leadership on organizational outcomes. For instance, transformational leadership was found to result in lower employee turnover, increased organizational citizenship behavior (Dvir *et al.*, 2002 as cited in Mannheim & Halamish, 2008) and lead to stronger organizational commitment (Bučiūnienė & Škudienė, 2008). Likewise, Bycio *et al.* (1995) [as cited in Ponnu & Tennakoon, 2009] examined how transformational leadership and transactional leadership affected employee levels of affective commitment, continuance commitment, and normative commitment. Findings revealed that transformational leadership was a better predictor of affective, continuance, and normative commitment than transactional leadership.

Consistent with previous studies, Avolio *et al.* (2004) found a positive association between transformational leadership and organizational commitment. Contrary to the previous research, they found that transformational leadership at the indirect senior level had a more positive relationship with employees' level of organizational commitment as compared to the relationship between commitment and ratings of transformational leadership of the followers' immediate supervisor. As cited in Bučiūnienė & Škudienė (2008), Simon (1994) studied the impact of transformational leadership on organizational commitment and found that transformational leadership has a positive linkage with normative and affective commitment. On the other hand, a negative relationship was found between transformational leadership and continuance commitment. Bass and Avolio (1993) claimed that organizations have a kind of culture, which is represented by the leaders who use transactional or transformational leadership styles.

According to their findings, transactional culture creates only short-term commitment, whereas transformational culture creates long-term commitment. Mannheim & Halamish (2008) argued that when transformational leadership is enacted, members of organizations no longer seek merely self-interest, but that which is beneficial to the organization as a whole. The findings of Brown and Dodd (2003) [as cited in Bučiūnienė & Škudienė, 2008] indicated a strong correlation between transformational leadership dimensions and affective commitment, a weaker but still strong positive correlation with normative commitment and no relationship with continuance commitment. A negative relationship was found between transactional leadership dimensions and affective and normative commitments, and a statistically significant correlation found with continuance commitment (Brown and Dodd, 1999). Management styles can influence the commitment level of employees. Eisenberger *et al.* (1990) [as cited in Avolio *et al.*, 2004] argue that managers and organizations must reward and support their employees for the work that they do because this perceived support allows for more trust in the organization. They discuss that those employee's who feel that they are cared for by their organization and managers also have not only higher levels of commitment, but that they are more conscious about their responsibilities, have greater involvement in the organization, and are more innovative.

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

have been few researches conducted in education organizations specifically in Ethiopia. Thus, the aim of this research is to determine the relationship between leadership styles and employee performance.

2.4. Organizational performance

Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations. Thus, many economists consider organizations and institutions similar to an engine in determining the economic, social and political progress. Continuous performance is the focus of any organization because only through performance organizations are able to grow and progress. Thus, organizational performance is one of the most important variables in the management research and arguably the most important indicator of the organizational performance. It comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Although the concept of organizational performance is very common in the academic literature, its definition is difficult because of its many meanings. For this reason, there isn't a universally accepted definition of this concept. In the '50s organizational performance was defined as the extent to which organizations, viewed as a social system fulfilled their objectives (Georgopoulos & Tannenbaum, 1957). According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). The term Organizational effectiveness is broader.

Performance evaluation during this time was focused on work, people and organizational structure. Later in the 60s and 70s, organizations have begun to explore new ways to evaluate their performance so performance was defined as an organization's ability to exploit its environment for accessing and using the limited resources (Yuchtman & Seashore, 1967).

The years 80s and 90s were marked by the realization that the identification of organizational objectives is more complex than initially considered. Managers began to understand that an organization is successful if it accomplishes its goals (effectiveness) using a minimum of resources (efficiency). Thus, organizational theories that followed supported the idea of an organization that achieves its performance objectives based on the constraints imposed by the limited resources (Lusthaus & Adrien, 1998 after Campbell, 1970). In this context, profit became one of the many indicators of performance. The authors Lebas & Euske (2006) provide a set of definitions to illustrate the concept of organizational performance:

Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebans & Euske 2006 after Kaplan & Norton, 1992). Fuentes et al. (2004) studied about the relationship between performance and total quality management, and organizational performance is comprised of three dimensions, namely; financial, operational, and employee performance, and they considered organizations as an open system which means organizations environment such as dynamism, munificence, and complexity may have influence on its performance. Individual performance is highly needed to accomplish the task for organizational goals. Fuentes et al. (2004) found a positive effect of teamwork on employee performance while a negative relationship was found between financial performance and teamwork. However, customer focus and continuous improvement have a positive influence on financial performance. On the other hand, Rahman and Bullock (2005) also searched for the association between organizational performance and TQM elements which were workforce commitment, shared vision, and customer focus, use of teams, and cooperative supplier relations that positively related to performance and employee performance in our study.

Effective leadership is seen as a potent source of management development and sustained competitive advantage for organizational performance improvement (Avolio, 1999; Lado, Boyd and Wright, 1992; Rowe, 2001). For instance, transactional leadership helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring that employees have the resources needed to get the job done (Zhu, Chew and Spengler, 2005). Visionary leaders create a strategic vision of some future state, communicate that vision through framing and use of metaphor, model the vision by acting consistently, and build commitment towards the vision (Avolio, 1999; McShane and Von Glinow, 2000). Some scholars like Zhu *et al.* (2005), suggest that visionary leadership will result in high levels of cohesion, commitment, trust, motivation, and hence performance in the new organizational environments.

An organization is judged by its performance. For more than a decade, organizational environments have experienced radical changes. As a result of greater competition in the global marketplace the majority of organizations have greatly streamlined their operations (Collis and Montgomery, 1995). Every moment presents a diverse set of challenges and obstacles: laws and regulations are evolving, the economy is altering, and, most importantly, no one is aware of what problems or obstacles will arise. Furthermore, organizations can also perform well or poorly due to external forces, such as interest rates and taxation. To remain competitive in such an environment, an organization needs to get the most out of its assets, especially the human assets.

Many organizations feel that their people can provide a competitive advantage, and therefore their people contribute to the organization's performance. Employees play a pivotal role in organizational success (Collis and Montgomery, 1995). Employee performance has been shown to have a significant positive effect on organizational performance (Collis and Montgomery, 1995). One of the major pitfalls in an organization occurs when managers believe their organizations are constantly operating at the highest level of efficiency, or that they do not require input from their employees (Foot and Hook, 1999). Nevertheless, the principal influence on the organization's performance is the quality of the workforce at all levels of the organization. The function that human resources can play in gaining a competitive advantage for an organization is empirically well documented (Brewster, Carey, Dowling, Grobler, Holland and Wörnich, 2003).

For organizations to accomplish their goals, they must continually look for better ways to organize and manage their work. There is a growing recognition that the primary source of competitive advantage is derived from an organization's human resources. This was not always the case, as human resources were traditionally seen as a cost (Brewster, et al., 2003). Due to the realization that people are the most valuable assets in an organization, the importance of performance management has been pushed to the fore (Bartlett and Ghoshal, 1995). The complexity of managing organizations today requires managers to view performance in several areas simultaneously. The performance measurement system employed in an organization must therefore measure the performance of all assets including the human ones. The Balance Score card of Kaplan and Norton (1996) is a mechanism, which provides a holistic measure of organizational performance. It is a set of measures that provide managers a fast but comprehensive view of the business.

The Balanced Score card is not only a measurement system but also a management system, which enables organizations to clarify their vision and strategy and translate them into action (Kaplan and Norton, 1996). It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the Balance Scorecard transforms strategic planning from an academic exercise into the nerve centre of an enterprise (Norton, 1999). The Balance Scorecard includes both financial measures that tell the results of actions already taken, and operational measures that are the drivers of future financial performance (Kaplan and Norton, 1996).

It can be seen that the individual's performance has an impact on the organization's wider objectives, and it is thus imperative that every employee's performance should be managed. This process of performance management includes group assessments and peer reviews, as well as written reports

(Hellriegel, et al., 2004). In recent years performance management systems have become more important because managers are under constant pressure to improve the performance of their organizations (Holloway, Francis and Hinton, 1999). As the performance of organizations influence the organization's continued existence, it is therefore necessary to discuss the notion of managing this performance.

2.4.1 Concept of Performance Management

Performance is important to employees and as organizations. The topic of performance is not a straightforward one (Corvellec, 1995). The word “performance” is utilized extensively in all fields of management. Despite the frequency of the use of the word, its precise meaning is rarely explicitly defined by authors even when the main focus of the article or book is on performance. The correct interpretation of the word performance is important and must never be misread in the context of its use. Often performance is identified or equated with effectiveness and efficiency (Neely, Gregory and Platts, 1995). In fact, most of us believe that we can, and will, improve at what we do, and we expect others to improve over time as well (Temple, 2002). Performance is a relative concept defined in terms of some referent employing a complex set of time-based measurements of generating future results (Corvellec, 1995). Performance management is an integral part of effective human resource management and development strategy (Hellriegel, et al., 2004).

Performance management is an ongoing and joint process where the employee, with the assistance of the employer, “strives to improve the employee's individual performance and his contribution to the organization's wider objectives” (Hellriegel, et al., 2004). To Noe et al, (1996) the means through which managers ensure that employee activities and output are congruent with the organization's goals are referred to as Performance Management. Amos, et al. (2004) define performance management as “the process that begins with translating the overall strategic objectives of the organization into clear objectives for each individual employee”. Performance management can also be seen to incorporate all of those aspects of human resource management that are designed to progress and/or develop the effectiveness and efficiency of both the individual and the organization (Amos, et al., 2004). First-class performance management begins and develops with the employee's lucid understanding of the organization's expectations (Hendrey, 1995).

To elevate and sustain the level of work performance, managers must look at past individual or team performance to a larger arena of play: the performance management system (Campbell, McCloy, Oppler and Sager, 1993). The success of a performance management system is reliant on the

commitment/support of an organization's management. Performance management systems must be seen to reward personal development and achievement (Hendrey, 1995). Within the performance management field itself, it is important that targets are viewed to be fair and equitable across all groups. It is imperative that employees have confidence in their work and recognize that management supports them (Cherrington, 1994; Baird, 1986). A good performance management system motivates employees to better their own performance, 50 promotes self-motivation, and builds and strengthens relationships via open communication between employees and managers (Baird, 1986).

There are two main purposes driving performance management. Firstly, there are the operational reasons, which lead and control the system (Temple, 2002). Secondly, on the cultural side, the system can feature as part of the overall drive to build a more open relationship with employees (Temple, 2002). The performance management system sets out to communicate the link between an organization's mission, strategic direction and the required employee performance (Armstrong and Baron, 1998; Foot and Hook, 1999).

A successful performance management system is one that requires full participation between employees and managers through effective communication and goal agreement, resulting in complete common understanding and not unfounded expectations (Campbell, et al., 1993). A well-executed performance management system is a medium for managers and employees to develop an understanding of what work the mission of the organization requires, the manner in which this work should be accomplished, and to what extent it has been achieved. Employees should be empowered and receive support from their manager without removing any of the employee's responsibility (Armstrong and Baron, 1998). Performance planning, according to Torrington and Hall (1995) identifies three key aspects of the effective performance cycle as planning performance, supporting performance and reviewing performance.

Torrington and Hall (1995) recognized performance planning or objective setting as the beginning of the cycle. According to them the first recognizes the importance of shared view of expected performance between manager and employee. The shared view can be expressed in a variety of ways such as traditional job description, key accountabilities, performance standards, specific objectives and essential competencies. In most cases the combination of approaches is necessary. There is a clear trend to use specific objectives with time scale completion in addition to the generic tasks, with no beginning and no end – that tend to appear on traditional job descriptions. Such objectives give individuals a much clearer idea of performance expectations and enable them focus on the priorities

when they have to make choices about what to do. Individual performance is of high relevance for organizations and individuals alike. Showing high performance when accomplishing tasks results in satisfaction, feelings of self efficacy and mastery (Bandura, 1997; Kanfer et al., 2005). Moreover, high performing individuals get promoted, awarded and honored. Career opportunities for individuals who perform well are much better than those of moderate or low performing individuals (Van Scotter et al., 2000).

The concept and definition of individual performance has received considerable scholarly research attention over the past 20 years. Researchers agree that performance has to be considered as a multi-dimensional concept. On the most basic level one can distinguish between a process aspect (i.e., behavioral) and an outcome aspect of performance (Borman and Motowidlo, 1993; Campbell, McCloy, Oppler, and Sager, 1993; Roe, 1999). The behavioral aspect refers to what people do while at work, the action itself (Campbell, 1990). Performance encompasses specific behavior (e.g., sales conversations with customers, teaching statistics to undergraduate students, programming computer software, assembling parts of a product). This conceptualization implies that only actions that can be scaled (i.e., counted) are regarded as performance (Campbell et al., 1993). Moreover, this performance concept explicitly only describes behavior which is goal-oriented, i.e. behavior which the organization hires the employee to do well as performance (Campbell et al., 1993).

The outcome aspect in turn refers to the result of the individual's behavior. The actions described above might result in contracts or selling numbers, students' knowledge in statistical procedures, a software product, or numbers of products assembled. Empirically, the behavioral and outcome aspect are related. However, there is no complete overlap, as the outcome aspect is affected by other determinants than the behavioral aspect. Imagine a car retailer who communicates the preferences of a product (behavioral aspect) excellently, but who nevertheless achieves low sales figures (outcome aspect) due to low demand of this specific type of cars. Similarly, a teacher who provides an excellent statistics lesson which fulfills all learning requirements (behavioral aspect) might not provide students with knowledge (outcome aspect) if students' lack motivation or cognitive abilities. Moreover, performance must be distinguished from effectiveness and from productivity or efficiency (Campbell et al., 1993; Pritchard et al., 1992). Effectiveness refers to the evaluations of the results of performance (i.e., financial value of sales). In comparison, productivity is the ratio of effectiveness to the cost of attaining the outcome. For example, the ratio of hours of work (input) in relation to products assembled (outcome) describes productivity.

2.4.2 Individual (Employee) Performance

As the performance of an organization is dependent on the quality of the workforce at all levels of the organization (Temple, 2002), it is essential to discuss the concept of individual performance. Millcorvich and Bondream (1997) define employee performance as the degree to which employees accomplish work requirements. To them employee performance in effect reflects the efficiency of the organization. People are an organization's greatest assets: individuals and organizations have learned about the importance of the role of people in an organization, and how the success of an organization depends on its people (Bartlett and Ghoshal, 1995). The role of human resources is absolutely critical in raising performance in an organization (Armstrong and Baron, 1998). Ultimately it is the performance of many individuals, which culminates in the performance of an organization, or the achievement of goals in an organizational context (Armstrong and Baron, 1998). Amos, et al. (2004) states, that “the effective management of individual performance is critical to the execution of strategy and the organization achieving its strategic objectives”. Performance cannot be left in anticipation that it will develop naturally, despite the employee's natural desire to perform and be rewarded for it. This desire needs to be accommodated, facilitated and cultivated (Amos, et al., 2004). In return for this performance, organizations extend themselves in various forms of acknowledgement (Foot and Hook, 1999). Individual performance has become a topical issue in today's business environment, so much so that organizations go to great lengths to appraise and manage it (Armstrong and Baron, 1998). Whetten and Cameron (1998), state that individual performance is the product of ability multiplied by motivation. Furthermore, Cummings and Schwab (1973) concur with the belief that performance is ultimately an individual phenomenon with environmental factors influencing performance, primarily through their effect on the factors are those factors over which the organization has little or no control, such as demands for job grading systems (Hellriegel, et al., 1999).

A. Task Performance

Task performance covers a person's contribution to organizational performance, refers to actions that are part of the formal reward system (i.e., technical core), and addresses the requirements as specified in job descriptions (Williams and Karau, 1991). At a general level, task performance consists of activities that transform materials into the goods and services produced by the organization or to allow for efficient functioning of the organization (Motowidlo et al., 1997). Thus, task performance covers the fulfillment of the requirements that are part of the contract between the employer and employee. Moreover, task performance in itself can be described as a multi -

dimensional construct. Campbell (1990) proposed a hierarchical model of eight performance factors. Among these eight factors, five refer to task performance:

- (1) job-specific task proficiency;
- (2) non-job-specific task proficiency;
- (3) Written and oral communication proficiency;
- (4) Supervision, in case of leadership position; and partly
- (5) Management/administration

Each of these five factors itself consists of sub factors which are differently important for various jobs. For example, the supervision factor includes

- (1) Guiding, directing, and motivating subordinates and providing feedback,
- (2) Maintaining good working relationships, and
- (3) Coordinating subordinates and others resources to get the job done (Borman and Brush, 1993).

B. Contextual performance

Often it is not sufficient to comply with the formal job requirements, one needs to go beyond what is formally required (Parker et al., 2006; Sonnentag and Frese, 2002). Contextual performance consists of behavior that does not directly contribute to organizational performance but supports the organizational, social and psychological environment. Contextual performance is different from task performance as it includes activities that are not formally part of the job description. It indirectly contributes to an organization's performance by facilitating task performance. Borman and Motowidlo (1993) enumerate five categories of contextual performance:

- (1) Volunteering for activities beyond a person's formal job requirements;
- (2) Persistence of enthusiasm and application when needed to complete important task requirements;
- (3) Assistance to others;
- (4) Following rules and prescribed procedures even when it is inconvenient; and
- (5) Openly defending organization objectives

Examples of contextual performance are demonstrating extra effort, following organizational rules and policies, helping and cooperating with others, or alerting colleagues about work-related problems (Borman and Motowidlo, 1993; Motowidlo et al., 1997). In the past, contextual performance was conceptualized and measured in numerous ways. On a very general level, these different conceptualizations can be identified that aim at the effective functioning of an organization as it does at a certain time ('stabilizing' contextual performance), and proactive behaviors which intend to implement new and innovative procedures and processes in an organization, thus changing

the organization ('proactive' contextual performance; Sonnentag and Frese, 2002). The 'stabilizing' contextual performance comprises organizational citizenship behavior (OCB; Organ, 1988), and some aspects of prosaically organizational behavior (Brief and Motowidlo, 1986). OCB describes discretionary behavior which is not necessarily recognized and rewarded by the formal reward system. Discretionary means that the behavior is not enforceable and not part of the formal role in terms of the person's contract with the organization. Furthermore, Organ (1988) explains that not every single discrete instance of OCB is expected to make a difference in organizational outcomes, but that the aggregate promotes the effective functioning of an organization (Organ, 1988; 1997). OCB consists of five components:

- **Altruism** (i.e. helping others);
- **Conscientiousness** (i.e., compliance to the organization);
- **Civic virtue** (e.g., keeping up with matters that affect the organization);
- **Courtesy** (e. g., consulting with others before taking action); and
- Sportsmanship (e.g., not complaining about trivial matters) (LePine et al., 2002; Organ, 1988).

The more 'pro active ' view on contextual performance includes concepts such as personal initiative (Frese et al., 1996), taking charge (Morrison and Phelps, 1999), and proactive behavior (Crant, 1995). Personal initiative is characterized as a self-starting and active approach to work and comprises activities that go beyond what is formally required. Consequently, employees show personal initiative when their behavior fits to an organization's mission, when their goals have a long-term focus, and when they are capable of finding solutions for challenging situations. Similarly, taking charge implies that employees accomplish voluntary and constructive efforts which effect organizationally functional change. Proactive behavior refers to showing self-initiated and future oriented action that aims to challenge the status quo and improve the current situation (Crant, 1995; Parker et al., 2006). In sum, contextual performance is not a single set of uniform behaviors, but is multidimensional in nature (Van Dyne and LePine, 1998).

2.4.3 Performance and Leadership

The success of an organization is reliant on the leader's ability to optimize human resources. A good leader understands the importance of employees in achieving the goals of the organization, and that motivating these employees is of paramount importance in achieving these goals. To have an effective organization the people within the organization need to be inspired to invest themselves in the organization's mission- the employees need to be stimulated so that they can be effective; hence

effective organizations require effective leadership (Wall, Solum and Sobol, et al, 1996). Fiedler and House, (1988) indicate that organizational performance will suffer in direct proportion to the neglect of this. Ultimately it is the individual employee who either performs, or fails to perform, a task. In order for an organization to perform, an individual must set aside his personal goals, at least in part, to strive for the collective goals of the organization (Cummings and Schwab, 1973). In an organizational context, the very nature of performance is defined by the organization itself (Cummings and Schwab, 1973). Employees are of paramount importance to the achievement of any organization. Thus, effective leadership enables greater participation of the entire workforce, and can also influence both individual and organizational performance (Bass, 1997; Mullins, 1999). Effective leader behavior facilitates the attainment of the follower's desires, which then results in effective performance (Fiedler and House, 1988; Maritz, 1995; Ristow, et al., 1999). Preliminary research undertaken by Booyesen and Van Wyk (1994, in Swanepoel, et al., 2000) in a South African context found that outstanding leaders, in terms of effectiveness, are perceived to show a strong and direct, but democratic and participative leadership style, and are seen as agents of change and visionaries who increase organizational performance. Maccoby (1979), in Botha, 2001) indicates that the need of firms to flourish in the world of escalating competitiveness, of technological advances, of altering government regulations and of changing employee attitudes, requires an advanced level of leadership more than ever before. His views further demonstrate the importance of leadership in the business arena. According to Bass (1997), in the modern business environment much research has proved that leaders make a difference in their subordinates' performance, and also make a difference as to whether their organizations succeed or fail. Kotter (1988) argues for the ever-increasing importance of leadership in organizations, because of significant shifts in the business environments, such as the change in competitive intensity and the need for more participation of the total workforce.

Leadership is perhaps the most thoroughly investigated organizational variable that has a potential impact on employee performance (Cummings and Schwab, 1973). Winning leaders understand what motivates employees and how the employee's strengths and weaknesses influence their decisions, actions, and relationships. Cummings and Schwab (1973) mention the connection between leadership traits or leadership behaviors and employee performance. However, they stress that the literature was not based on empirical evidence and therefore has become discredited over time (Cummings and Schwab, 1973; Fiedler and House, 1988). There is agreement in the literature (Maritz, 1995; Bass, 1997) that leadership is a critical factor in the success or failure of an

organization; excellent organizations begin with excellent leadership, and successful organizations therefore reflect their leadership. Leaders are effective when the influence they exert over their subordinates works towards achieving organizational performance (Jones and George, 2000). Furthermore, leadership is often regarded as the single most critical success factor in the success or failure of an institution (Bass, 1990). Dimma (1989) believes that leadership is undoubtedly the critical determinant of the success of an organization, and thus determines organizational performance in the competitive global market.

Research into organizational behavior in different environments found that transformational leadership has a positive influence on employee performance, and therefore organizational performance (Bass and Avolio, 1994; Ristow, 1998). However, through research by Pruijn and Boucher (1994) it was shown that transformational leadership is an extension of transactional leadership (Bass, 1997). The difference between these two models is that followers of transformational leadership exhibit performance which is beyond expectations, while transactional leadership, at best, leads to expected performance (Bass and Avolio, 1994). Ristow (1998) states that transactional leaders were effective in markets, which were continually growing, and where there was little or no competition, but this is not the case in the markets of today, where competition is fierce and resources are scarce. Research data (Brand, et al., 2000) has clearly shown that transformational leaders are more effective than transactional leaders, regardless of how “effectiveness” has been defined.

2.4.4 Performance Monitoring

Performance monitoring refers to the mechanisms through which progress towards the goals set is measured and employees given feedback. Donnelly et al (1991) underscore the place of monitoring performance in effective performance management when they recommend that managers and employees should not only agree on objectives but also on planned course of action that enable achievement of set of targets. This is true because actions or action plans, as well as monitoring mechanisms like frequent formal or informal reviews, coaching, and feedback are the catalysts that can determine success or failure in meeting objectives. According to Donnelly et al (1992) these planned courses of actions are called the Strategies and Tactics. Thus effective organization, assignments and projects are monitored continually. Monitoring well means consistently measuring performance and providing ongoing feedback to employees and work groups on their progress towards reaching their goals. The necessary requirements for monitoring performance include

conducting progress reviews with employees where their performance is compared against their elements and standards. Ongoing monitoring provides the opportunity to check how well employees are meeting pre-determined standards and to make changes to unrealistic or problematic standards. And by monitoring continually unacceptable performance can be identified at any time during the appraisal period and assistance provided to address such performance rather than wait until the end of the period when summary rating levels are assigned.

2.4.5 Employee Effectiveness and Efficiency

Fru et al (1998) identify two overriding issues associated with measuring employee performance. They are employee effectiveness and employee efficiency. To them employee effectiveness is a measure of the degree to which an employee achieves his/her set objectives and goals. The key is that an employee is effective if he/she achieves his/her objectives and goals. Efficiency has to do with the employee achieving his/her objectives or set goals with a proportionally few resources. Effectiveness and efficiency are related to the extent that one complements the other towards the achievement of the organizational goals.

2.5 Important studies about leadership and employees' performance

The most important recent studies on the impact of leadership on employees' performance are discussed in the following. Wang Tsui and Xin 2011 analyzed the 125 Chinese firms to study the role of leadership on employees' performance. Their study identified two types of leadership behaviors. These are relational behavior, and task behavior. Further in their study, organizational performance is measured as profitability, sales growth, market share, and competitive status. They found that leader's task related behavior is directly related to organizational performance. Further, Ryan and Tipu 2013 analyzed the 548 participants in Pakistan to study the role of leadership on organizational performance. Their study identified two types of leadership behaviors. These are relational leadership, and task leadership. Further in their study, organizational performance is measured as innovation propensity. Their study found that leader's task related behavior is directly related to organizational performance.

Table 2.1. Important studies about leadership and organizational performance

Studies on the leadership behavior		
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Ryan and Tipu (2013)	Business	Pakistan	Quantitative study	548 participants	There are two types of leadership behavior. These are active leadership and passive leadership. Further, active leadership has strong impact on innovation propensity
Studies	Sector	Countries studied	Research design	Sample	Findings
Wang, Tsui, and Xin (2011)	Business	China	Quantitative study	125 firms	There are two types of leadership behavior. These are relational leadership and task leadership. Further, leader's task related behavior is directly related to organizational performance
Studies on the organizational performance					
Wang, Tsui, and Xin (2011)	Business	China	Quantitative study	125 firms	Organizational performance is measured as profitability, sales growth, market share, and competitive status. Further, leader's task related behavior are directly related to organizational performance
Ryan and Tipu (2013)	Business	Pakistan	Quantitative study	548 participants	Organizational performance is measured as innovation propensity. Further, active leadership has strong impact on innovation propensity
Studies on the impact of leadership on organizational performance					
Wang, Tsui, and Xin (2011)	Business	China	Quantitative study	125 firms	Leader's task related behavior is directly related to organizational performance
Ryan and Tipu (2013)	Business	Pakistan	Quantitative study	548 participants	Active leadership has strong impact on innovation propensity

Source: Anees Ullah Karamat, Impact of Leadership on Organizational Performance, 2013

2.6 Conceptual Framework

The study has one independent variable and two dependent variables. The leadership behavior plays an independent role and leaders commitment and organizational performance as dependent variables. The organizational commitment will be the mediating factor. The questionnaire will be utilized for

this study is Leadership Theory using the Multifactor Leadership Questionnaire and the revised Commitment Scale Items (Allen and Meyer, 1990).

The **Multifactor Leadership Questionnaire (MLQ)** evaluates three different leadership styles: Transformational, Transactional, and Passive-Avoidant. It allows individuals to measure how they perceive themselves with regard to specific leadership behaviors (using the Leader/Self form), but the heart of the MLQ comes in the rater/other feedback that is enabled with the Rater form. The employees performance questionnaire was developed taken from the research of Campbell (1990), which focuses the improvement of individual work performance.

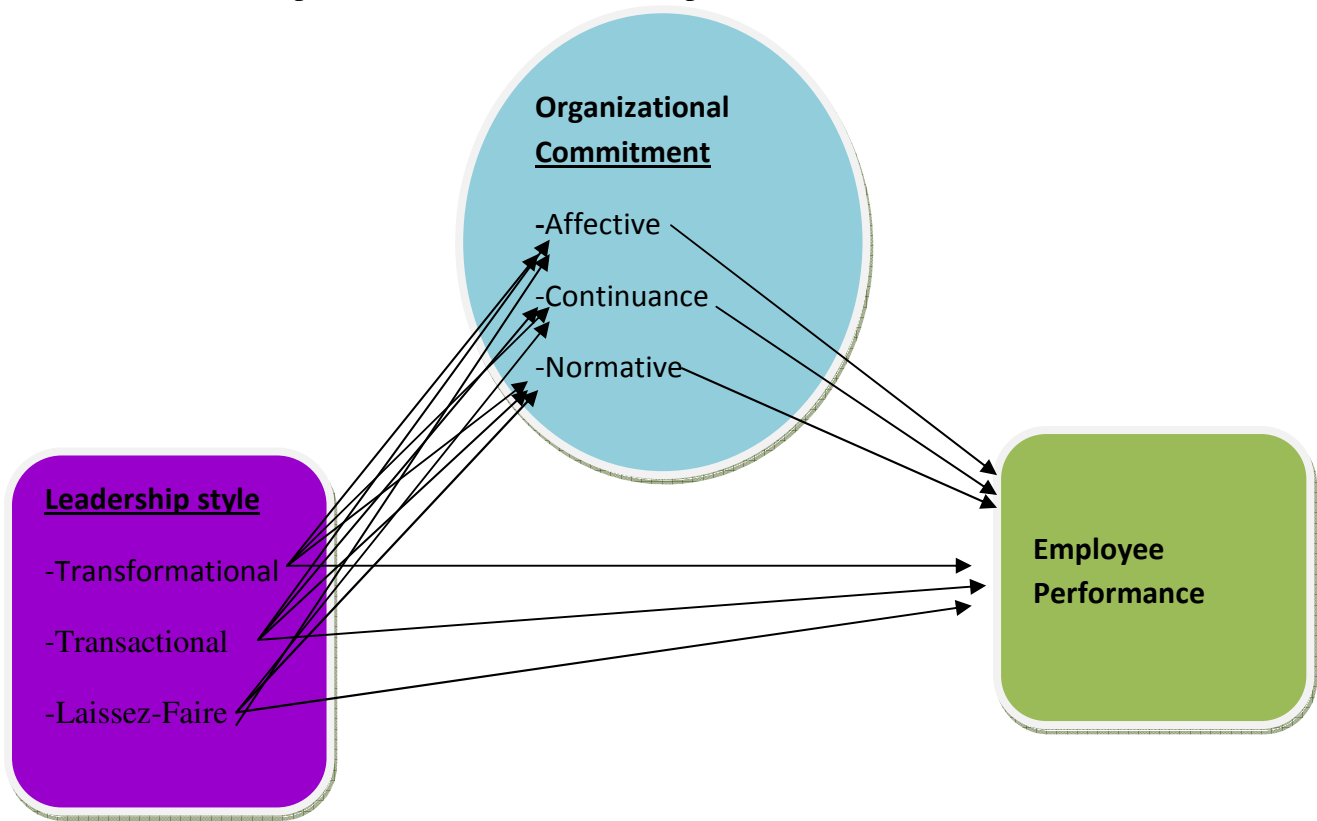


Figure- 2.1-own research, 2016

The above figure indicates that the direct relationship between leadership behaviors and individuals performance. Moreover, it indicates the relationship between leadership behaviors and individual performance through organizational commitment. This implies that one variable affects a second variable that, in turn, affects a third variable. The intervening variable, “organizational commitment”

is the mediator. It “mediates” the relationship between a predictor, “leadership behaviors”, and an outcome, the “individual performance”.

The leadership behaviors consists of transformational, transactional and laissez faire behaviors. The organizational commitment includes three dimensions, namely affective, normative and continuance commitment. Task performance and contextual performance are the components of the individual performance.

III

RESEARCH METHODOLOGY

3.1 Research Design

This research study focuses on describing the type of leadership behavior exercised in Commercial Bank of Ethiopia across the branches. In addition, the various leadership behaviors were examined for their effect on the commitment of employees and, thereby, their performance. Therefore, the research is essentially both descriptive (as in describing the extent to which the different leadership behaviors are demonstrated in the branches and the level of the various types of commitment exhibited) and explanatory (as in the leadership behaviors being scrutinized for their effect on follower commitment and performance). The leadership behaviors that are to be identified later in this chapter are used as independent variables in conducting the explanatory analysis while commitment and performance were generally treated as dependent variables. In addition commitment issues were treated as mediators between leadership behavior and employee performance in various instances.

3.2 The study Area

Branches of Commercial Bank of Ethiopia in Addis Ababa area were selected for their convenience due to proximity. However, it should be noted that, taking account of the generally similar nature of all the branches across Ethiopia, representativeness of the sample branches for the entire country is largely maintained.

3.3 Source of Data and Data Collection Instruments

The primary data were collected through questionnaires from the employees of commercial Bank of Ethiopia, which would be distributed by enumerators to the respondents. Four enumerators were involved in the data collection and proper training and explanations were given to enumerators about the objective of the study and contents of the questions of the instruments. Secondary data were collected from CBE various departments like Human Resource Management, Human Resource Development, Office of Strategy Management and Business Development.

The instrument used in this study was a close-ended questionnaire that was developed through the adaptation and modification of instruments from previous studies. As discussed in detail in the literature part, various scholars such as Bass (1990) have considered three popular behaviors of leaders, namely, transactional behavior, transformational behavior and laissez faire. Bass (1990) has gone so far as to develop a measurement instrument to measure these same leadership behaviors which are indeed adopted by this researcher. Bass's questioner, referred to as Multifactor Leadership Questionnaire (MLQ), constitutes 21 item-scales of which six of them represent question items for transactional behavior, 12 items for transformational and three items for laissez faire. Bass himself has tested the questionnaire for its validity and reliability and proved it right this researcher has also confirmed the reliability and validity just in case. The results of the test, as turned out after the actual data were gathered, is presented below in table 3.2.

To measure organizational commitment, 24-item scale was taken from Meyer and Allen (1991) which a popular and reliable measure of organizational commitment on the area. Further, employee performance questionnaires were adapted from distinct scales which were developed by Campbell (1990) with 13-items of which five of the items were directed toward measuring employee task performance and the remaining eight measured the contextual performance issues.

Responses for commitment and performance appeared in a Likert-type scale where respondents were provided with response options of *strongly disagree, disagree, Neutral, Agree, and strongly agree*, with a numeric value of 1 to 5 respectively. As for responses for the question items pertinent to leadership behaviors a slight modification has been made on the Likert - scale where the numbers from 1 to 5 represent *not at all, once in a while, sometimes, fairly often, frequently, and if not always*

The measuring instrument can be described as a self-report questionnaire, which the participants had to indicate the degree to which they agreed or disagreed with each statement in every dimension in the questionnaire.

The usage of this particular scaling method ensured that the research study illustrated the ability to assess the responses and measure the responses quantifiably so that a pattern or trend may be produced in order to answer the research questions.

3.4 Sampling Design

3.4.1 Target Population

For this study, Employees of Commercial Bank of Ethiopia working at different branches of Addis Ababa Area were selected as a population. The total population of the study is 9,526 employees of which about 7000 are working in the branches. The population of the study consists only of employees who are working in the branches of CBE in Addis Ababa. However, the employees working for CBE at Head Office and District level were not included in this study.

3.4.2 Sampling procedure

The focal area of the survey is to assess the relationship of leadership behaviors with organizational commitment and employees' Performance in CBE whilst describing each variable and dimension regarding to leadership behavior, commitment and performance. The various documents of CBE indicate that performance varies from branch to branch despite the fact that the branches of CBE operate in a similar manner with respect to policies and practices. Similarly, it was assumed that the opinion of employees could be varied from branch to branch towards leadership behavior, since the research's assumption the leadership behavior is different from branch to branch. By considering this assumption to get valid representative of the targeted population, the survey utilized proportional stratified random sampling technique. Forty branches were randomly selected which, in retrospect, turned out to have fairly represented all the four districts. Then from each selected branch, employees with less than one year experience (about 1500 employees) were purposely excluded on the grounds that they did not have adequate exposure to the Bank to provide reasonable responses. Finally, about eight percent from each branch constituting about 5500 non fresh employees have been approached randomly as sample members. As a result, about 420 sample members were contacted. The computation of the size of the sample is described just below. The researcher has deliberately increased the sample size from 373 (which is the result of the formula) to 420 just to be safe.

3.4.3 Sample size determination and selection

To determine the sample size and representative of the target population, the study uses statistical instrument formula. The mathematical formula is adopted from Glenn D. Israel(1992).

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

N=total target population n= sample size e= margin error

The study assumes that the margin of error 5% and confidence level or error free of 95%.

Using the above portrayed statistical formula, the sample size of study was determined as follows.

$$n = \frac{N}{1 + Ne^2} = \frac{5500}{1 + 9526(0.05^2)} = 373$$

Therefore, sample size for targeted population of the study was 373 employees.

3.5 Data Analysis and Interpretation

After collecting the distributed questionnaire, data were properly organized and prepared for codification. Following this, the coded data were fed to SPSS software program. The data were analyzed using descriptive statistics (such as mean, standard deviation) to describe the demographic characteristics. In addition to this, descriptive analyses have also been conducted on the level of the different leadership behaviors, commitment issues and employee performance.

ANOVA analysis were undertaken to assess the relationship between the demographic variables and organizational commitment and performance. Correlation analysis statistical tools were employed to examine the relationship between leadership behavior with organizational commitment and employees' performance. Moreover, regression analysis was employed to determine the effect of independent variable (leadership behavior) on dependent variable (employees' performance and organization commitment). This statistical tools just mentioned were put to use by applying SPSS version 20.

Table 3.1 Dependent and Independent Variables

Dependent Measures (Criterion)			
<i>Instrument</i>	<i>Variables</i>	<i>Scales</i>	<i>Contributed by</i>
Leadership Behavior Questionnaire(LBQ)	Transformational	Idealized Influence (Attribute & Behavior) Inspirational Motivation Intellectual Stimulation Individual Consideration	Bass & Avolio (1997)
	Transactional	Contingent Reward Management-by-Exception	
	Laissez-Faire	Laissez-Faire	
Organizational Commitment Questionnaire (OCQ)	Organizational Commitment	Affective Commitment Continuance Commitment Normative Commitment	Meyer & Allen (1997)
Individual Work Performance Questionnaire(IWPQ)	Employees Performance	Task Performance Contextual performance	Campbell (1990)

3.6 Validity and Reliability

Validity is the degree to which a measure accurately represents what it is supposed to .It is concerned with how well the concept is defined by the measure(s). Therefore this study tried to addresses validity through the review of literature and adapting instruments used in previous research. Moreover, pre -test of questionnaire was conducted to 38 respondents based on the information obtained some adjustment was made .On the other hand reliability is concerned with the internal consistency of the items. Hair et al. (2007) defined reliability as the extents to which a variable or a set of variable is consistent in what it is extended to measure. As the current study uses multiple items in all variables, internal consistency analysis was carried out through Cronbach alpha reliability tests. Duffy, and Kilbourne (2001) asserted, Cronbac's α measure the consistency with which participants answer items within a scale. Duffy et al. (2001) further stated, a high α (greater than .70) indicates that the items within a scale are measuring the same Construct. SPSS version 20 used to produce the values for Cronbach's α . The results of the reliability analysis are presented in below table. Based on the results of the reliability analysis, one can conclude that the items are internal consistence. Here under is reproduced the validity and reliability table which has been represented in table 3.2 in the data collection instrument section.

Table 3.2 Reliability Analysis of the Items

No.	Description	Cronbach's Alpha	Number of Items
1	Leadership behavior	0.926	21
2	Organizational Commitment	0.831	24
3	Employees Performance	0.922	13

Source: Survey, 2016

3.7 Ethical Considerations

- There are certain ethical protocols that have been followed by the researcher. The first is soliciting explicit consent from the respondents. This ensures that their participation to the study is not out of their own volition. The researcher also ensured that the respondents were aware of the objectives of the research and their contribution to its completion. One other ethical measure exercised by researcher is treating the respondents with respect and courtesy (Leary2004). This was done so that the respondents were at ease and more likely to give honest responses to the questionnaire. There were also ethical measures that have been followed in the data analysis. To ensure the integrity of data, the researcher checked the accuracy of encoding of the survey responses. This was carried out to ensure that the statistics generated from the study are truthful and verifiable (Leary2004).

IV

DATA PRESENTATION AND ANALYSES

4.1 Introduction

In this chapter, the study attempted to examine the Relationship between leadership behavior and employees' performance: mediating organizational commitment. Therefore, the findings of the study were presented and analyzed in this chapter. The questionnaire were developed in five scales ranging from five to one; where 5 represents Strongly agree, 4 agree, 3 Neutral, 2 disagree, and 1 strongly disagree. Therefore the questionnaire developed for this study was likert scale in nature. The study used correlation analysis to measure the degree of association between different variables under consideration .Regression Analysis was also used to test the effect of independent variable on dependent variable. For the study, 420 questionnaires were distributed to employees and 408 (97%) questionnaire were obtained valid and used for analysis. The collected data were presented and analyzed using SPSS 20 software version.

4.2 Demographic Background of the Respondents

The demographic profile of the respondents was presented in this section. The personal profile of the respondents were analyzed as per their gender, age, levels of educational achievements, and years of service in the organization and service year in the working environment of the branches. Descriptive statistics were performed on the demographic variables as a means of describing the respondents. In addition, statistical test was conducted to investigate the difference of organizational commitment and individual performance.

4.2.1 Gender

Table: 4.1 Gender,

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
F	133	32.5	32.5	32.5
M	275	67.5	67.5	100.0
Tota	408	100.0	100.0	
1				

Source, Survey 2016

The above table 4.1 indicated about gender of the respondents and from the targeted respondents 133 employees (32.5%) are female and the remaining 275 (67.5%) are male employees.

4.2.2 Age

Table:4.2 Age,

		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	20-30	227	55.6	55.6	55.6
	31-40	130	31.9	31.9	87.5
	41-50	32	7.8	7.8	95.3
	51-55	18	4.4	4.4	99.8
	>55	1	.2	.2	100.0
	Total	408	100.0	100.0	

Source Survey 2016

The above table 4.2 indicated that 227(55.6%) of the respondents are from age 20-30, 130 (31.9%) of the respondents are between 31-40 age category, 32(7.8%) of the respondents are between 41-50 age category, 18(4.4%) of the respondents are between 51-55 age category and only 1 respondent is above 55 age.

4.2.3 Working experience in the bank

Table:4.3 Experience of the respondent ,

SERVICE YEAR					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3	135	33.1	33.1	33.1
	4-6	114	27.9	27.9	61.0
	7-10	78	19.1	19.1	80.1
	>10	81	19.9	19.9	100.0
	Total	408	100.0	100.0	

Source, Survey 2016

Table 4.3 indicated about work experience, the subjects were divided into four groups according to the number of years service with the organization (group1: 1 to 3 year, group 2: 4 to 6 years, group 3: 7 to 10 years, and group 4: 10 years+). The number respondents whose service in the Bank below 10 years is 80% and 249 respondents have below 6 year service year.

4.3 Descriptive Analysis

Table 4.4 No of valid Responses

		Transfor mational	Transaction al	Laissez fairea	Affective commitm ent	Normat ive commit ment	Contin uance commi tment
N	Valid	408	408	408	408	408	408
	Missing	0	0	0	0	0	0

Source, Survey 2016

About 420 questionnaires have been distributed of which about 408 were successfully returned. Table 4.4 above shows the number of question items properly filled and the dimensions of dependent and independent variables except for employee performance.

Table 4.5 Responses on the level of transformational leader

Values	Frequency	percent	Cumulative percent
1-2	22	5.4	5.4
>2-3	97	23.8	29.2
>3-4	209	51.2	80.4
>4-5	76	18.6	100
Total	408	100	

Source Survey 2016

About 12 question items that were related to measuring the transformational leadership behavior of their respective bosses were posed to respondent employees. As can be seen in table 4.5, the bulk majority (51%) of the respondents fall within the range of 3 to 4 in a response provided in a Likert scale that ranges between 1 to 5 whose mid point is 3. Also we can see that a sizable portion of the respondents (23.8%) rated the degree of their bosses to demonstrate transformational behavior as falling between 2 and 3.

From this we can say that leaders in CBE at branch level are only moderately transformative (not so transformative) as only 18 percent of the respondents rated them above 4 in a five point scale.

Table 4.6 Transactional leadership,

Values	Frequency	percent	Cumulative percent
1-2	18	4.4	4.4
2-3	110	27	31.4
3-4	218	53	84.4
4-5	62	15.2	100
Total	408	100	

Source survey 2016

Table 4.6 above demonstrates the response of the employees that were contacted on the behavior of their respective leaders on the degree to which they exhibit transactional leadership. As it turned out about 53% of the respondents rated their leaders within the range of 3 to 4 while only 15% of them rated their bosses between 4 to 5 regarding level of transactional leadership. comparatively we can say that there is a little more transformational leadership than transactional leadership in CBE (comparing 18 percent for transformational leadership and 15 percent for transactional leadership rating between 4 to 5) while we can generally say that both of them exist only moderately. Given the delicate nature of the industry leaders at branch level are expected to be way more transactional than transformational which is not substantially the case in CBE

Table 4.7 Laissez Faire Leadership,

Values	Frequency	percent	Cumulative percent
1-2	58	14.2	14.2
2-3	148	36.2	50.4
3-4	164	40	90.4
4-5	38	9.4	100
Total	408	100	

Source survey 2016

Table 4.7 above shows distribution of responses pertaining to level of laissez faire behavior exercised in CBE at branch level. Accordingly, we can see that the majority (50.4%) rated their leaders below the median point of 3. Even so, we can infer that a sizable portion of the respondents rated their leaders above the median point that is generally risky in leading people working on financial matters at branch level where the majority of the employees do have only first degree or below. As laissez faire leadership is based on a rather low level of control, it can be very well regarded as inappropriate at the lower level in the financial sector.

Table 4.8 Affective commitment,

Values	Frequency	percent	Cumulative percent
1-2	14	3.4	3.4
2-3	182	45	48.4
3-4	174	43	91.8
4-5	32	8	100
Total	408	100	

Source Survey 2016

Literature hold it that affective commitment is the strongest in terms of predicting turnover, absenteeism and deviant work place behavior. This is a commitment out of love and affection to one's own organization. Unfortunately in CBE, as shown in Table 4.8 above, about half (48.4%) of the employees have rated their affective commitment well below the median point of 3.

Table 4.9 Normative commitment,

Values	Frequency	percent	Cumulative percent
1-2	36	8.8	8.8
2-3	174	42.6	51.4
3-4	161	39.5	90.9
4-5	37	9.1	100
Total	408	100	

Source survey 2016

Normative commitment develops as employees feel they are indebted to their organization in some form. For example, an employee may develop a normative commitment if he/she feels that he/she received a rather good treatment in terms of, say, facilitation by the organization for his/her education etc. Again here CBE is not lucky as the majority of the respondents (51.4%) rated their normative commitment way below the median point.

Table 4.10 Continuance commitment,

Values	Frequency	percent	Cumulative percent
1-2	21	5.1	5.1
2-3	153	37.5	42.6
3-4	202	49.5	92.4
4-5	32	7.5	100
Total	408	100	

Source Survey 2016

Continuance commitment is exhibited when an employee feels that leaving the organization he is currently working for will put him in a worse situation by way of, for example, leaving him/her unemployed. Continuance commitment turned out to be one of the three commitments exhibited in CBE with a rather greater extent than any of the remaining two. One can refer to table 4.10 above to find out that about 57% of the respondents rated their continuance commitment well above the median point of 3. While commitment in any form is beneficial for an organization under normal circumstances continuance commitment is not obviously the most preferred one as employees are committed to stay only because they don't have much alternatives - and one can imagine how productive a person with little alternatives may be.

Table 4.11 Summary of responses on the various dimensions of the study

	Descriptive statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Transformational	408	1.00	5.00	3.3885	.77678
Transactional	408	1.00	5.00	3.3917	.70074
Laissez faire	408	1.00	5.00	3.0777	.86272
Affective commitment	408	1.00	5.00	3.1784	.64566
Normative commitment	408	1.00	5.00	3.0331	.70509
Continuance commitment	408	1.00	5.00	3.1373	.65526
Valid n (listwise)	408				

Source survey 2016

Table 4.11 above summarizes the reactions of respondents on the various question items that were later associated to the various dimensions addressed in this study. Accordingly, we can see from the table that of the three leadership behaviors examined in this study the laissez faire is rated as a leadership behavior exhibited the least while transformational and transactional behaviors were rated at almost same level (about 3.9 in a Likert type scale ranging between 1 and 5). Another thing that can be observed here is the fact that these leadership styles are generally rated to have been exhibited in a rather inadequate level which is not above 4.

As for the commitment issues, the table shows that all of the three types of commitments were exhibited in a rather low level with normative commitment being the worst (just above the median point of 3). Though not safe at this point, one can attribute this for the leadership styles that were rated generally at low level.

Table 4.12 Employees own performance rating

	N	Minimum	Maximum	Mean	Std. Deviation
Task performance	408	1	5	3.8	0.7118
Contextual performance	408	1	5	3.84	0.7533
Valid N (listwise)	408				

Source survey 2016

There were 13 question items directed toward measuring the performance of employees by way of self reporting. five of the 13 question items were used to measure the task performance of employees while the remaining eight were meant for measuring their contextual performance. As can be seen in table 1.12 above, employee respondents rated both their task and contextual performance at about 3.8.

4.4 Variance Analysis

Table 4.13 T-test-Comparing employees performance and organizational commitment by gender,

Group Statistics						
	GENDER	N	Mean	Std. Deviation	Std. Error Mean	
Commitment	M	273	75.37	13.242	.801	
	F	134	73.16	13.296	1.149	
Employees' performance	M	273	50.81	8.677	.525	
	F	134	47.68	9.139	.789	

Source Survey 2016

As shown in the above Table 4.5, the commitment mean score for male employees is 75.37 with Std. Deviation of 13.242 and the female commitment mean score is 73.16 with Std. Deviation of 13.296. Thus, it indicates that male employees reported higher organizational commitment score than female employees. Moreover, in relation to employees' performance, the mean score for male is 50.81 with Std. Deviation of 8.677 and the female mean score is 47.68 with Std. Deviation of 9.139. Thus, still the male employees reported higher employees' performance score than female employees.

Table 4.14 Independent Sample T-tests for organizational commitment and performance based on gender.

Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	
Commitment	Equal variances assumed	.186	.667	1.582	405	.114	2.213	1.399	
	Equal variances not assumed			1.580	263.485	.115	2.213	1.401	
Employees' performance	Equal variances assumed	.301	.583	3.357	405	.001	3.127	.932	
	Equal variances not assumed			3.298	252.579	.001	3.127	.948	

Source Survey 2016

As it is noted in the above Table 4.6, the organizational commitment t-test result indicates that there is a statistically insignificance and the null hypothesis is accepted at (t, 1.582; df, 405; $p > 0.05$). Therefore, we cannot dare to say there is commitment difference based on gender. Moreover, concerning the employees' performance, t-test result indicates that there is a statistically significance and the null hypothesis fails to accept (t, 3.357; df, 405; $p < 0.05$). Therefore, at 5% significance level we can dare to say there is performance difference based on gender and male staff is more performed than female staff.

Table 4.15 ANOVA-Comparing employees performance and organizational commitment by Working experience in the bank,

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
Commitment	Between Groups	2124.574	3	708.191	4.112	.007
	Within Groups	69583.298	404	172.236		
	Total	71707.873	407			
Employees' performance	Between Groups	1071.422	3	357.141	4.591	.004
	Within Groups	31428.517	404	77.793		
	Total	32499.939	407			

Source Survey 2016

ANOVA analysis made to examine and understand relationship between the lengths of employee's years of service and the reported score of organizational commitment and employees' performance. Hypothesis states that there is no difference between the service length and employees' performance and organizational commitment. In order to understand the clear relationship between length of service year and employees' performance and organizational commitment, the study includes four service year categories with ranges as follows 1-3, 4-6, 7-10 and >10 years of service length. As we can observe from the result of the above Table 4.15, organizational commitment ($F=4.112$ $p<0.05$), thus the result indicates that there is statistical significance relationship between length of service and organizational commitment. Therefore, the null hypothesis fails to accept. Moreover, employees' performance ($F=4.591$ $p<0.05$), thus the result indicates that there is statistical significance relationship between length of service and employees' performance. Therefore, the null hypothesis fails to accept. In addition, Post-hoc comparisons of organizational commitment, employees' performance and length of service using the Bonferroni (see appendix) indicated that as length of service increases similarly the organizational commitment employees' performance increases.

Table 4.16 ANOVA-Comparing employees’ performance and organizational commitment by educational background,

ANOVA						
		Sum of ' Squares	Df	Mean Square	F	Sig.
Commitment	Between Groups	22.980	2	11.490	.065	.937
	Within Groups	71684.892	405	177.000		
	Total	71707.873	407			
Employees’ performance	Between Groups	32.613	2	16.307	.203	.816
	Within Groups	32467.326	405	80.166		
	Total	32499.939	407			

Source Survey 2016

ANOVA analysis is made to examine relationship between the educational background and the reported score of organizational commitment and employees’ performance. Hypothesis states that there is no difference between the educational background and employees’ performance and organizational commitment. In order to understand the clear relationship between educational background and employees’ performance and organizational commitment, the study includes three categories with ranges as follows diploma and less, degree, masters and above. As we can observe from the result of Table 4.16, organizational commitment (F=0.065, p>0.05,) and employees’ performance (F=0.203, p>0.05,) thus the result indicates that there is statistical insignificance relationship between educational background and, employees’ performance and organizational commitment. Therefore, the null hypothesis is accepted.

Table 4.17 ANOVA-Comparing employees’ performance and organizational commitment by salary level

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
Commitment	Between Groups	923.564	4	230.891	1.315	.264
	Within Groups	70784.309	403	175.643		
	Total	71707.873	407			
Employees’ performance	Between Groups	541.804	4	135.451	1.708	.147
	Within Groups	31958.135	403	79.301		
	Total	32499.939	407			

Source Survey 2016

ANOVA analysis is made to examine and understand relationship between the salary level and the reported score of organizational commitment and employees’ performance. Hypothesis states that there is no difference between the salary level and employees’ performance and organizational commitment.

In order to understand the clear relationship between salary level and employees’ performance and organizational commitment, the study includes five categories with ranges as follows 2935-3000, 3001-5000, 5001-7000. 7001-10,000, >10.000.

As we can observe from the result of Table 4.17, organizational commitment (F=1.315, p>0.05,) and employees’ performance (F=1.708, p>0.05,) thus the result indicates that there is statistical insignificance relationship between salary level and, employees’ performance and organizational commitment. Therefore, the null hypothesis is accepted.

4.5 Relationship (correlation) analysis

Table 4.18 Relationship between transformational leadership behavior and organizational commitment dimensions, source

		Affective commitment	Continuance commitment	Normative commitment
Transformational leaders	Pearson Correlation	.374**	.204**	.340**
	Sig. (2-tailed)	.000	.000	.000
	N	408	408	408

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

Source Survey 2016

In testing hypothesis, which stated that there is a positive relationship between transformational leadership and affective, continuance and normative commitment in CBE staff. The above table indicated Significant positive relationship was obtained between the transformational leadership behavior and affective commitment ($r=.374$, $p=.000$). Results also confirms a positive and significant relationship between transformational leadership behavior and normative commitment($r=.340$, $p=.000$). However, there was weak relationship (nearly to zero) between transformational leadership behavior and continuance commitment even though it is significant ($r=.204$, $p=.000$).

The above result of table 4.18, it is supported by Hayward, Goss and Tolmay (2004) and M. Wiza and N. Hlanganipai (2014) who found that transformational leadership has positive correlation with affective commitment. However, in contrary to Hayward, Goss and Tolmay (2004), M. Wiza, and N. Hlanganipai (2014), there was weak relationship between transformational leadership behavior and continuance commitment. This implies that the as transformational leadership improves; the more employees are willing to stay in the organization.

Table 4.19 Relationship between transactional leadership styles and organizational commitment dimensions

		Affective	Continuance	Normative
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		commitment	commitment	commitment
Transactional leaders	Pearson	.417**	.201**	.372**
	Correlation			
	Sig. (2-tailed)	.000	.000	.000
	N	408	408	408

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

Source Survey 2016

The second hypotheses examined whether there is a positive relationship between transactional leadership and employees’ affective, continuance and normative commitment. Table able 4.19 presents the results of the relationships. Significant positive relationship was obtained between the transactional leadership behavior and affective commitment ($r=.417, p=.000$). Results also reveals a positive and significant relationship between transactional leadership behavior and normative commitment ($r=.372, p=.000$). However, there was still weak but even statistically significant relationship (nearly to zero) between transactional leadership behavior and continuance commitment ($r=.201, p=.000$).

The above result is supported by Hayward, Goss and Tolmay (2004) and M. Wiza and N. Hlanganipai (2014) who found that transactional leadership has positive correlation with affective and normative commitment. However, in contrary to Hayward, Goss and Tolmay (2004), M. Wiza, and N. Hlanganipai (2014), there was weak relationship between transactional leadership behavior and continuance commitment.

Table 4.20 The relationship between laissez- faire leadership and commitment dimensions.

Correlations				
		Affective commitment	Continuance commitment	Normative commitment
Laissze faire leaders	Pearson	.378**	.362**	.386**
	Correlation			
	Sig. (2-tailed)	.000	.000	.000
	N	408	408	408
** .Correlation is significant at the 0.01 level (2-tailed)				

Source survey 2016

The third hypotheses examined whether there is a positive relationship between laissez faire leadership and employees' affective, continuance and normative commitment.

In the above table 4.20, the results show laissez- faire leadership behavior is positively and significantly related to employees' affective ($r=0.378$, $p<.000$), continuance ($r=0.362$, $p<.000$), and normative commitment ($r=0.386$, $p<.000$).

This finding supported by Cemal zehir, Yasin Sehitoglu and Ebru Erdogan (2012) who found that Laissez- faire leadership have significant effect on the overall commitment.

Table 4.21 The relationship between leadership behavior dimensions and employees' performance.

Correlations				
		Transformational leaders	Transactional leaders	Laissez faire leaders
Employees' performance	Pearson Correlation	.376**	.368**	.276**
	Sig. (2-tailed)	.000	.000	.000
	N	408	408	408

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

Source survey 2016

The above table 4.21 indicated the relationship between performance and leadership behavior dimensions.

The results show transformational and transactional leadership behavior is positively related to employees' performance ($r=0.376$, $p<.000$) and ($r=0.368$, $p<.000$) respectively. However, there is weak but statistically significant relationship between laissez faire leadership behavior ($r=0.276$, $p<.001$) with employees' performance.

Cemal zehir, Yasin Sehitoglu and Ebru Erdogan (2012) found in their study that Transformational and Laissez-Faire leadership behaviors are related to employees' performance but Transactional leadership that has no relationship with performance.

In parallel to this finding Peris M. Koech & . G.S Namusong,(2012) identified that transformational-leadership relatively are higher related to employees' performance than

transactional-leadership behaviors but in the other side Laissez-faire leadership behavior is not significantly correlated to employees' performance.

Table 4.22 The relationship between employees' performance and commitment dimensions.

Correlations				
		Affective commitment	Continuance commitment	Normative commitment
Employees, performance	Pearson Correlation	.304**	.245**	.363**
	Sig. (2-tailed)	.000	.000	.000
	N	408	408	408
	**Correlation is significant at the 0.01 level (2-tailed)			

Source survey 2016

The above table 4.22 examined whether there is a positive relationship between employees' performance and employees' affective, continuance and normative commitment.

The results revealed that affective commitment ($r=0.304$, $p<.000$) and normative commitment ($r=0.363$, $p<.000$) are positively and significantly related to employees' performance. Nevertheless, continuance commitment ($r=0.245$, $p<.000$) is weak but significantly related to employees performance. Grube, & Castaneda, (2004) have reported that the continuance commitment have lower correlation than the affective commitment and normative commitment on performance.

Table 4.23 The relationship between organizational commitment and employees' performance

Correlation		Employees' performance	Commitment
Employees' performance	Pearson Correlation	1	.370**
	Sig. (2-tailed)		.000
	N	408	408
Organizational Commitment	Pearson Correlation	.370**	1
	Sig. (2-tailed)	.000	
	N	408	408

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

Source survey 2016

The above table 4.23 indicated the relationship between organizational commitment and employees' performance.

The result indicated the overall organizational commitment is positively and significantly related to ($r=0.370$, $p<.000$) employees' performance.

In the case of the relationship between organizational commitment and employees' performance there is a positive significant relation was found by Cemal zehir, Yasin Sehitoglu and Ebru Erdogan (2012) supporting the above finding.

4.6 Prediction (Regression) Analysis

Multi-collinearity

For multiple regressions, the researcher was checked the collinearity problem with the assumption of tolerance and VIF statistics. Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious collinearity problem. (Liu2010) also suggests that a VIF value greater than 10 is because for concern and in these research data the values are below 10 for all predictors. It seems from these values that there is not an issue of co linearity between the predictor variables. This means that the derived model is likely to be unchanged by small changes in the measured variables. Higher VIFs mean more severe multicollinearity. More over the Rule of thumb: VIFs (β_i) >5 indicates severe multicollinearity.

Table 4.24 Test for Multicollinearity

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Transformational Leadership	.378	2.647
	Transactional Leadership	.373	2.678
	Laissze Faire Leadership	.545	1.834
	Affective Commitment	.625	1.599
	Continuance Commitment	.600	1.668
	Normative Commitment	.619	1.617

Dependent Variable: employees' performance

The researched checked through Tolerance and VIF and the above table result indicated that there is no multicollinearity between the variables

Table 4.25 The regression of transformational leadership behavior to employees' performance

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.361	.044	8.173	.000	.139
a. Predictors: transformational leadership					
b. Dependent variable: employees' performance					

Source survey 2016

As shown in Table 4.25 transformational leadership behavior positively and significantly affects to employees' performance ($\beta=0.361$, $p<0.000$). Moreover, the Adjusted R square value of 0.139 confirming that, 13.9% of the variation in employees' performance is explained by transformational leadership style.

Table 4.26 The regression of transactional leadership behavior to employees' performance

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.778	.098	7.963	.000	.135
a. Predictors: transactional leadership					
b. Dependent variable: employees' performance					

Source survey 2016

As shown in Table 4.26, transactional leadership behavior positively and significantly affects to employees' performance ($\beta=0.778$, $p<0.000$). In addition, Adjusted the R square value of 0.135 confirming that, 13.5% of the variation in employees' performance is explained by transactional leadership style.

Table 4.27 The regression of laissez faire leadership behavior to employees' performance

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.956	.165	5.793	.000	.074
a. Predictors: laissez faire-leadership					
b. Dependent variable: employees' performance					

Source survey 2016

As shown in Table 4.27, laissez faire leadership behavior positively and significantly affects to employees' performance ($\beta=0.956$, $p<0.000$). In addition, the Adjusted R square value of 0.074 confirming that, 7.4% of the variation in employees' performance is explained by laissez faire leadership style.

Table 4.28 The regression of affective commitment to employees' performance

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.527	.082	6.434	.000	.090
a. Predictors: affective commitment					
b. Dependent variable: employees' performance					

Source survey 2016

As shown in Table 4.28, affective commitment positively and significantly affects to employees' performance ($\beta=0.527$, $p<0.000$). In addition, the Adjusted R square value of 0.090 confirming that, 9% of the variation in employees' performance is explained by affective commitment.

Table 4.29 The regression of continuance commitment to employees' performance

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.376	.074	5.093	.000	.058
a. Predictors: continuance commitment					
b. Dependent variable: employees' performance					

Source survey 2016

As shown in Table 4.29, continuance commitment is positively and significantly affects to employees' performance ($\beta=0.376$, $p<0.000$). In addition, the Adjusted R square value of 0.058 confirming that, 6% of the variation in employees' performance is explained by continuance commitment

Table 4.30 The regression of normative commitment to employees' performance

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.617	.079	7.847	.000	.130
a. Predictors: normative commitment					
b. Dependent variable: employees' performance					

Source survey 2016

As shown in Table 4.30, normative commitment is positively and significantly affects to employees' performance ($\beta=0.617$, $p<0.000$). In addition, the Adjusted R square value of 0.130 confirming that, 13 % of the variation in employees' performance is explained by normative commitment.

Table 4.31The regression of transformational leadership behavior to organizational commitment

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.528	.066	.370	.000	.137
a. Predictors: transformational leadership					
b. Dependent variable: organizational commitment					

Source survey 2016

Regression test was applied to test hypothesis and results were exhibited in Table 4.31 indicating that transformational leadership behavior positively and significantly affects to organizational commitment ($\beta=0.528$, $p<0.000$).

In addition, the Adjusted R square value of 0.137 supporting that, 13.7% of the variation in organizational commitment is explained by transformational leadership style.

Table 4.32 The regression of transactional leadership behavior to organizational commitment

Model	β	Std. Error	T	P-value	Adjusted R Square
1	1.252	.143	8.737	.000	.156
a. Predictors: transactional leadership					
b. Dependent variable: organizational commitment					

Source survey 2016

Regression test was applied to test hypothesis and results were exhibited in Table 4.32 indicating that transactional leadership behavior positively and significantly affects to organizational commitment ($\beta=1.252$, $p<0.000$).

Moreover, the Adjusted R square value of 0.156 supporting that, 15.6% of the variation in organizational commitment is explained by transformational leadership style.

Table 4.33 The regression of laissez-faire leadership behavior to organizational commitment

Model	β	Std. Error	T	P-value	Adjusted R Square
1	2.355	.227	10.391	.000	.208
a. Predictors: laissze faire-leadership					
b. Dependent variable: organizational commitment					

Source survey 2016

Regression test was applied to test hypothesis and results were exhibited in Table 4.33 indicating that laissze faire leadership behavior positively and significantly affects to organizational commitment ($\beta= 2.355, p<0.000$).

Moreover, the Adjusted R square value of 0.210 supporting that, 21% of the variation in organizational commitment is explained by laissze faire leadership style.

4.7. Testing Mediation with Regression Analysis

Mediation is a hypothesized causal chain in which one variable affects a second variable that, in turn, affects a third variable. The intervening variable, M, is the mediator. It “mediates” the relationship between a predictor, X, and an outcome, Y.

Baron and Kenny (1986) proposed a four-step approach in which several regression analyses are conducted and significance of the coefficients is examined at each step.

Following these steps, regression analysis was conducted to determine the mediating effect of organizational commitment on leadership behavior and employees’ performance.

In this study:-

X- Leadership behavior

Y-Employees’ performance

M- Organizational commitment

Step 1, Conduct a simple regression analysis with X (leadership behaviors) predicting Y (employees' performance) to test for the effect of leadership behavior on employees performance

$$Y=B0+BX+e$$

Table 4.34 The regression of leadership behavior to employees' performance independently

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.361	.044	8.173	.000	.139
Dependent variable: employees' performance					
Model 1 predictor : leadership behavior					

Source survey 2016

Simple regression analysis was applied to test the relationship between leadership behavior and employees' performance. The result in the above table 4.34, displays that leadership behavior positively and significantly affects to employees' performance ($\beta=0.361$, $p<0.000$).

Step 2, Conduct a simple regression analysis with X (Leadership behavior) predicting M (Organizational commitment) to test for its significance.

$$M=B0+BX+e$$

Table 4.35 The regression of leadership behavior to organizational commitment

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.528	.066	8.018	.000	.135
a. Predictors: leadership behavior					
b. Dependent variable: organizational commitment					

Source survey 2016

Simple regression analysis was applied to test the effect of leadership behavior on organizational commitment. The result displays in the above table 4.35 that leadership behavior positively and significantly affects organizational commitment ($\beta=0.528$, $p<0.000$).

Step 3; Conduct a simple regression analysis with M (organizational commitment) predicting Y (Employees performance) to test the significance.

$$Y = B_0 + BM + e$$

Table 4.36 The regression of organizational commitment to employees' performance.

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.249	.031	8.015	.000	.134
Dependent variable: Employees' performance predictor : Organizational commitment					

Source survey 2016

Simple regression analysis was made to test the effect of organizational commitment on employees' performance and the above table 4.36, indicated that organizational commitment positively and significantly affects to employees' performance ($\beta=0.249$, $p<0.000$).

Step 4, Conduct a multiple regression analysis with X and M predicting Y

$$Y = B_0 + BX_1 + BM_1 + e$$

Table 4.37 Analyzing the effect of organizational commitment and leadership behavior on employees' performance together

Model		B	Std. Error	T	Sig.
1	Leadership behavior	.266	.046	5.803	.000
	Employees' Commitment	.180	.032	5.595	.000
Dependent variable: Employees performance					
R Square .203, Adjusted R Square .199					

Source survey 2016

In the fourth step, multiple regression analysis was applied to examine the effect of organizational commitment ($\beta=0.266$, $P<.000$) and leadership behaviors ($\beta=0.180$, $P<.000$) on employees' performance. The above table 4.37 indicated that organizational commitment and leadership behavior are positively and significantly affect to employees' performance together.

Calculating the indirect effect of the mediating factor

The purpose of Steps 1-3 is to establish that zero-order relationships among the variables exist. The regression result indicated that there are significant relationships from Steps 1 through 3, and proceeds to Step 4. In the Step 4 model, some form of mediation is supported if the effect of M remains significant after controlling for X. If X is no longer significant when M is controlled, the finding supports *full mediation*. If X is still significant (i.e., both X and M both significantly predict Y), the finding supports *partial mediation*.

Table 4.38 regression of indirect effect of the mediating factor

Model	β	Std. Error	T	P-value	Adjusted R Square
1	.361	.044	8.173	.000	.139
2	.266	.046	5.803	.000	.199

Dependent variable: employees' performance
 Model 1 predictor : leadership behavior
 Model 2 predictor leadership behavior

Source survey 2016

The above table 4.38 indicated that the effect of leadership behavior on employees' performance independently and the result (in model 1) demonstrate that leadership ($\beta=0.361$, $p<0.000$) significantly account for employees' performance.

Second regression, organizational commitment and leadership behavior together as independent variables regresses with the dependent variable, employees' performance. The result (model 2) shows that leadership behavior ($\beta=0.266$, $p<0.000$) sill significantly account for employees' performance but the β value is smaller by 0.095 (from .361 to .266=) after the mediator, organizational

commitment is added. The difference indicates that organizational commitment is affecting as partially mediating variable between leadership behavior and employees' performance.

SUMMARY OF THE ANALYSIS, DISCUSSION OF THE RESULTS AND RECOMMENDATION

5.1 Summary of the Analysis

The main objectives of this research are to see the level at which the leadership behaviors exercised, the different types of organizational commitment exhibited and the level of employee performance at branch level in commercial Bank of Ethiopia. In addition, examination of the interplay among the leadership behaviors, employee commitment and employee performance has been another important objective.

As such, a sample of 420 employees have been contacted out of the 5500 employees working for the CBE with a one year or more experience within the Bank. The sample members have been proved to be representative of demography, experience as well as job types. The instruments used in leadership behavior issues, commitment issues and employee performance issues have not only been adopted from previous researches whose reliability and validity have widely be acclaimed they were also tested for the same by this researcher just in case.

Accordingly, it has been found out that the leadership behaviors of transactional, transformational and laissez faire are generally within the moderate level range being rated little more than the median point of 3 in a Likert type scale that ranged between 1 to 5. Taking account of the delicate nature of the transactions in a bank as a financial institution much of the transformational issues are expected to be dealt with at higher level while much of the leadership is expected to be transactional at the branch level. Unfortunately transactional leadership at the branch levels is exhibited at an almost similar level to the rest of the behaviors.

Affective commitment is generally the most desirable type of commitment as it implies that the organization is able to win the hearts and minds of its employees. Unfortunately in CBE affective commitment turned out to be low (just about the median point of 3). Continuance commitment is relatively higher than the remaining two indicating that much of the commitment of employees in CBE is the result of perceived lack of other alternatives.

It is really surprising to find out that employees substantially rated their own performance within the range of 3 to 4 in a 5 point Likert type scale that ranges from 1 to 5. It is pretty low when one takes into account the self reporting nature of the response.

In addition to the findings generated from the descriptive type of analyses, the relationship among the various variables and dimensions have also been developed and the summary of the findings of the same put forth as follows.

First, ANOVA analysis is made to examine the relationship between organizational commitment and employee's years of service, educational background and salary level. The ANOVA test result indicated a statistically significant relationship between length of service ($F=4.112$ $p<0.05$), and organizational commitment. However, the relationship between educational background ($F=0.065$, $p>0.05$,) and salary level ($F=1.315$, $p>0.05$) with organizational commitment was found to be statistically insignificant.

Second, ANOVA analysis is made to examine the relationship between employees' performance with employee's years of service, educational background and salary level. Thus, the ANOVA test result indicated a statistically significant relationship among lengths of service ($F=4.591$ $p<0.05$) and employees' performance. However, there is statistically insignificant relationship between educational background ($F=0.203$, $p>0.05$,) and salary level ($F=1.708$, $p>0.05$,) with employees' performance.

Correlation analyses have been conducted on the various issues associated with leadership behavior, organizational commitment and employee performance. The summary of such analyses have been generated here under.

The first correlation analysis was conducted to assess the relationship between transformational leadership and organizational commitment dimensions. The result indicated that there is a positive relationship between transformational leadership with affective commitment ($r=.374$, $p=.000$), and normative commitment ($r=.340$, $p=.000$). However, there was weak relationship (nearly to zero) between transformational leadership behavior and continuance commitment ($r=.204$, $p=.000$).

Second, Correlation analysis was conducted to assess the relationship between transactional leadership and organizational commitment dimensions. The result indicated that there is a positive relationship between transactional leadership with affective commitment ($r=.417$, $p=.000$) and normative commitment ($r=.372$, $p=.000$). However, there was still weak relationship between transactional leadership behavior and continuance commitment ($r=.201$, $p=.000$).

Third, Correlation analysis was conducted to assess the relationship between laissez faire leadership and organizational commitment dimensions. The result indicated that there is a positive relationship

between laissez faire leadership with affective commitment ($r=0.378$, $p<.000$), continuance commitment ($r=0.362$, $p<.000$) and normative commitment ($r=0.386$, $p<.000$).

Forth, Correlation analysis was conducted to assess the relationship between employees' performance and leadership behavior dimensions. The results showed that transformational and transactional leadership behavior is positively related to employees' performance ($r=0.376$, $p<.000$) and ($r=0.368$, $p<.000$) respectively. However, there is weak but statistically significant relationship with laissez faire leadership behavior ($r=0.276$, $p<.001$).

Fifth, Correlation analysis was conducted to assess the relationship between employees' performance and organizational commitment dimensions. The results revealed that affective commitment ($r=0.304$, $p<.000$) and normative commitment ($r=0.363$, $p<.000$) are positively and significantly related to employees' performance. Nevertheless, continuance commitment ($r=0.245$, $p<.000$) is weak but significantly related to employees performance.

Lastly regression analyses have been made among variables that have already been used in the correlation analyses. Again the results are summarized as follows.

The first regression analysis was conducted to assess the effect of leadership behavior dimensions on employees' performance. The results revealed that transformational leadership ($\beta=0.361$, $p<0.000$, $R^2 0.139$), transactional leadership ($\beta=0.778$, $p<0.000$, $R^2 0.135$) and laissez faire leadership ($\beta=0.956$, $p<0.000$, $R^2 0.074$) are positively and significantly affected to employees' performance.

Second, regression analysis was conducted to assess the effect of organizational commitment dimensions on employees' performance. The results revealed that affective commitment ($\beta=0.527$, $p<0.000$, $R^2 0.090$), continuance commitment ($\beta=0.376$, $p<0.000$, $R^2 0.058$) and normative commitment ($\beta=0.617$, $p<0.000$, $R^2 0.058$) are positively and significantly affected to employees' performance.

Third regression analysis was conducted to assess the effect of leadership behavior dimensions on organizational commitment. The results revealed that transformational leadership ($\beta=0.528$, $p<0.000$, $R^2 0.137$), transactional leadership ($\beta=1.252$, $p<0.000$, $R^2 0.156$) and laissez faire leadership ($\beta= 2.355$, $p<0.000$, $R^2 0.0210$) are positively and significantly affected to organizational commitment.

Another type of regression was applied to examine whether organizational commitment is a mediator between leadership behavior and employees' performance. At first, organizational commitment is the dependent variable and leadership behavior is the independent variable. The result displays that leadership behavior ($\beta=0.528$, $p<0.000$) positively and significantly account for

organizational commitment . Second, employees' performance is the dependent variable to regress the independent variables leadership behavior. The results demonstrate that leadership ($\beta=0.361$, $p<0.000$) significantly account for employees' performance. Third, jointly organizational commitment and leadership behavior as independent variables regresses with the dependent variable, employees' performance. The result shows that leadership behavior ($\beta=0.266$, $p<0.000$) still significantly account for employees' performance but the β value is smaller (from .361 to .266) after the mediator, organizational commitment is added, there for; organizational commitment plays a mediating role between employees performance and leadership behaviors.

5.2 Discussions and Conclusions

Based on the findings just summarized in section 5.1 the following conclusions have been drawn.

- The level at which all of the leadership behaviors of transactional, transformational exhibited is generally low indicating that leaders are neither adequately transactional nor convincingly transformational. As for the laissez faire behavior its low level of rating is generally commendable as Banks at branch level are not required to let go of things under normal circumstances.
- The level of commitment of employees is also generally low with the affective commitment scoring the least. Despite the fact that the affective type of commitment is the most desirable of the three it has been rated as the worst in CBE implying that CBE has trouble to win the hearts and minds of its employees. The biggest rating in relative terms (though it is also low in absolute terms) has gone to continuance commitment implying that employees are committed basically because they do not have so much alternatives outside of CBE.
- Employees have rated their own performance to be not so adequate which is too much of an alarming issue when one realizes that it is a self report one.
- From the study, it can be concluded that there is positive relationship between transformational leadership and organizational commitment dimensions. Specifically, transformational and transactional leadership behaviors have a positive relationship to affective commitment, followed by normative commitment and then followed by continuance commitment. As the financial sector is relatively, exposed to higher level of operational risk employees should left alone in the name of laissez faire leadership and, this

may be why laissez faire leadership is not having strong relationship with each of the dimensions of commitment. From this, we can very well conclude that both transformational and transactional interaction with employees results in better commitment of all sorts.

- The study concludes that there is positive relationship between leadership behavior dimensions and employees performance. More or less, the relationship between performance with transactional behavior and performance with transformational behavior are the same in terms of magnitude. Nevertheless, the relationship between laissez fair behavior and performance are relatively weak.
- Finally, the research finding concluded that organizational commitment plays as partially mediating role in leadership behavior and employee performance. Thus, it increases the productivity and performance of employees.

5.3 Recommendation

Based on the ideas identified in the *conclusion* section the following recommendations were forwarded

- The low level of both transactional and transformational behavior exhibited in the branches of CBE means that employees were neither exposed for the opportunity for clarity of objectives, method of work and schedule (transactional) nor enjoy the privilege of using their creativity to approach their work flexibly. Especially, the low level of the transactional leadership behavior can be considered as a big blow for the branches of CBE since the industry in general and the branch operation in particular involves higher level of risk requiring higher level of transactional leadership behavior. Therefore, training on supervisory management, continuous feedback system and strong leader member exchange leadership should be administered for leaders.
- In the above conclusion it shows that organizational commitment of all nature is low barely greater than the median value of 3. despite the dire need for affective communication, employees of CBE have said that their affective commitment is very low. affective commitment is an absolute necessity for a sustained performance and a stable work force. It is very much impacted by such critical issues of equity, justice and fair treatment of employees pertaining to the various issues within the organization. Thus, in order for CBE to

improve affective commitment it needs to relook into its performance management system, reward management system and motivational system.

In addition, it has been detected in the correlation and regression analysis that improvement in both transactional; and transformational leadership behavior enhances organizational commitment, especially the affective and the normative ones. Thus, branch managers should put more guidance and support into their leadership endeavor (transactional leadership) whilst enabling their followers to somehow think and do outside the box (transformational leadership style)

- The other finding revealed in this research endeavor is the fact that employees rated their own performance at a rather low level. This implies the strong belief held by employees that performance within CBE could have been made better. So enhancing both the transactional and behavioral leadership behaviors (which were proved to have positive relationship with performance) rather than laissez faire behavior (which is not having a significant relationship with performance) will help a great deal. In a bid to do so, training branch managers on leadership practices as well as reminding them of the importance of the same are commendable.

5.4 Suggestions for Future Research

In future research, it would be interesting to assess relationships and consider alternative modes of enquires such as applying the longitudinal design (e.g. observations or interviews) to determine if the findings tested are likely to be sustained. Further research should also involve a nationwide survey covering samples from the whole population of CBE in Ethiopia. Future studies can benefit by including leadership behaviors and other variables such as motivation, job satisfaction etc. Comparisons can also be made between the private banks and other financial service provider sectors.

Annex

Annex 1 Questionnaire

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINES AND ECONOMICS

DEPARTMENT OF MANAGEMENT

Objectives of the questionnaire:

Dear respondents first I would like to give heartily thanks for your welcome cooperation and devotion of precious time to fill this questionnaire. The survey should take no longer than 15-20 minutes to complete.

The questionnaire primarily designed to collect relevant, crucial and truthful information to address issues in the study entitled **“The relationship between leadership behavior and employee performance - the mediating role of employees' commitment: the case of Addis Ababa”** and to suggest possible recommendations on the trends of the findings. To this end, the research reliability and fruit fullness is highly depends on the information provided by you, to this understanding your honest full information is the foundation and pillar of the study. Your answers to the survey are completely confidential and operate under the ethics standard of the research.

Please Mark symbol x in space of your category

Personal information:

BRANCH -----

Gender: Male Female

Age: 20-30 31-40 41-50 51-60 >60

Service Year: : < 3Years 3-5 Year 6-10 Y >10 Y s

Educational status-Diplo Deg Ma s Do rate

Work experience in the current branch: < 3Ye , 3-5 ars 6 Years 10
Years

Salary in birr: Below 3,000 3,001- 5 5,001- 00 7,00 0,000 , ab
10,000

INSTRUCTIONS: This questionnaire provides a description of your leadership style, Commitment and performance. Judge how frequently each statement fits you. The word others may mean employees of the branch, clients, or group members. Please circle your choice based on the following descriptions.

Thank You for your precious time!!

Please express your level of agreement for your employees' commitment. Thus, please circle what you have selected based on the following description.

KEY

1 Not at all, 2 Once in a while, 3 = Sometimes, 4 = Fairly often, 5 = Frequently, if not always

A/Leadership Behavior(scale item)						
LB1	My leader makes others feel good to be around him	1	2	3	4	5
LB2	My leader expresses with a few simple words what we could and should do	1	2	3	4	5
LB3	My leader enables others to think about old problems in new ways	1	2	3	4	5
LB4	My leader helps others develop themselves	1	2	3	4	5
LB5	My leader tells others what to do if they want t to be rewarded for their work.	1	2	3	4	5
LB6	My leader satisfied when others meet agreed upon standards	1	2	3	4	5
LB7	My leader contents to let others continue working in the same ways always.	1	2	3	4	5
LB8	Others have complete faith in my leader	1	2	3	4	5
LB9	My leader provides appealing images about what we can do	1	2	3	4	5
LB10	My leader provides others with new ways of looking at puzzling things.	1	2	3	4	5
LB11	My leader let others know how he thinks they are doing.	1	2	3	4	5
LB12	My leader provides recognition/rewards when others reach their goals	1	2	3	4	5
LB13	As long as things are working, My leader does not try to change anything.	1	2	3	4	5

LB14	Whatever others want to do is OK with my leader	1	2	3	4	5
LB15	Others are proud to be associated with m my leader.	1	2	3	4	5
LB16	My leader helps others find meaning in their work.	1	2	3	4	5
LB17	My leader gets others to rethink ideas that they had never questioned before.	1	2	3	4	5
LB18	My leader gives personal attention to others who seem rejected.	1	2	3	4	5
LB19	My leader calls attention to what others can get for what they accomplish.	1	2	3	4	5
LB20	My leader tells others the standards they have to know to carry out their work.	1	2	3	4	5
LB21	My leader asks no more of others than what is absolutely essential	1	2	3	4	5

Please express your level of agreement for your employees' commitment. Thus, please circle what you have selected based on the following description.

1=Strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree, 5= Strongly Agree

B/Employees' Commitment						
Affective Commitment(AC) Scale Items						
AC1	I would be very happy to spend the rest of my career with this organization.	1	2	3	4	5
AC2	I enjoy discussing about my organization with people outside it.	1	2	3	4	5
AC3	I really feel as if this organization's problems are my own.	1	2	3	4	5
AC4	I think that I could easily become as attached to another organization as I am to this one.	1	2	3	4	5
AC5	I do not feel like 'part of the family' at my organization.	1	2	3	4	5
AC6	I do not feel 'emotionally attached' to this organization.	1	2	3	4	5
AC7	This organization has a great deal of personal meaning for me.	1	2	3	4	5
AC8	I do not feel a 'strong' sense of belonging to my organization.	1	2	3	4	5
Continuance Commitment(CC) Scale Items						
CC1	I am not afraid of what might happen if I quit my job without having another one lined up.	1	2	3	4	5
CC2	It would be very hard for me to leave my organization right now, even if I wanted to.	1	2	3	4	5
CC3	Too much in my life would be disrupted if I decided to leave my	1	2	3	4	5

	organization now.					
CC4	It wouldn't be too costly for me to leave my organization now.	1	2	3	4	5
CC5	Right now, staying with my organization is a matter of necessity as much as desire.	1	2	3	4	5
CC6	I feel that I have very few options to consider leaving this organization.	1	2	3	4	5
CC7	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.	1	2	3	4	5
CC8	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice—another organization may not match the overall benefits I have here.	1	2	3	4	5
Normative Commitment(NC) Scale Items						
NC1	I think that people these days move from company to company too often.	1	2	3	4	5
NC2	I do not believe that a person must always be loyal to his or her organization.	1	2	3	4	5
NC3	Jumping from organization to organization does not seem at all unethical to me.	1	2	3	4	5
NC4	One of the major reasons I continue to work in this organization is that I believe loyalty is important and therefore feel a sense of moral obligation to remain.	1	2	3	4	5
NC5	If I got another offer for a better job elsewhere I would not feel it was right to leave my organization.	1	2	3	4	5
NC6	I was taught to believe in the value of remaining loyal to one organization.	1	2	3	4	5
NC7	Things were better in the days when people stayed in one organization for most of their careers.	1	2	3	4	5
NC8	I do not think that to be a 'company man' or 'company woman' is sensible anymore.	1	2	3	4	5

Please express your level of agreement for your Performance. Thus, please circle what you have selected based on the following description.

1=Strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree, 5= Strongly Agree

C/Performance

Task Performance(TP) Scale						
TP1	I managed to plan my work so that it was done on time	1	2	3	4	5
TP2	My planning was optimal	1	2	3	4	5
TP3	I kept in my mind the results that I had to achieve in my work	1	2	3	4	5
TP4	I was able to separate main issues from side issues at work	1	2	3	4	5
TP5	I was able to perform my work well with minimal time and effort	1	2	3	4	5
Contextual Performance(CP) Scale						
CP1	I took on extra responsibilities	1	2	3	4	5
CP2	I took on challenge work tasks, when available	1	2	3	4	5
CP3	I worked at keeping my knowledge up to date	1	2	3	4	5
CP4	I worked keeping my skills up to date	1	2	3	4	5
CP5	I came up with creative solutions to new problems	1	2	3	4	5
CP6	I kept looking for new challenges in my job	1	2	3	4	5
CP7	I actively participated in work meetings	1	2	3	4	5

Open ended questions,

1/ Do you satisfied with the leadership quality now exercised in your district or branch office? If your answer is YES, please mention your comment about the good qualities of leadership you have seen? If NO, what should be included?

2/Do you think employees' commitment exist in current days in the organization?

If YES,

_____ If NO,

3/Why branches which work in the same environment have different achievement level of their goals?

4/Do you think that, Leadership has an impact on the employees' performance? How?

Thank you for your precious time!

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Annex 3 post hoc analysis

Multiple Comparisons								
Bonferroni								
Dependent Variable	(I) SERV ICE YEAR	(J) SERV ICE YEAR	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
						Lower Bound	Upper Bound	
COMMITMENT	1-3	4-6	-2.603	1.669	.718	-7.03	1.82	
		7-10	-4.463	1.867	.104	-9.41	.49	
		>10	-6.032*	1.845	.007	-10.92	-1.14	
	4-6	1-3	2.603	1.669	.718	-1.82	7.03	
		7-10	-1.860	1.928	1.000	-6.97	3.25	
		>10	-3.429	1.907	.437	-8.49	1.63	
	7-10	1-3	4.463	1.867	.104	-.49	9.41	
		4-6	1.860	1.928	1.000	-3.25	6.97	
		>10	-1.569	2.082	1.000	-7.09	3.95	
	>10	1-3	6.032*	1.845	.007	1.14	10.92	
		4-6	3.429	1.907	.437	-1.63	8.49	
		7-10	1.569	2.082	1.000	-3.95	7.09	
	EMPLOYEES' PERFORMANCE	1-3	4-6	-2.400	1.122	.198	-5.37	.57
			7-10	-4.458*	1.254	.003	-7.78	-1.13
			>10	-2.736	1.240	.167	-6.02	.55
4-6		1-3	2.400	1.122	.198	-.57	5.37	
		7-10	-2.057	1.296	.679	-5.49	1.38	
		>10	-.336	1.282	1.000	-3.73	3.06	
7-10		1-3	4.458*	1.254	.003	1.13	7.78	
		4-6	2.057	1.296	.679	-1.38	5.49	
		>10	1.722	1.399	1.000	-1.99	5.43	
>10		1-3	2.736	1.240	.167	-.55	6.02	
		4-6	.336	1.282	1.000	-3.06	3.73	
		7-10	-1.722	1.399	1.000	-5.43	1.99	
*. The mean difference is significant at the 0.05 level.								

Annex 4

Multiple Comparisons							
Bonferroni							
Dependent Variable	(I) EDUCATIONAL STATUS	(J) EDUCATIONAL STATUS	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
COMMITMENT	DIPLOMA	DEGREE	-2.656	7.711	1.000	-21.19	15.88
		MASTER	-2.267	8.414	1.000	-22.49	17.96
	DEGREE	DIPLOMA	2.656	7.711	1.000	-15.88	21.19
		MASTER	.390	3.501	1.000	-8.03	8.80
	MASTER	DIPLOMA	2.267	8.414	1.000	-17.96	22.49
		DEGREE	-.390	3.501	1.000	-8.80	8.03
EMPLOYEES' PERFORMANCE	DIPLOMA	DEGREE	-.377	5.189	1.000	-12.85	12.10
		MASTER	-1.867	5.663	1.000	-15.48	11.75
	DEGREE	DIPLOMA	.377	5.189	1.000	-12.10	12.85
		MASTER	-1.490	2.356	1.000	-7.15	4.17
	MASTER	DIPLOMA	1.867	5.663	1.000	-11.75	15.48
		DEGREE	1.490	2.356	1.000	-4.17	7.15

Bonferroni							
Dependent Variable	(I) SALARY	(J) SALARY	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
COMMITMENT	2935-3000	3001-5000	.484	2.904	1.000	-7.71	8.68
		5001-7000	-1.483	2.781	1.000	-9.33	6.37
		7001-10000	-3.474	2.969	1.000	-11.85	4.91
		>10000	-3.239	2.997	1.000	-11.70	5.22
	3001-5000	2935-3000	-.484	2.904	1.000	-8.68	7.71
		5001-7000	-1.966	1.777	1.000	-6.98	3.05
		7001-10000	-3.957	2.059	.554	-9.77	1.86
		>10000	-3.723	2.099	.768	-9.65	2.20

	5001-7000	2935-3000	1.483	2.781	1.000	-6.37	9.33
		3001-5000	1.966	1.777	1.000	-3.05	6.98
		7001-10000	-1.991	1.881	1.000	-7.30	3.32
		>10000	-1.757	1.924	1.000	-7.19	3.67
	7001-10000	2935-3000	3.474	2.969	1.000	-4.91	11.85
		3001-5000	3.957	2.059	.554	-1.86	9.77
		5001-7000	1.991	1.881	1.000	-3.32	7.30
		>10000	.234	2.187	1.000	-5.94	6.41
	>10000	2935-3000	3.239	2.997	1.000	-5.22	11.70
		3001-5000	3.723	2.099	.768	-2.20	9.65
		5001-7000	1.757	1.924	1.000	-3.67	7.19
		7001-10000	-.234	2.187	1.000	-6.41	5.94
EMPLOYEES' PERFORMANCE	2935-3000	3001-5000	-.554	1.952	1.000	-6.06	4.95
		5001-7000	-.958	1.869	1.000	-6.23	4.32
		7001-10000	-2.228	1.995	1.000	-7.86	3.40
		>10000	-3.614	2.013	.734	-9.30	2.07
	3001-5000	2935-3000	.554	1.952	1.000	-4.95	6.06
		5001-7000	-.404	1.194	1.000	-3.77	2.97
		7001-10000	-1.674	1.384	1.000	-5.58	2.23
		>10000	-3.060	1.410	.306	-7.04	.92
	5001-7000	2935-3000	.958	1.869	1.000	-4.32	6.23
		3001-5000	.404	1.194	1.000	-2.97	3.77
		7001-10000	-1.270	1.264	1.000	-4.84	2.30
		>10000	-2.656	1.293	.405	-6.31	.99
	7001-10000	2935-3000	2.228	1.995	1.000	-3.40	7.86
		3001-5000	1.674	1.384	1.000	-2.23	5.58
		5001-7000	1.270	1.264	1.000	-2.30	4.84
		>10000	-1.386	1.470	1.000	-5.54	2.76
	>10000	2935-3000	3.614	2.013	.734	-2.07	9.30
		3001-5000	3.060	1.410	.306	-.92	7.04
		5001-7000	2.656	1.293	.405	-.99	6.31
		7001-10000	1.386	1.470	1.000	-2.76	5.54

Annex Regression analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.376 ^a	.141	.139	8.291

a. Predictors: (Constant), TRANSFORMATIONAL LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	35.102	1.840		19.076	.000
	TRANSFORMATIONAL LEADERSHIP	.361	.044	.376	8.173	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415 ^a	.172	.168	8.149

a. Predictors: (Constant), AFFECTIVE COMMITMENT, TRANSFORMATIONAL LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29.523	2.305		12.808	.000
	TRANSFORMATIONAL LEADERSHIP	.293	.047	.305	6.254	.000
	AFFECTIVE COMMITMENT	.329	.084	.190	3.905	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.413 ^a	.171	.167	8.157

a. Predictors: (Constant), CONTINUANCE COMMITMENT ,
TRANSFORMATIONAL LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29.969	2.259		13.265	.000
	TRANSFORMATIONAL LEADERSHIP	.327	.044	.340	7.355	.000
	CONTINUANCE COMMITMENT	.269	.071	.176	3.799	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.451 ^a	.204	.200	7.994

a. Predictors: (Constant), NORMATIVE COMMITMENT ,
TRANSFORMATIONAL LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27.329	2.247		12.163	.000
	TRANSFORMATIONAL LEADERSHIP	.274	.045	.285	6.054	.000
	NORMATIVE COMMITMENT	.452	.080	.266	5.637	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.368 ^a	.135	.133	8.321

a. Predictors: (Constant), TRANSACTIONAL LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.933	2.030		16.714	.000
	TRANSACTIONAL LEADERSHIP	.778	.098	.368	7.963	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.403 ^a	.163	.159	8.197

a. Predictors: (Constant), AFFECTIVE COMMITMENT, TRANSACTIONAL LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29.189	2.384		12.242	.000
	TRANSACTIONAL LEADERSHIP	.617	.106	.291	5.826	.000
	AFFECTIVE COMMITMENT	.316	.087	.183	3.655	.000

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.407 ^a	.166	.161	8.183

a. Predictors: (Constant), CONTINUANCE COMMITMENT ,
TRANSACTIONAL LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28.845	2.395		12.046	.000
	TRANSACTIONAL LEADERSHIP	.702	.098	.332	7.156	.000
	CONTINUANCE COMMITMENT	.274	.071	.178	3.847	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.441 ^a	.194	.190	8.040

a. Predictors: (Constant), NORMATIVE COMMITMENT ,
TRANSACTIONAL LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	26.983	2.338		11.540	.000
	TRANSACTIONAL LEADERSHIP	.571	.102	.270	5.615	.000
	NORMATIVE COMMITMENT	.446	.082	.262	5.462	.000

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	26.983	2.338		11.540	.000
TRANSACTIONAL LEADERSHIP	.571	.102	.270	5.615	.000
NORMATIVE COMMITMENT	.446	.082	.262	5.462	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.276 ^a	.076	.074	8.599

a. Predictors: (Constant), LAISSZE FAIRE LEADERSHIP

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	40.931	1.583		25.860	.000
LAISSZE FAIRE LEADERSHIP	.956	.165	.276	5.793	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.351 ^a	.123	.119	8.389

a. Predictors: (Constant), AFFECTIVE COMMITMENT, LAISSZE FAIRE LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.515	2.223		15.076	.000
	LAISSZE FAIRE LEADERSHIP	.651	.174	.188	3.746	.000
	AFFECTIVE COMMITMENT	.403	.087	.233	4.637	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.317 ^a	.101	.096	8.496

a. Predictors: (Constant), CONTINUANCE COMMITMENT , LAISSZE FAIRE LEADERSHIP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	36.647	2.031		18.040	.000
	LAISSZE FAIRE LEADERSHIP	.747	.175	.216	4.272	.000
	CONTINUANCE COMMITMENT	.256	.078	.167	3.304	.001

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	36.647	2.031		18.040	.000
LAISSZE FAIRE LEADERSHIP	.747	.175	.216	4.272	.000
CONTINUANCE COMMITMENT	.256	.078	.167	3.304	.001

a. Dependent Variable: EMPLOYEES' PERFORMANCE

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.392 ^a	.154	.149	8.242

a. Predictors: (Constant), NORMATIVE COMMITMENT , LAISSZE FAIRE LEADERSHIP

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	31.842	2.130		14.947	.000
LAISSZE FAIRE LEADERSHIP	.554	.171	.160	3.233	.001
NORMATIVE COMMITMENT	.512	.084	.301	6.077	.000

a. Dependent Variable: EMPLOYEES' PERFORMANCE