



**SCHOOL OF COMMERCE  
COLLEGE OF BUSINESS AND ECONOMICS**

**THE EFFECT OF LEADERSHIP STYLE ON ORGANIZATIONAL  
COMMITMENT IN THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

A Research Project Submitted to the Office of AAUSC in Partial Fulfillment of the  
Requirements for the Masters of Business Leadership

**BY  
REDEIT NIGUSSIE**

**ADVISOR  
ABEBA BEYENE (PHD)**

**June, 2019  
Addis Ababa  
Ethiopia**

**THE EFFECT OF LEADERSHIP STYLE ON ORGANIZATIONAL  
COMMITMENT: THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

**BY; REDEIT NIGUSSIE (ID 2940/10)**

A Thesis Submitted to Addis Ababa University School of commerce in Partial  
Fulfillment of the Requirement for the Award of Master of Arts Degree in  
Business Leadership

**Advisor: DR. ABEBA BEYENE**

**June, 2019**

**Addis Ababa**

## Statement of Declaration

I, REDEIT NIGUSSIE, hereby declare that this Master thesis titled “ *THE EFFECT OF LEADERSHIP STYLE ON ORGANIZATIONAL COMMITMEN: THE CASE OF COMMERCIAL BANK OF ETHIOPIA* ” is an original work. I have carried out the present study independently with the guidance and support of the research advisor, Dr. Abeba B. Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any diploma, degree or any other higher education Program in this or any other institution.

REDEIT NIGUSSIE

\_\_\_\_\_  
Declared by

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Statement of Certification

This is to certify that REDEIT NIGUSSIE has carried out this project work on the topic *THE EFFECT OF LEADERSHIP STYLE ON ORGANIZATIONAL COMMITMENT IN THE CASE OF COMMERCIAL BANK OF ETHIOPIA* '' work is original in nature and is suitable for the awards of Masters in Business Leadership.

DR. Abeba Beyene

---

Advisor Name

---

Signature

---

Date

**Addis Ababa University School of Commerce**  
**Department of Business Leadership**  
**Post Graduate Program**  
**Board of Examiners Approval Sheet**

Addis Ababa University School of Department of Business Leadership

**THE EFFECT OF LEADERSHIP STYLE ON ORGANIZATIONAL  
COMMITMENT: THE CASE OF COMMERCIAL BANK OF ETHIOPIA**

**BY; REDEIT NIGUSSIE (ID 2940/10)**

Approved by the Board of Examiners:

**DR. Abeba Beyene**

\_\_\_\_\_  
Advisor Name

Signature

\_\_\_\_\_  
External Examiner

Signature

\_\_\_\_\_  
Internal Examiner

Signature

\_\_\_\_\_  
Department Chairperson

\_\_\_\_\_  
Signature

## Acknowledgement

First of all, I would like to thank my almighty God for his great support to accomplish this research work and for his infinite support in my entire life success. Secondly, I would like to thank my family for their undying support without them this wouldn't be possible.

In addition I would like to express my genuine thanks to my Advisor Abeba B. (PhD) for her continuous comment and supports to make this research paper and for the information given that is very valuable for my study. Lastly but not least I like to thank all my families and friends who supported me and for their idea sharing to complete this study, special thanks goes to all of those organizations, commercial bank of Ethiopia.

Acknowledgement .....	vi
Acronyms .....	x
Abstract.....	xi
CHAPTR ONE .....	1
INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.3 Statement of the Problem.....	5
1.4 Research Objective .....	8
1.4.1 General Objective .....	8
1.4.2 Specific Objectives .....	8
1.5 Research question .....	8
1.7 Scope of the Study .....	9
1.8 Limitation of the study.....	10
1.9 Definition of terms.....	10
.....	12
1.10 Organization of Research Report.....	12
CHAPTER TWO .....	13
LITERATURE REVIEW .....	13
2.1 Theoretical Literature Review.....	13
2.1.1 Organizational commitment.....	13
2.1.1.1 Affective commitment .....	14
2.1.1.2 Continuance Commitment:.....	14
2.1.1.3 Normative Commitment.....	15
2.1.2 Leadership defined.....	16
2.1.2.1 Leadership Styles .....	16
2.1.2.2 Transformational leadership:.....	17
2.1.2.3 Laissez-faire leadership style: .....	21
2.1.2.4 Transactional Leadership .....	22
2.2 Empirical Literature Review .....	24
2.2.1 Transformational leadership and Organizational Commitment.....	27
2.2.2 Transactional Leadership and Organizational Commitment .....	27
2.2.3 Laissez-faire Leadership and Organizational Commitment .....	28

2.3 Theoretical Framework.....	29
CHAPTER THREE .....	30
RESEARCH METHODOLOGY .....	30
3.1 Research Design .....	30
3.2 Research Approach .....	31
3.3 Population of the Study .....	31
3.4 Sample Design .....	32
3.5 Sample Size Determination .....	32
3.6 Sampling Technique .....	33
3.8 Source of Data Collection.....	33
3.9 Method of Data Analysis .....	33
3.10 Instrumentation (Sources of Data Collection Instrument) .....	34
3.11 Collection Methods.....	34
3.12 Reliability and Validity of the Research .....	35
3.12 Ethical Issues .....	36
CHAPTER FOUR .....	37
4.1 DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS .....	37
4.2 Demographic Background of the Respondents .....	37
4.3 Leadership Styles and Organizational Commitment .....	40
4.4 Overall Leadership Styles .....	40
4.5. Descriptive Analysis of Variables .....	41
4.5.1 Analysis of Leadership Style .....	41
4.6 Correlation analysis.....	47
4.8 Regression summary.....	49
CHAPTER FIVE .....	51
5.1. Summary of the Major Findings.....	52
5.2 Recommendations .....	54
REFERENCES.....	58

<b>List of Tables</b>	<b>page no</b>
Table3.1. Sample Distribution .....	34
Table3.2 Data Collection Instrument.....	36
Table4.1 Demographic Characters of Respondent.....	38
Table4.2 Descriptive Statistics of Variables.....	41
Table4.3 Descriptive Statistics of Transactional Leadership.....	42
Table4.4 Descriptive Statistics of Laissez Faire Leadership.....	43
Table4.5 Descriptive Statistics of Transformational Leadership.....	44
Table4.6 Descriptive Statistics of Organizational Commitment.....	46
Table4.7 Correlations.....	48
Table4.8 Model Summary.....	50
Table4.9 Anova.....	50
Table4.10 Anova 2.....	50.

## Acronyms

CBE-Commercial Bank of Ethiopia

MLQ-Multifactor Leadership Questionnaire

OCQ-Organizational Commitment Questionnaire

## Abstract

*The effect of leadership on organizational commitment was examined in this explanatory study. The purpose of this quantitative study is to investigate the effect of Leadership style on employee commitment. The research approach applied for this study was quantitative type of research where explanatory analyses have been deployed. The target populations of this study were employees of commercial bank of Ethiopia working in Addis Ababa area at branch level, which included 4 districts. From 11,344 total populations of CBE branches, which are found in Addis Ababa city, 386 employees were selected as the sample of the study. Simple random sampling technique was used to select the branches and individual respondents. The standardized questionnaires of leadership behavior organizational commitment and employees' commitment were adapted from previous standard questionnaire. ANOVA Analysis was used to compare the effect of leadership styles. Correlation and regression were used to analyze the relationship and its effect between leadership styles on organization commitment. The regression results showed that the type of leadership styles have significant contribution for organizational commitment and employees' performance. It was concluded that all the leadership styles have effect on commitment and transactional leadership was found to be the dominant leadership style practiced in CBE so CBE should apply the different styles in different situations.*

*Key words leadership styles (transactional, transformational and lassies faire), organizational commitment (affective, continuance and normative commitment)*

# CHAPTR ONE

## INTRODUCTION

### 1.1 Background of the Study

A company's employees are one of its most valuable assets, and managing them can be one of the most important but challenging tasks. Whatever the strategy, organizations are encouraged to pay attention to the happiness, well-being, and motivation of their staff. Productive and satisfied employees represent a crucial element to a successful business organization.

An organization is a social set up, which has a boundary that separates it from its environment, pursues its own collective goals, and controls its own performance (Hicks and Gullet, 1975). In a formal organization, interactions are rationally coordinated and directed through time on a continuous basis. The person at the helm of affairs is usually the leader. Leaders are vital ingredient in the success of organization.

While leadership has been a topic of interest since the dawn of man, leadership and management studies were taken up in earnest in the early 20th century. This hub chronicles a kind of evolution in leadership behavior studies from the traits of effective leaders to follower-centered leadership theories proposed in the late-20th, early 21st century. Much of the credit for the information in this hub goes to Dr. Peter Northouse and Dr. Gary Yukl and their respective publication. *Leadership: Theory & Practice* and *Leadership in Organizations*. (toughnickel.com)

Yukl (2008) defines leadership as the process of influencing employees about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives. The most common concept in these definitions is that leadership is considered to be a person's ability to organize his/her followers and directing them towards a common goal. Commitment in the workplace can take various forms and, arguably, have potential to influence organizational effectiveness (Meyer & Herscovitch, 2001).

Due to the fact that leadership is essential to the success of organizations, leadership styles have been of interest to many researchers (Al-Daibat, 2017). The relationship of leadership styles has been studied in many organizational variables. Leadership style plays an important role in employees' creativity, feelings and satisfaction, (Robbins, 2009). It is known fact the more satisfied the employees the less they plan to leave the organization.

Organizational commitment is also one of the other variables that have received great attention from researchers because it affects employees' behavior. Commitment has been studied much, and it still "remains one of the most challenging and researched in the fields of management, organizational behavior and HRM [human resource management]" (Cohen 2007, 336). It is a factor that connects between employees to their organization and its success. Swanepoel, Eramus, Vanwyk 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.

According to Meyer and Allen (1991) organizational commitment as a psychological condition characterizes individual relationship with the organization and affects his decision to continue or not in the organization ,this relationship includes the emotional orientation towards organization and the individual's perception of leaving organization cost and the moral obligation to stay in organization.

Organizational commitment represents the power which makes an individual to stay with organization and tries to achieve organizational goals longingly. The person who has a high organizational commitment would stay in the organization and accept its goals; he would show more efforts and devotions to achieve those goals (Gholi pour, 2011).

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. Leaders with a high commitment could be a 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, 2010).

Commercial Bank of Ethiopia plays a prominent role in financing various sectors needs in national economy and achieving sustainable development. It provides various banking services; it also faces many challenges and competition with private banks, which requires upgrading of banking performance, presence of highly qualified leaders able to work within teamwork, and committed workers to their organization. Therefore, this study aims to examine the effect of leadership styles on organizational commitment at Ethiopian commercial banks with specific reference to CBE.

## **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. (CBE PORTAL) 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.

A vision statement is a company's road map, indicating both what the company 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. Commercial Bank of Ethiopia has vision to become a World-class Bank by the year 2025.

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.'

CBE has the following values it upholds, Integrity, Customer Satisfaction, Employee Satisfaction, Learning Organization, Teamwork and Collaboration, Public Trust, Value for money, Decentralization and Corporate Citizenship. These values are expected to be held by every staff while performing their day to day activity. 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](http://WWW.Combanketh.com))

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

Choosing the right type of leadership is important as it guides how leaders should set their directives on how they lead their team. Whether they have one style in any situation or vary for each case they face, choosing the right type of style will help them in evaluating their effectiveness given their circumstance (Warner, 2012).

The effect of the style they choose could be observed on the level of commitment works exert while doing their job. This could be shown in terms of desire to stay in the organization, absenteeism rate, job satisfaction and work turnover rate. Organizationally committed employees have high motivation rates and better job performance. Choosing the right leadership style strengthens organizational commitment by motivating employees and makes them feel the importance of the leader presence and work with them (Al-Daibat, 2017). Committed employees work up to their full potential which helps the organization meet its set of goals (Mahmoud, 2015).

The way employees are treated in different situations has shown to be related to the level of commitment they have. For example, Sudarsna and Girma (2017) in their research on the effect of leadership style on organizational commitment, taking the case of Ethiopian public universities, have found that the style of leadership explains the variation of commitment that was observed between employees. Mahmoud (2015) has also found that the leadership style explains the commitment level works show. This shows the importance of studying the relationship between leadership styles.

Common to all of these conceptualizations commitment has a connection with turnover, “employees who are strongly committed are those who are least likely to leave the organization” (Allen & Meyer 1990, 1). The relationship between leadership styles and intent to stay is important for company leaders who want to improve employee retention practices, lower upfront costs of training new hires, and reduce the limited job fit between an employee and the company. Leaders’ retention is an issue, particularly at the executive level (Cappelli & Keller, 2014).

Reducing staff turnover and attracting new employees is important for all banks. And for a bank such as CBE, which dreams to become a world class bank by 2025, the issue becomes more important. However, with the current rate of expansion, the banking sector might face the same challenge in the future what it faces now. It will be impossible to keep increasing salaries every time. Most bankers agree that staff mobility will be the biggest challenges of the banking industry (Ethiopian Business Review, 2014).

Banks that respond to this situation with sound policies will reap the benefit of retaining productive staff (Ethiopian Business Review, 2014). According to CBE's Human Resource Transaction record, for instance, in 2016 Out of 33,706 employees 1097 employees resigned and 169 were working at managerial level. In 2017, out of 32,739 employees 1218 employees resigned and 169 were working at managerial level. In 2018, out of 33,389 employees 643 resigned and 128 were working at managerial level. Even though it has decreased in 2018 there is still a problem of commitment. Losing an experienced and trained man power is costly besides for the managers to reach at this level it may have taken at least 10years.

CBE's overarching strategic result for vision 2025 is strong and stable financial position and enhanced developmental partnership, stakeholder responsiveness process efficiency and effectiveness and finally motivated and proficient employees (CBE-IS System Development and Customization, 2012). So, a motivated and proficient employee is one of the major components that CBE is planned to achieve by the year vision 2025. The plan to reach there by 2025 will come true only if the employees are committed to the organization. However, CBE will be losing the experienced employees and will have to recruit new graduates which will be costly to train and develop them and reach the goal at the same time. As leadership is believed to be one factor that affect organizational commitment this research paper tries to investigate which leadership

style affects which type of commitment. Even though, there are researches made on Leadership Behavior in CBE and Its Effect on Employee Performance leadership by ( Dessalegn Worku and et al )and on performance of CBE I did not find research made on effect of leadership style on organizational commitment the case of CBE. This paper will try to contribute its own share in filling this gap.

## **1.4 Research Objective**

### **1.4.1 General Objective**

The general objective of this study is to examine the effect of leadership style on organizational commitment of the organization in CBE.

### **1.4.2 Specific Objectives**

Specifically, the objectives of the study will be the following

1. To examine the effect of transactional leadership style on organization commitment in CBE.
2. To examine the effect of transformational leadership style on organization commitment in CBE.
3. To examine the effect of Laissez-faire leadership style on organization commitment in CBE.
4. To find out which leadership style is better for employees' commitment in CBE.

## **1.5 Research question**

Based on the problem stated in this study, the following research questions are developed to gain a comprehensive understanding of the phenomenon under investigation, and in order to be able to provide a sufficient justification for answering that question, the following questions needs to be addressed. For the purpose of the present study, these main study questions are

1. What is the effect of transactional leadership style on organization commitment in CBE?
2. What is the effect of transformational leadership style on organization commitment in CBE?
3. What is the effect of Laissez-faire leadership style on organization commitment in CBE?
4. Which leadership style is better for employees' commitment to the organization CBE?

### **1.6 significance of the study**

The purpose of this study is to explore the practice of leadership and organization commitment in the CBE. It is important to understand which dimension of organizational commitment is affected by which style and how these interconnections effect the organization CBE.

Also the results of this study will benefit CBE to improve banking performance and promote it by adopting an effective leadership style and increasing employee organizational commitment. It may also be used by other researcher as a reference who conducts a research on the subject matters of this research area in the future. Further, the organization would benefit from this research outcome in planning future management development scheme and assuring the satisfaction of its employees by promoting the best leadership style.

### **1.7 Scope of the Study**

The scope of this study included only CBE employees in the Addis Ababa. Due to time constraint data was collected from branches situated in Addis Ababa only since it is one semester project. This study is explanatory and descriptive in nature and it studies the effect of leadership styles on organizational commitment. The study investigates the effect of leadership styles on

organizational commitment using Bass and Avolio full range of leadership model. This study examines scope of transformational, transactional and laissez faire leadership styles as independent variables to measure their effect on dependent variables which is organizational commitment.

### **1.8 Limitation of the study**

When conducting the research, the researcher expects some constraints. The limitation was that due to demographic and time constraints the research sample population of this study was taken from employees who work in Addis Ababa area. This might affect the generalization of the research findings to the whole Commercial Bank of Ethiopia's employee since the total population of CBE is large as conducting and taking sample from the whole population is not possible because of time constraints at this level.

### **1.9 Definition of terms**

**Commitment:** Employee Commitment is the psychological attachment and the resulting loyalty of an employee to an organization (Lustier 2013) the most common approach has defined organizational commitment as "the strength of an individual's identification with and involvement in a particular organization" (Porter, Steers, Mowday and Boulian, 1974)603-609.there are three type or commitment and these are affective commitment, continuance commitment and normative commitment.

**Affective commitment:** It means the individual desire strength to continue work in the organization because the work is consistent with he wants to do so. It means also the individual desire to remain because he is attached emotionally to the organization (Bassam 2017.)

**Continuance commitment:** Unlike affective commitment that includes emotional dependency, the continuous commitment reflects and calculates the benefits of staying versus leaving the organization. This theory expresses that people would stay with the organization for a long time; they begin to collect capital and leaving the organization led them to have more damages. These investments include time, job efforts and specific organizational skills and greater costs of leaving organization would prevent them from looking for an alternative job.

**Normative commitment** means the individual desire to stay in the organization because individual feels that staying in the organization is the moral thing to do. He believes that the organization expects loyalty, as well as the result of being influenced by others. (Meyer and Parfyonova , 2010).

**Leadership;** Leadership is the art of mobilizing others to want to struggle for shared aspirations (kouzs and posner, 1995).leadership is the behavior of an individual when he is directing the activities of a group toward a shared goal. Bass (1990) describes three known leadership styles in one of the categories of leadership styles: transformational leadership, transactional leadership and laissez-faire leadership.

**Transformational leadership:** This style helps followers to accomplish their commitment and renew them (Avolio 2007 and Afshinpour 2014).The leader motivates, inspires and transforms followers to perform while transcending self-interest for the betterment of the organization (Avolio 2009 and Samad, 2015)

**Transactional leadership style:** Transactional leadership is usually characterized as instrumental in follower's goal attainment using carrot and stick approach (Bass 1997) .Transactional leaders expect certain work behaviors from their team members or followers who are compensated for these behaviors by both monetary and nonmonetary rewards.

**Laissez-faire leadership style:** These leaders practice the art of delegation, in which the leaders are hands –off and allow group members to take a decision. There is not much interference between leaders and followers, they usually avoid responsibility, don't have feedback mechanism and delay the decision making (Bass and Deluga, 1990) introduces.

.

### **1.10 Organization of Research Report**

The study will be organized into five chapters, including this chapter that discusses the background of the study, background of the organization, research problem, research questions, and objective of the study. Related theoretical and empirical literatures that will be reviewed for this study and the conceptual framework together with the hypotheses formulated will be discussed under Chapter Two. Chapter Three will discuss in detail about the research methodology used in the study like research design, sampling techniques.....Etc. Presentation, analysis, and interpretation of the data collected will be discussed in Chapter Four of the report and finally, Chapter five presents summary of major findings, conclusions, recommendations and suggestions for future research.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Theoretical Literature Review

##### 2.1.1 Organizational commitment

The fact that there is no agreement among organizational behavior researchers on the definition of commitment indicates that commitment may be multidimensional, having both attitudinal and behavioral components (Meyer and Allen, 1993). Employee commitment is the psychological attachment and the resulting loyalty of an employee to an organization (Lussier, 2013). Organizational goals are unattainable without the enduring commitment.

Porter (1974) states three characteristics for organizational commitment: a strong belief in accepting the organizational aims and values, willingness to work hard for the benefit of the organization, and tendency to stay with the organization. In many researchers conducted on this subject, a three-component model of organizational commitment has been used (Meyer and Allen, 1991).

According to Northcraft and Neale (1996), organizational commitment is determined by a number of factors, including personal factors (e.g., age, tenure in the organization, disposition,

internal or external control attributions); organizational factors (job design and the leadership style of one's supervisor); non-organizational factors (availability of alternatives).

#### **2.1.1.1 Affective commitment**

According to Meyer and Allen (1997), affective organizational commitment refers to an employee's affection to, recognition with, and participation in the organization. Employees who have a strong affective organizational commitment to an organization stay with the organization because they have no wish to leave. Affective commitment involves three aspects, i.e. the formation of an emotional attachment to an organization, identification with the goals of the organization displayed through a willingness to assist the organization in achieving its goals and the ability of employees to internalize the values and goals of the organization, and the desire to maintain organizational membership (Meyer, Stanley, Herscovitvh & Topolyntsky,2002)

Individuals with high levels of affective commitment continue employment because they want to. It is very important for organizations to have employees feeling affective commitment since strong affective commitment means employees willing to stay in the organization and accepting its objectives and values (Allen & Meyer, 1990)

#### **2.1.1.2 Continuance Commitment:**

This dimension is more related to the risks and costs associated when one leaves an organization. This dimension measures the needs of the employees for which they are staying in an organization. An employee might not leave the firm because of the appraisal, salary, medical and other economic benefits or near future promotion. Therefore, they will stay in the firm because they need those benefits (Powell & Meyer, 2004). This dimension tells us that the employees are staying because they do not have better alternatives and substitutes of the current

job and that they have a high level of investments (in terms of time, efforts, future gains) at their current job meyer , becker and vandenbergh, 2004).

This theory depicts that if the employees are given better opportunities they may leave the company for their personal benefits and will consider them as their first priority. Employees under this category need special attention and motivation because they stick to the company because of economic factors and self-interests (pension plans, designation, experience in specific skills) and so, they can leave the company anytime whenever they will find something better. This dimension links the organizational goals with profit and loss in needs of an individual associated with that particular company (Powell & Meyer, 2004).

### 2.1.1.3 Normative Commitment

Normative commitment occurs when individuals remain with an organization based on expected standards of behavior or social norms. These individuals value obedience, cautiousness, and formality. Research suggests that they tend to display the same attitudes and behaviors as those who have affective commitment Meyer and Allen (1997).

Employees with this mind think they should consider their place as priority based on several factors, for example, they think that the company has paid a lot of money on their training so they should not waste this effort of the organization and pay it back with their loyalty and commitment. So this dimension links the social and moral duty of individuals with their company's goals (Powell & Meyer, 2004). Employees under this category think that they have to be in this organization because they should be (Meyer & Parfyonova, 2010). This dimension links the employees' moral and ethical attitude towards the organization.

The success of the organization in achieving its goals depends on how the leaders lead their organization and which leadership styles they use. The suitable leadership styles can affect the commitment, productivity and even job satisfaction of employees (Voon, chiu, sing and norazirah, 2011). Leadership is a key determinant of organizational commitment (Mowday, porter and steer 1982). In particular transformational leadership is positively linked with organizational commitment (Bono & Judge, 2003; Dumdum, Lowe & Avolio, 2002; Walumbwa & Lawler, 2003).

### **2.1.2 Leadership defined**

Leadership has been given different definitions by different authors. Leadership is complex because it is studied in different ways that entails different definitions. In this case, it can be defined as the process of a leader communicating ideas, gaining acceptance of the vision and motivating followers to support and implement the ideas through others (Lussier 2013).

Leadership is the art of mobilizing others to want to struggle for shared aspirations (kouzes and posner 1995).It is the ability to step outside the culture to start evolutionary change processes that are more adaptive.

#### **2.1.2.1 Leadership Styles**

Leadership style is the manner and approach of providing direction, implementing plans, and motivating people .Bass (1990) described three known leadership styles in one of the categories of leadership styles: transformational leadership, transactional leadership and laissez-faire leadership.

### 2.1.2.2 Transformational leadership:

Relationship theories, also known as transformational theories, focus on the connections formed between leaders and followers. Relationship theories are often compared to charismatic leadership theories in which leaders with certain qualities, such as confidence, extroversion, and clearly stated values, are seen as best able to motivate followers (Lamb, 2013). Relationship or transformational leaders motivate and inspire people by helping group members see the importance and higher good of the task. These leaders are focused on the performance of group members, but also on each person to fulfilling his or her potential. Leaders of this style often have high ethical and moral standards (Charry, 2012).

Transformational leaders provide mission and vision; enhance the sense of belonging and devotion so that employees want to stay a member of the organization. This makes them eager to put in effort for achieving the goals of the organization. This results in involvement of employees in their work and high organizational commitment. (Bono & Judge, 2003; Dumdum, et al., 2002; Walumbwa & Lawler, 2003).

When we are, in human-intensive environment, where focus is on influencing the followers through motivation and respecting their emotions on the basis of common goals, beliefs and values, preferable option is transformational leadership style (MacGregor Bums, 2003).

Burns (1978) who considered as the founder of transformational leadership theory viewed transformational leadership as a significant factor to achieve goals and successfully manage change in constantly changing conditions of organizations. The model of transformational leadership refers to a process of developing a commitment for the implementations' of strategies, objectives and mission of an organization to make effective organizational performance (Dessler, 1999; Riggio and et.al., 2006).

As depicted by Bass (2000), researchers use four different dimensions to analyze transformational leadership. The four dimensions are inspirational motivation, idealized influence or behavior, individualized consideration, and intellectual stimulation. With inspirational motivation, a leader spells out his or her expectations for employees. The leaders pick desirable traits and apply them in their place of work to make the organization more resilient.

### **1).Inspirational motivation**

Inspirational motivation refers to the ability of leaders to create team spirit to attain organizational objectives, as well as to increase performance (Bass, 2000). Within the first dimension, the leader inspires, motivates his or her subordinates, and involves them in creating an ambitious vision. As team spirit is vital to the success, the leader induces commitment in team members. Transformational leaders can articulate a vision to followers. These leaders are also able to help the followers experience the same passion and motivation to fulfill the goals.

### **2).Idealized influence or behavior**

As highlighted by Bass (2000), the second dimension involves employees taking up or copying the ways of administration and management leaders. Idealized influence refers to a situation in which leaders involve their subordinates in the process of determining the organization's vision and mission. Idealized influence refers to the leader being a role model—one who an employee respects, trusts, and admires (Bass, 2000). In addition, the leader tends to consider the needs of others instead of his or her need. The leader models consistency and integrity. Many times, employees who respect their supervisor try to follow him or her and are willing to incorporate their goals.

### **3).Individualized consideration:**

Bass (2000) outlined the third dimension, whereby leaders must consider the needs of every one of their employees and meet their expectations. Every employee needs a different environment to perform. Leaders use this style to ensure that they have maximum touch with their workers. Transformational leaders lead team members who demonstrate aspirations and motivation.

The leader accepts and respects the individual differences. He or she acts as a coach in supporting all team members to develop and succeed in achieving more (Bass, 2000). Such leadership also involves offering support and encouragement to individual followers. A transformational leader creates a supportive relationship by keeping the communication open, so that the employees feel free to express ideas (Bass, 2000).Individualized consideration means creating a suitable environment that is supportive and Includes individual differences, needs, and values the thoughts of subordinates.

#### **4).Intellectual stimulation**

Bass (2000) stated that the fourth dimension is the art of leaders encouraging their employees to seek solutions to problems using current methods. Creativity and innovation are the keys to success, and transformational leaders encourage their team to generate creative solutions to problems and take risks (Bass, 2000). The mistakes that may happen from this process become opportunities from which to learn. Transformational leaders not only challenge the status quo, they also encourage creativity. The leader encourages followers to explore new ways of doing things and new opportunities to learn.

A new paradigm of leadership theory has also conceptualized that a transformational leadership is effective and important in every sector and in every setting (Avolio and Yammarino, 2002; Bass and Riggio, 2006)). They have demonstrated that transformational leaders are those who stimulate and inspire followers to achieve extraordinary outcomes. More importantly transformational leaders help followers grow and develop in to leaders by responding to individual followers' needs by empowering them and by aligning the objectives and goals of the individual followers, the leader, the group, and the larger organization (Bass 2006; and Avolio & Yammarino 2002). The ability of leaders to properly implement this leadership style may have a significant impact on organizational commitment. (Ismail, Al-Banna , Ahmad, Zaidi and Sulaiman,2011)

### 2.1.2.3 Laissez-faire leadership style:

Laissez-faire, this French phrase for “let it be,” when applied to leadership describes leaders who allow people to work on their own. Laissez-faire leaders abdicate responsibilities and avoid making decisions, they may give teams’ complete freedom to do their work and set their own deadlines. Laissez-faire leaders usually allow their subordinate the power to make decisions about their work (Chaudhry & Javed, 2012).

They provide teams with resources and advice, if needed, but otherwise do not get involved. This leadership style can be effective if the leader monitors performance and gives feedback to team members regularly. The main advantage of laissez-faire leadership is that allowing team members so much autonomy can lead to high job satisfaction and increased productivity. It can be damaging if team members do not manage their time well or do not have the knowledge, skills, or motivation to do their work effectively. This type of leadership can also occur when managers do not have sufficient control over their staff (Ololube, 2013).

Laissez-faire leaders demonstrate limited participation in vital organizational matters and incline to procrastinate their response to critical issues. Researches highlight that laissez-faire leaders are least attentive to the completion of duties and productivity (Anderson & McColl-Kennedy, 2005). The avoidance of involvement is a fundamental characteristic of the laissez-faire leadership style. This avoidance behavior leads to excessive frustration among followers and low level of followers’ self-esteem. Laissez-faire leaders show very little care for followers’ actions and their consequent impact on organizational outcome rather become source of followers demotivation.

Bass (1990) [as cited by Teshome , 2011] uses the following statement to differentiate laissez-faire leadership from other types of leadership behaviors and styles: Laissez-faire leadership should not be confused with democratic, relations oriented, participative, or considerate leadership behavior. Nor should it be confused with delegation or management by exception. Delegation implies the leader's active direction of a subordinate to take responsibility for some role or task. The leader who practices management by exception allows the subordinate to continue on paths that the subordinate and the leader agreed on until problems arise or standards are not met, at which time the leader intervenes to make corrections.

#### **2.1.2.4 Transactional Leadership**

Transactional leadership motivates individuals primarily through contingent reward exchanges and active management by exception. Transactional leaders set goals, articulate explicit agreements regarding what the leader expects from organizational members and how they will be rewarded for their efforts and commitment, and provide constructive feedback to keep every person on task (Bass & Avolio, 1993; Howell & Hall-Merenda, 2002).

Transactional leaders use rewards to influence employee behavior to their benefit at low costs or they have a total disregard for what happens in the organization and do not feel responsible for anything, which often result in dissatisfaction of the employees (Bono & Judge, 2003; Dumdum, et al., 2002; Walumbwa & Lawler, 2003).

In situations entailing high degree of precision, technical expertise, time-constraints, particularly in technological intensive environment, we shall prefer transactional leadership (MacGregor Bums, 2003). These are components of transactional leadership.

**1. Contingent Reward.** Contingent reward leadership focuses on achieving results. As humans appreciate concrete, tangible, material rewards in exchange of their efforts, thus, this behavior surfaced. Manager leaders who use contingent reward are likely to show direction to the employees so the job gets done. In nutshell, key signs of contingent reward encompass performance based material rewards, direction- setting, reciprocity, and confidence-building in the team. (Kahan and Nawaz 2016)

**2. Management by Exception (Active).** Management by exception (active) is not the relinquishment of leadership, characterized by a laissez-faire leadership. Leaders who follow management by exception (active) have an inherent trust in their workers to end the job to a satisfactory standard, and avoid rocking the boat.

This type of leadership does not encourage workers to achieve beyond estimated outcomes, however, if target is reached, that means the system has worked, everyone is satisfied, and the business continues as usual, (Bass & Avolio, 2004). There is a little sense of adventure or risk-taking, new perspectives, or white water strategies in case of management by exception leaders. It correspond need-driven change culture. To sum it up, management by exception (active) includes trust in workers, poor communication, maintenance of the status quo, and lack of confidence.

**3. Management by Exception (Passive).** “It is the style of transactional Leadership in which the leaders avoid specifying agreement, and fail to provide goals and standards to be achieved by staff. Sometimes, a leader waits for things to go wrong before taking action” (Bass & Avolio, 2004).

## **2.2 Empirical Literature Review**

A study made on Saudi Arabian Airline by Almutairi (2013) indicated that there is a significant positive relationship between transformational leadership style and employees affective commitment. The findings also revealed that there is no relationship between transactional leadership style and employees' affective commitment. According to Nyengane (2007), employee commitment reflects the quality of the leadership in the organization. Contingent reward behaviors that represent transactional leadership have been found to be reasonably associated with performance and work attitudes of followers although at a lower level than transformational leadership behaviors.

Other researchers such as Lee (2005) stated that transformational leadership correlates significantly with organizational commitment, while transactional leadership does not have a significant relationship with organizational commitment. In a similar vein, Hayward et al. (2004) stated that transformational leadership has moderate positive correlation with affective commitment, and lower correlation with normative and continuous. The findings also indicated that no correlation was found between transactional leadership and organizational commitment components.

There is a positive relationship between leader support and commitment. (Nyengane, 2007). Kent and Chelladurai (2001) found that individualized consideration has positive correlation with both affective commitment and normative commitment. Hayward et al (2004) also found that transformational leadership has moderate positive correlation with affective commitment. Lower correlation coefficients between transformational leadership and normative, as well as

continuance commitment were found and No correlation was found between transactional leadership and affective, normative and continuance commitment.

According to Walumbwa and Lawler (2003), there is considerable research available suggesting that the transformational leadership style is positively associated with organizational commitment in a variety of organizational settings and cultures. Nyengane (2007) indicated that transformational leaders are able to influence employees' organizational commitment by promoting higher levels of intrinsic value associated with creating a higher level of personal commitment on the part of the leader and followers to a common vision, mission, and organizational goals.

Mathotaarachchi (2013) investigated the impact of transformational and transactional leadership behaviors on employees trust and their organizational commitment for non-teaching staff of the Sri Lankan Universities. The study findings indicated that there is a positive impact of leadership of bosses on employees trust. Transformational leadership style explained the greatest amount of correlations in normative commitment, compared with the affective commitment while no relationship with continuance commitment. The results for transactional leadership variables revealed the weaker relationships with the different types of organizational commitment among all the variables of transformational and transactional leadership.

Similarly Yunus and Ibrahim, (2015) in their study also confirms that transformational leadership has a positive relationship with affective and continuance commitment but different for that of normative commitment. Transformational leaders influence followers' organizational

commitment by encouraging them to think critically by using novel approaches, involving followers in decision-making processes and inspiring loyalty while recognizing and appreciating the different needs of each follower to develop his or her personal potential (Nyengane, 2007). By encouraging followers to seek new ways to approach problems and challenges and identifying with followers' needs, transformational leaders are able to motivate their followers to get more involved in their work, resulting in higher levels of organizational commitment (Walumbwa & Lawler, 2003).

This view was supported by prior research that showed that organizational commitment was higher for employees whose leaders encouraged participation in decision-making (Nyengane 2007), emphasized consideration (Walumbwa & Lawler, 2003) and were supportive and concerned for their followers' development (Allen & Meyer, 1990). Some research studies reveal that there is strong correlation between transformational style and affective commitment and normative commitment. On the other hand, continuance commitment is not significantly related with transformational leadership. (Ramachandran, 2008).

A study conducted in Viettel Telephone Company Call Center revealed that transformational leadership and transactional leadership styles have positive correlation with affective commitment; normal correlation with normative organizational commitment; negative correlation between continuance commitment and transformational style and no relationship was found between continuance commitment and transactional leadership style. The results of the research study also showed that transactional leadership style is more strongly related to affective and continuance organizational commitment as compared to transformational style (Lung, 2009).

According to the overall findings of the study undertaken by Feleke (n.d) at Defense University, transformational and transactional leadership styles had a positive relationship with organizational commitment while laissez-faire leadership style had no relationship with organizational commitment. The results obtained in various empirical studies do not show entire consistency with respect to relationship between leadership styles and organizational commitment which therefore prompts further research.

### 2.2.1 Transformational leadership and Organizational Commitment

In the study conducted by Emery and Barker (2007), the findings have found a positive relationship between all components of transformational leadership and organizational commitment among 124 managers in banking and food industries in U.S.A. Avolio , Zhu, Koh, & Bhatia (2004) carried out a study on staff nurses in a public hospital in Singapore and found that transformational leadership style positively influences organizational commitment. In the study conducted by Limsila and Ogunlana (2007) the findings revealed that organizational commitment is facilitated by transformational leadership. Ismail and Yusuf (2009) found that there is a significant positive relation between transformational leadership and organizational commitment.

H1: transformational leadership positively related to organizational commitment.

### 2.2.2 Transactional Leadership and Organizational Commitment

(Jabeen, Behery, & Abu Elanain, (2015) studied the relationship between the psychological contract and organizational commitment and found a moderate relationship between transactional leadership and organizational commitment. McLaggan, Bezuidenhout,

and Botha (2013) studied leadership style and organizational commitment and concluded that there was a statistically significant relationship between transactional leadership and affective organizational commitment. McLaggan et al. (2013) suggested that the exchange of reward for performance may be associated with the employee willingness to remain with an organization. Sayadi (2016), however, found that the contingent reward and active management by exception dimensions of transactional leadership had positive impacts on organizational commitment. Swid (2014) examined transactional leadership behavior on the leader/follower relationship with respect to organizational commitment. Swid (2014) concluded that a linear relationship exists between transactional leadership and organizational commitment.

H2: transactional leadership is positively related to organizational commitment

### 2.2.3 Laissez-faire Leadership and Organizational Commitment

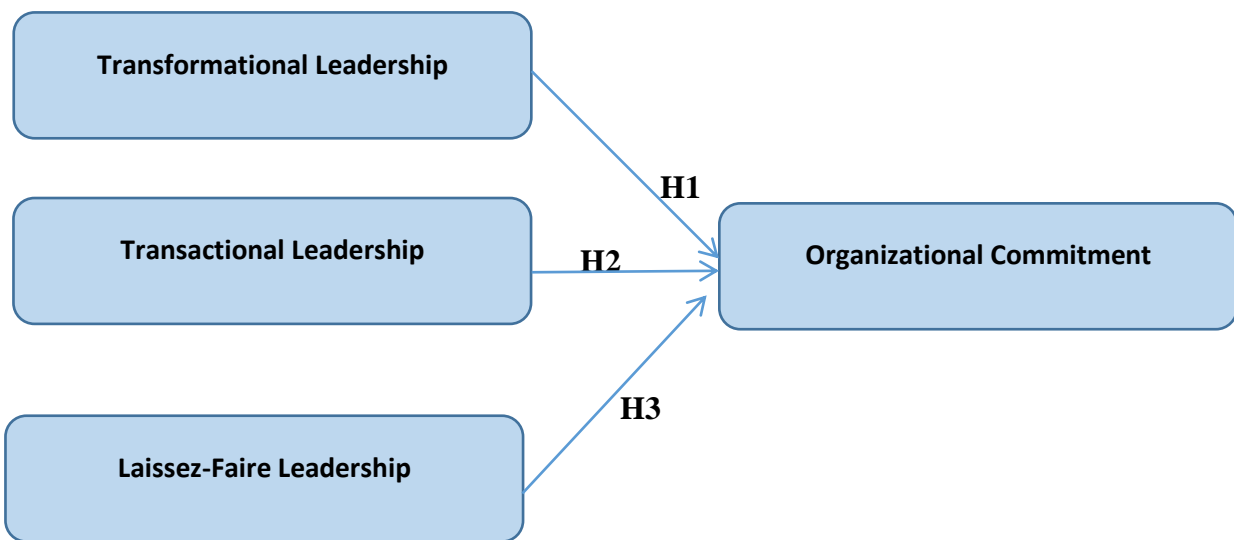
Al-Kareidi (2010) conducted a study aimed to investigate the influences of leadership style on organizational commitment, leadership styles included (democratic style, autocratic style, laissez faire style). Organizational commitment included three dimensions (emotional, normative, and continues). The results indicated that both democratic style and laissez faire style hasn't statistical impact on organizational commitment. But Autocratic style has a significant positive impact on organizational commitment

(Sabah, 2015) investigates the impact of leadership styles on organizational commitment at the banking sector Biskra state in Algeria. The study concluded that the most practice style is transformational leadership style, the highest organizational commitment dimensions is emotional commitment, also there is statistically significant effect of transformational style and

transactional on organizational commitment, and there is no significant impact of laissez faire leadership style on organizational commitment.

H3: laissez faire leadership style is positively related to organizational commitment.

### 2.3 Theoretical Framework



## CHAPTER THREE

### RESEARCH METHODOLOGY

This chapter discusses the processes and techniques used in carrying out the study. It also gives a description of the respondents including information on the study population, the number of respondents and how they were selected. It also provides an outline of research design and the instruments for data collection. The methods adopted in the administration of the research instrument, data collection procedure, data analysis and measures used to ensure validity of the instrument used.

#### 3.1 Research Design

The study used explanatory research design since the research was conducted under explanatory research method and explanatory method is where a researcher has an idea or has observed something and seek to understand more about it. Furthermore the concept of causality is grounded in the logic of hypothesis testing, which, in turn, produces inductive conclusions though such conclusions are probabilistic and thus can never be demonstrated with certainty (Cooper, 2014).

The inferential questions or hypotheses relate variables or compare groups in terms of variables so that inferences can be drawn from the sample to a population plus it provide a rationale for the choice of statistical test and mention the assumptions associated with the statistic (Creswell, 2014).

### 3.2 Research Approach

The study is quantitative in nature which is generally associated with especially since it is used with predetermined and highly structured data collection techniques under this study. Thus, the study used explanatory methods approach as a design in methods in which the researcher collects quantitative data analyzes the results, and then uses the results to find conclusion and recommendation.

The study will be quantitative where survey research is followed since it provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population that includes a cross-sectional study using survey questionnaires for data collection with the intent of generalizing from a sample to a population (Fowler, 2008)

### 3.3 Population of the Study

The target populations comprised employees from various branches of Commercial Bank of Ethiopia from branches that are situated in Addis Ababa. For the purpose of this study non-probability design in the form of random sampling was used since this enables the researcher to have the freedom to choose to pick employees from Addis Ababa.

This study focuses only employees of CBE in Addis Ababa working in the four Districts in Addis Ababa, North, South, East and West Addis Districts. The number of employees at , North Addis district 3025, West Addis Districts 2690, South Addis Districts 2825 and East Addis Districts 2804 with the total population of 11,344. Out of 174 branches, 24 branches were selected (Human resource management).

### 3.4 Sample Design

If a universe from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is to be applied to obtain representation sample. This means that if a sample was selected 100 times, at least 95 of these samples would be certain to represent the characteristics of the target population. Using Yemane Taros formula sample size was determined.

### 3.5 Sample Size Determination

In order to determine the sample size of the population, the study used Yamane's (1967) formula with 95% confidence and 5% acceptable sampling error. Based on the following formula 389 employees were taken as a sample from the total population of 11,344.

$$n = N / (1 + N * (e)^2)$$

Where, n= is the required sample size

N= is the population size

e = the acceptable sampling error (Yamane Taro 1967)

$$n = 11,344 / (1 + 11,344 * (0.05)^2)$$

$$\underline{n = 386}$$

### **3.6 Sampling Technique**

Stratified sampling technique will be used to distribute the questionnaire among the branches.

Below table 3.1 shows how many questionnaires are distributed among the districts.

### **3.7 Data Collection Procedures**

The questionnaires were distributed to the branches by using sampling. stratified sampling were applied to pick the branches and by lottery method 24 branches were selected. The questionnaire were distributed by using incident sampling which means they were given to the employees which were available at the branches at the moment of distribution.

### **3.8 Source of Data Collection**

A survey questionnaire was adopted (self-administered) to obtain primary data that enables the researcher to measure the relevant constructs in a quantitative manner through the use of statistical techniques to analyze the respondents' level of agreement or disagreement in the differences between the variables employed in the study and the questionnaire uses a five-point Likert scale to measure the variables employed to obtain quantitative data. The survey was conducted using self-administrated questionnaires in different branches to choose the respondents.

### **3.9 Method of Data Analysis**

Data analysis was carried out using the Statistical Package for Social Science (SPSS20). The data was entered and coded into the SPSS spreadsheet to describe and analyze the results along with figures and tables to present and discuss the results of the study The study focused on the following dimensions of independent variables, leadership style (transactional leadership,

transformational leadership and laissez-faire leadership) and the effect on organizational commitment which is a dependent Variable which was measured by a five point likert scale.

A descriptive statistics such as frequencies and percentage were used to analyze the demographic related information of respondents. Correlation test was used to determine the nature, direction and significance level of the relationship of variables. Regression analysis was also carried out to determine effect of leadership styles on organizational commitment.

### 3.10 Instrumentation (Sources of Data Collection Instrument)

The instruments used to collect the data are taken from Multi-factor Leadership Questionnaire Rater Form, Bass and Avolio, 2004. The following table summarizes how Organizational commitment and Leadership styles will be measured.

Table 3.1 Table of sample distribution

No.	Category	Target Population	Sample Proportion	Sample from Each Category
1	North Addis District	3,025	27%	$386 * 27\% = 104$ .
2	West Addis District	2,690	23%	$386 * 23\% = 89$
3	South Addis District	2,825	25%	$386 * 25\% = 97$
4	East Addis District	2,804	25%	$386 * 25\% = 96$
	Total	<b>11344</b>	100%	386

### 3.11 Collection Methods

Both primary and secondary data was used for this research. The secondary data was collected from various documents, Journals, Articles and internet sources. Primary data was

collected by using self-administered questionnaire in different location of Addis Ababa CBE branches. The questionnaire was distributed and administered to the respondents.

### 3.12 Reliability and Validity of the Research

The questionnaire used for the survey is a standard questionnaire which was adopted from (Avolio and Bass 2010).It was tested for its reliability using Cronbach’s alpha to check the data has relatively high internal consistency. Coefficient factor for the overall organizational commitment equals 0.87; which is very close to 1.00 and thereby having high reliability and considered as stable and consistent instrument. Cronbach’s alpha for laissez faire equals 0.75, for transactional subscales equal 0.78 and for transformational leadership subscales equal 0.80 The overall reliability of paragraphs related to leadership style equals 0.85, which is very close to 1.00 , and thereby having high reliability and considered as stable and consistent instrument. (Hailu, 2016)

Table 3.2 Data Collection Instrument

No.	Study Variables	Source of Items (scale or Instrument source)	No. of Items in the Scale	Chronbach’s Alpha Results
1	Organizational Commitment	Adopted from Meyer and Allen	12	0.87
2	Transactional leadership	Adopted from Bass and Avolio	12	0.78

3	Lassie fair leadership	Adopted from Bass and Avolio	6	0.75
4	Transformational leadership	Adopted from Bass and Avolio	18	0.80
5	Over all	Adopted from Bass and Avolio	36	0.85

### 3.12 Ethical Issues

This study was governed by the general rules of research ethics in such a way that respondents were requested to provide information on voluntary basis, there was a prior communication about the purpose of the study. Any confidential information of the bank or the employees was not disclosed since the main intention is to gather data for the research purpose. Moreover, I at my best level tried to abide by the rules and regulations of the University and conduct the study on the basis of objective judgment.

## CHAPTER FOUR

### 4.1 DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS

In this chapter, the researcher attempted to analyze and examine the effects of leadership style on organizational commitment in the case of Commercial Bank of Ethiopia. Even though the sample size is 386 the questionnaires distributed for the employees were reduced by the following reasons. Only 373 (96.6%) were usable 8(2%) were not filled properly and not 5(1.29%) returned .The total response rate was 96.6%.

The data analysis was performed using of SPSS software Version 20. The demographic analysis was conducted using frequencies and percentages. Descriptive analysis was conducted to examine the mean and standard deviation of the independent and dependent variables. Regression analysis was also used to explain how much the selected leadership styles had an effect on the dependent variable organizational commitment.

### 4.2 Demographic Background of the Respondents

The frequencies and percentages of the demographic variables of the study are presented in the following table and analyzed.

Table 4.1 Table of demographic characters of respondents

Items	Categories	Frequency	Percentage
Sex	Male	211	56.6%
	Female	164	43.4%
	Total	373	100%
POSITION	Managerial	80	21.4%
	Non managerial	293	78.6%
	Total	373	100%
Age	20-25	14	3.8%
	26-34	158	42.4%
	35-44	84	22.5%
	45-54	83	22.3%
	Above 55	34	9.1
	Total	373	100%
Education	Certificate & diploma	28	7.5%
	Degree	235	63.1%
	Masters	100	26.8%
	PHD	10	2.6%
	Others	0	
	Total	373	100%

Work experience	1-5 years	28	<b>7.5%</b>
	6-10 years	175	<b>46.9%</b>
	11-15 years	98	<b>26.3%</b>
	16-20 years	52	<b>13.9%</b>
	Above 20 years	20	<b>5.4%</b>
	<b>Total</b>	373	<b>100%</b>

As indicated in Figure 4.1 above, regarding the age distribution of the respondents, 14 (3.8%) and 158 (42.4%) fell in the 20-25 and 26-34 age range respectively. 35-44 84(22.5%) and 83(22.3%) fell in the 45-54 while 34(9.1%)fall in the >55 age range .From the above data, it can be inferred that the majority (64.9%) of the respondents are between the ages of 26 and 44 years, thus this means that the respondents are mostly middle-aged and young. Furthermore, the number of respondents below 24 years and above 55 years is slightly low.

According to Figure 4.1, 211 (56.6%) of the total CBE respondents were male while 164 (43.4%) were female. Hence, the number of male respondents is slightly greater than that of the female respondents. It can be inferred that the majority of the respondent involve in the survey were male.

Regarding the qualification of respondents shows that 235 (63.1%) and 100 (26.8%) respondents had, as their highest level of education, a Bachelors' Degree and a Masters' Degree respectively. Also, 10 (2.6%) respondents had a PhD Degree while others, i.e. 28 (7.5%) Thus, the data shows that more than 80% of the CBE staff are Bachelors' and Masters' Degree holders

In relation to years of service, it was found out that 175(46.9%) and 28 (7.5%) fell in the 6-10 and 1-5 years' range respectively. A number of 98(26.3%) and 52 (13.9%) worked in the CBE 11-15 years and 16- 20 years respectively. The remaining 20 (5.4%) worked in the CBE for more than 20 years. From the above it can be inferred that the majority (54.4%) of the respondents have less than 10 years of experience.

With respect to job category of respondents, Table 3 shows that 80 (21.4%) respondents were managerial while 293 (78.6%) were in the general non managerial.

#### **4.3 Leadership Styles and Organizational Commitment**

To determine the perception of CBE staff members on leadership styles and organizational commitment, descriptive statistics, by way of mean and standard deviation, was used to analyze the quantitative data.

#### **4.4 Overall Leadership Styles**

The full range leadership model entails transformational, transactional, and laissez-faire dimensions of leadership styles (Bass, 1999). table 4.2 provides a visual illustration of the three factors of the full range leadership theory, together with an overall view of the perceived leadership style

**Table 4.2 Descriptive Statistics**

	N	MEAN	STD.DEVIATION
Transactional	373	2.9321	.57466
Lassie Fair	373	2.8682	.64848
transformational	373	2.8826	.54484

According to table 4.2 , the overall mean of transactional leadership style, as perceived by the CBE staff, was 2.93 while that of transformational and laissez-faire leadership styles were 2.88 and 2.86 respectively. Thus, this result shows that the dominant leadership style, as perceived by the CBE staff, is transactional leadership.

#### **4.5. Descriptive Analysis of Variables**

##### **4.5.1 Analysis of Leadership Style**

This subsection presents the results of the analysis of leadership styles and organizational commitment. Three main types of leadership styles were assessed. These were transformational leadership style, transactional leadership style and laissez-faire. Descriptive statistics were used to assess the level. Tables below presents results of leadership style and organizational commitment mean and standard deviation (S.D.) were calculated, to establish the respondents, assessment of the extent to which their immediate supervisors practices this leadership style. The scale used in the statements was 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree. The descriptive statistics of the findings are represented in Tables below.

**Table 4.3 Table of transactional questionnaire**

**Descriptive Statistics**

	Mean	Std. Deviation
Provides me with assistance in exchange for my efforts	3.09	1.116
Avoids getting involved when important issues arise.	2.88	1.281
Talks about his/her most important values and beliefs.	2.98	1.328
Makes clear what one can receive when performance goals are achieved.	3.06	1.280
Treats me as an individual rather than just as a member of the group.	2.80	1.249
Shows that he/she is a firm believer in “If it isn’t broke, don’t fix it”	2.89	1.243
Demonstrates that problems must become chronic before taking action	2.81	1.342
Discusses in specific terms who is responsible for performance targets.	2.94	1.189
Keeps track of all mistakes.	2.85	1.270
Directs my attention toward failures to meet standards.	2.94	1.221
Expresses satisfaction when I meet expectation	.91	1.143
Concentrates his/her full attention on dealing with mistakes and complaints	3.03	1.270

Bass and Avolio (1997) suggest a score of 1.0 for management-by-exception (passive); for management-by-exception (active) was 1.0 to 2.0 and for contingent reward a mean score of 2.0.

According to table 4.3 the scores ranged from 2.80 to 3.09 which reveal that CBE staffs believe s that the leaders exhibit all the ideal transactional leadership behavior. Thus, it was believed that these leaders clarified what needed to be done and gave rewards when goals were met.

**Table 4.4 Table of lassie faire questionnaire**

**Descriptive Statistics**

	Mean	Std. Deviation
Fails to interfere until problems become serious	2.99	1.201
Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.	3.08	1.270
Waits for things to go wrong before taking action.	2.79	1.272
Avoids making decisions.	2.95	1.250
Delays responding to urgent questions	2.65	1.312
Is absent when needed.	2.75	1.235

The suggested score for laissez-faire is 0.0 (Bass and Avolio, 1997); however, the mean score for the current study as shown in Table 4.4 had a higher range of 3.08 and a lower range 2.65. The actual score shows a much higher value as compared to the suggested one. The actual score for laissez-faire leadership style is much higher as compared to the suggested one. The score suggests that some staff members perceived that their supervisors tended not to take corrective action nor take decisions as soon as problems occur. Leaders who exhibit laissez-faire behaviors

show passive indifference about the task and subordinates, for example ignoring problems and ignoring subordinate needs.

**Table 4.5 Table of Transformational questionnaire**

	Mean	Std. Deviation
Seeks differing perspectives when problems.	3.08	1.288
Goes beyond self-interest for the good	2.86	1.269
Re-examines critical assumptions to question whether or not they are appropriate	3.01	1.239
Talks enthusiastically about what needs to be accomplished.	3.00	1.212
Specifies the importance of having a strong sense of purpose	2.92	1.241
Talks optimistically about the future.	2.80	1.285
Instills pride in me for being associated with him/her.	2.88	1.258
Spends time teaching and coaching.	2.96	1.348
Acts in ways that build my respect.	2.68	1.323
Considers the moral and ethical consequences of decisions.	2.67	1.364
Displays a sense of power and confidence.	2.71	1.312
Articulates a compelling vision of the future.	2.72	1.316
Considers me as having different needs, abilities, and aspirations from others	2.79	1.353
Gets me to look at problems from many different angles	2.78	1.327
Helps me to develop my strengths	2.87	1.415

Suggests new ways of looking at how to complete assignments	2.97	1.275
Emphasizes the importance of having a collective sense of mission	3.01	1.302
Expresses confidence that goals will be achieved	3.18	1.256

In most effective leadership, Bass and Avolio (1997) suggest mean scores of greater or equal to 3.0 for transformational leadership behaviors, i.e individualized consideration, intellectual stimulation, idealized influence (behavior), idealized influence (attributed) and inspirational motivation. These behaviors include developing and coaching each follower, instilling pride and building trust, emphasizing collective sense of mission, talking about values and beliefs; stimulating followers to view the world from new perspectives; encouraging problem solving, critical thinking, creativity, expressing enthusiasm, optimism, and confidence.

In this study, mean scores for the above leadership sub-scales on table 4.5 ranged from 3.18 to 2.67, some are below the suggested score and some are greater or equal to 3.0. Expresses confidence that goals will be achieved was given mean score 3.18 this shows that the respondents believe their manager has confidence over them while Considers the moral and ethical consequences of decisions gets the mean score of 2.67 showing that CBE leaders does not their consider the ethical and moral consequence of their decision . These scores indicate that respondents perceived their leaders as not having exhibited the “ideal” levels of transformational leadership behaviors.

**Table 4.6 Table of organizational commitment**

## Descriptive Statistics

	Mean	Std. Deviation
I feel like part of the family at this organization	3.10	1.224
This organization has a great deal of personal meaning for me	2.60	1.239
I feel a strong sense of belonging to this organization	3.04	1.294
I feel emotionally attached to this organization	3.11	1.229
I would not leave this organization right now because I have a sense of obligation to the people in it	2.79	1.255
Too much of my life would be disrupted if I decided that I wanted to leave this organization now	3.14	1.201
I would not leave this organization right now because of what I would stand to lose	2.89	1.323
It would be very costly for me to leave this organization right now	2.80	1.322
For me personally, the cost of leaving this organization would be far greater than the benefit	2.94	1.219
Even if it were to my advantage, I do not feel it would be right to leave my organization now	2.83	1.216
I would violate a trust if I quit my job with this organization now	2.63	1.245
I would feel guilty if I left my organization now	2.75	1.232

Allen & Meyer (1990) do not provide guidance about average, required, ideal, or expected means for affective, continuance, and normative commitment. Instead, they proposed the required pattern to be ranked starting from highest to lowest scores in the following manner such as affective commitment, normative commitment, and then continuance commitment. According to their results as affective commitment, continuance commitment, and then normative commitment respectively. Continuance and normative commitment have switched places.

#### 4.6 Correlation analysis

Pearson correlations are perhaps the most useful measure of association between two or more variables. Pearson correlation analysis was used in this paper to provide evidence to construct validity. Pearson correlation coefficients reveal magnitude and direction of relationship (either positive or negative) and the intensity of the relationship (-1.0 to +1). As per table shows the coefficients shows that factors included under both training design and training methods were strongly related with each other with 0.702, all are significant at  $p < 0.01$ . All independent variables are significantly correlated with the dependent variable (organizational commitment).

**Table 4.7 Correlations**

		Transactional	Lassie faire	Transformational	C
TRANSACTIONAL	Pearson Correlation	1	.719**	.728**	.713**
	Sig. (2-tailed)		.000	.000	.000
	N	373	373	373	373
LASSIE FAIRE	Pearson Correlation	.719**	1	.733**	.693**
	Sig. (2-tailed)	.000		.000	.000
	N	373	373	373	373
TRANSFORMATIO NAL	Pearson Correlation	.728**	.733**	1	.679**
	Sig. (2-tailed)	.000	.000		.000
	N	373	373	373	373
C	Pearson Correlation	.713**	.693**	.679**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	373	373	373	373

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

## 4.7 Hypothesis testing

H1: Transformational leadership is positively related to organizational commitment

As per the correlation table above the result indicates that transformational leadership and organizational commitment are positively related and significantly affectes commitment

H2: Transactional leadership is positively related to organizational commitment

As per the correlation table above the result indicates that transactional leadership and organizational commitment are positively related and significantly affect commitment

H3: Laissez faire leadership style is positively related to organizational commitment

As per the correlation table above the result indicates that laissez faire leadership and organizational commitment are positively related and significantly affect commitment

#### 4.8 Regression summary

Regression is a technique that can be used to investigate the effect of one or more predictor variables on an outcome variable. That is, it allows us to make statements about how well one or more independent variables will predict the value of dependent variable. Table below shows the independent variables have accounts for 59.3 % (Adjusted R<sup>2</sup> is 0.590 with estimated standard deviation .44819) of the variance of the variance in the dependent variable (organizational commitment) this indicates that 59.3% of the variance in the dependent variable is explained by the independent variable in the model the model also indicates that the remaining 40.7% of the variance can be explained by other variables out of this model and indicates that further research is needed to identify the additional factors that influence the level of organizational commitment.

**Table 4.8 Model Summary**

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.770 <sup>a</sup>	.593	.590	.44819

**Table 4.9 ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	108.085	3	36.028	179.362	.000 <sup>b</sup>
	Residual	74.121	369	.201		
	Total	182.206	372			

a. Dependent Variable: c

b. Predictors: (Constant), TR, TX, LS

**Table 4.10 ANOVA 2**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.047	.132		-.354	.723
	Transactional	.433	.064	.355	6.726	.000
	Lassie faire	.301	.057	.278	5.236	.000
	TRansformati onal	.278	.069	.216	4.015	.000

As the above table shows the regression standardized coefficients for the independent variables. The relative importance of leadership styles (independent variables) in contributing to variance of the organizational commitment (dependent variables) was explained by standardized Beta

coefficient . The factor which had the greatest effect on the overall organizational commitment is Transformational leadership style with a standardized beta of 0.355 which makes it the dominant leadership style . Laissez Fair affects organizational commitment with a standardized beta of 0.278. lastly transformational leadership affects organizational commitment with a standardized beta of 0.216.

In this chapter, the results of the research study were reported. The characteristics of the respondents of the study were elaborated, determinants of reliability, validity and descriptive statistics of both MLQ and OCQ were discussed, statistical analysis of the data related to the research questions was reported and the summary of the research findings was presented. The next chapter presents the summary of the research study, the conclusions reached and the recommendations put forward.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1. Summary of the Major Findings

The study sought to determine the effect of leadership styles and organizational commitment among the employees of CBE. The specific objectives of the study were to assess the dominant leadership styles, as perceived by the employees and To examine the effect of each leadership style on organization commitment in CBE. It also sought to identify whether there was a relationship between leadership styles and organizational commitment.

From the demographic table 211male were 164 female and it shows the no of male is greater than female in CBE. it can be inferred that the majority (64.9%) of the respondents are between the ages of 26 and 44 years, thus this means that the respondents are mostly middle-aged and young. it can be inferred that the majority (54.4%) of the respondents have less than 10 years of experience. More than 80% of the staffs are bacler and masters degree holders .

Based on the objectives of the study, attempts have been made to provide answers to the following research questions:

1. What is the effect of transactional leadership style on organization commitment in CBE?

- Transactional leadership style with a standardized beta of 0.355 is the dominant leadership stlye and has significant and positive effect .

2. What is the effect of transformational leadership style on organization commitment in CBE?

- Transformational leadership style with a standardized beta of 0.216 has significant and positive effect

3. What is the effect of Laissez-faire leadership style on organization commitment in CBE?

- Laissez-faire leadership style with a standardized beta of 0.278 has significant and positive effect .

4. Which leadership style is better for employees' commitment to the organization CBE?

- Transactional leadership style with a standardized beta of 0.355 is the dominant leadership style and has significant and positive effect its is not possible to suggest which is better but since all the three have effect on commitment it is better to work on the leadership styles.

The regression standardized coefficients for the independent variables relative importance of leadership styles (independent variables) in contributing to variance of the organizational commitment (dependent variables) was explained by standardized Beta coefficient . The factor which had the greatest effect on the overall organizational commitment is Transactional leadership style which makes with a standardized beta of 0.355 it the dominant leadership style . Laissez Fair affects organizational commitment with a standardized beta of 0.278. lastly transformational leadership affects organizational commitment with a standardized beta of 0.216.it can be concluded that all of them have a significant effect on commitment and are positively related according to the correlation table.

## 5.2 conclusion

The leadership styles investigated in this study particularly, transactional, transformational and laissez faire leaderships are not handled in the manner that enhances organizational commitment.

That means there are still limitations in implementing these different leadership styles for increasing organizational commitment in particular and organizational performance in general. Though the commitment of employees is not bad in 2018, according to the finding the bank is still not utilizing the full potentials of its skilled and trained human resources owing to the inefficiencies in implementing the leadership practices effectively.

From the finding of the study, the leadership styles and organizational commitment are positively related to each other. At the same time, the leadership styles have significant positive effect on organizational commitment. As a result, organizational commitment can be improved by implementing the suitable leadership style in different situations. Since transactional leadership is the dominant leadership style in CBE focusing on rewards that encourage employees might have apposite impact on their commitment.

Furthermore, all the leadership styles and organizational commitment are positively related. Consequently, it is possible to overcome organizational commitment gaps by adjusting attractive motivational strategies and programs that increases employees' intention to stay in the organization.

### 5.3 Recommendations

- ❖ When Organizations take on their employees it is with the expectation of commitment, same goes with the supervisors and their followers. The results of this study provided insights into what employees need from their supervisors and the kind of leadership behaviors they prefer. CBE could use the information to help develop strategies and meet

organizational needs through leadership behavior development. According to the results, some strategies for improving supervisor's leadership and employee performance could be suggested. It indicated that transactional leadership would lead to higher employee commitment.

- ❖ CBE should reward those who are motivated by self-interest to follow instructions because it can increase their level of commitment. Employees would like to see more the incentives they might get if they might get when their needs are fulfilled a sense of commitment will increase.
- ❖ Defining the penalties and rewards for works clearly they will be aware of the consequence. If the employees know what they are exactly going to get for their performance they will be commit knowing what they will get and if there is lack of commitment knowing what kind of penalties you will get is clearly set. And if it is put in paper the employees will see they are being treated fairly.
- ❖ Organizations can develop certain training programs or mentoring by professionals for the supervisors and leaders. Professionals and trainers can use the results from the current study to develop training programs that support leadership development. Organization can provide leadership training program or interventions to improve supervisors' leadership. The leadership training program can be designed based on employee needs and organizational needs to achieve the very best from such particular programs.

- ❖ Fashioning the presence of motivation to accomplish job goals and objectives, support for team building, leader's expression of what employees should do, and leaders' helping employees find meaning in their work. However there's need on the leadership to improve on its employees response to improve service to the company. By creating employee's satisfaction with workplace conflicts settlements since this indicates lack of consensus the leadership need to put emphasis on conflict management mechanism so as to improve employee performance. Fashioning employee's the opportunity to work in a way they thinks best, and employees permission to set own pace for change regard CBE leaders are recommended that major improvement in strategies to harmonize recognizing employees cognitive ability in regard to work and innovation
  
- ❖ In order to increase the emotional and/or psychological attachment of its staff members, CBE needs to design policies which continuously sustain or increase employees' affective commitment behaviors by treating employees with respect, making them feel part of the family, encouraging them and involving them in decision making, providing a secure, supportive and healthy work environment devoid of favoritism, discrimination and political interference clearly defining recruitment and selection processes to attract the right sort of candidates, increasing staff awareness and knowledge about the CBE vision as well as develop a system that naturally encourages creative thinking, accountability and transparency in the management of the organization's rules and procedures.

- ❖ In order to boost the continuance commitment of CBE staff, there is need to implement strategies of promotion opportunities and work incentives so as to retain and ensure continual growth of staff that will thus be able to face new challenges and new environment. There is also need for a mechanism of all round compensation for high performing employees so as to motivate staff and increase their prospects of career development. Since there is no right or wrong way of leading people it is better if leaders apply the styles in different situations.

## REFERENCES

- Azman I , Hasan, Mohamed, Sulaiman ,Mohamad and Munirah Hanim Yusuf:Business(2011) :  
An Empirical Study of the Relationship between Transformational Leadership,  
Empowerment and Organizational Commitment and Economics Research Journal  
Algeria Alkreedy, B (2010). Leadership styles and their impact on organizational  
commitment a field in the faculty of management an economics at Qadisiyah University.  
Qadisiyah journal of administrative and economic sciences (12) 3, 22-43. . Volume 2 .  
Number1. 2011 pp. 89-107 ISSN: 1309-2448 www.berjournal.com
- Anderson I. (2015) Relationship Between Leadership, Organizational Commitment, and Intent  
to Stay Among Junior Executives, Walden Dissertations and Doctoral Studies collection  
Warner J.( 2012) effective leadership advanced: workshop
- Avolio, B. J., Zhu, W., Koh, W., & Bhatia, P. (2004). Transformational leadership and  
organizational commitment: Mediating role of psychological empowerment and  
moderating role of structural distance. *Journal of Organizational Behavior*, 25(8), 951-  
968
- B. M. (2002). The future of leadership in learning organizations. *Journal of Leadership &  
Organizational Studies*, 7(3),
- Bass, B. M., Avolio, B.J., Jung, D.I., & Berson Y. (2003). Predicting unit performance by  
assessing transformational and transactional leadership. *Journal of Applied Psychology*
- Bono, J. & Judge, T. 2003. Self-concordance at work: toward understanding the motivational  
effects of transformational leadership. *Academy of Management Journal*, 46: 554-571

Cherry.k(2011).What is a theory? Retrieved March 19, 2014,from <http://psychological.about.com/od/tindex/f/theory.htm>

Chaudhry, A. Q., & Javed, H. (2012). Impact of Transactional and Laissez Faire Leadership Style on Motivation. *International Journal of Business and Social Science*, 3(7), 258-264.

Creswell, John W. (2003). *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*. SAGE Publications: Thousand Oaks London New Delhi. 2nd Edition

Dahie A., Mohamed A. and Mohamed R.(2018). Leadership style and organizational commitment: Case study from University of Somalia, *Australian Journal of Science and Technology* (2208-6404) Volume 2

Dasalegn Worku (2016)Leadership Behavior in CBE and Its Effect on Employee Performance: The Mediating Role of Organizational Commitment

Dumdum, U.R., Lowe, K.B. & Avolio, B.J. 2002. A Meta-analysis of the transformational and transactional leadership correlates of effectiveness and satisfaction: An update and extension. In: Avolio, B.J. (ed.). *Transformational and Charismatic Leadership*. Amsterdam: JAI Press: 35-66

Feleke Yeshitila Teshome (n.d). *The Relationship between Leadership Styles and Organizational Commitment at Defense University*. College of Education and Behavioral Studies. Department of Educational Planning and Management

Herscovitch, L., &Topolnytsky, L. (2002). Affective, continuance,and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior*,

Jabeen, F., Behery, M., & Abu Elanain, H.(2015). Examining the relationship between the psychological contract and organisational commitment: The mediating effect of

- transactional leadership in the UAE context. *International Journal of Organizational Analysis*, 23(1), 102-122. doi: 10.1108/IJOA-10-2014-0812
- Mathotaarachchi, K.P (2013) The impact of transformational and transactional leadership Behaviours on employees' trust and their organizational commitment for non teaching staff of the Sri Lankan Universities. *The Macro theme Review trends. A multidisciplinary journal of global macro* January 2013 Volume 2 Issue 1
- Meyer, J.P., & Allen, N.J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1, pp. 61-89
- Meyer, J.P., & Allen, N.J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1, pp. 61-89
- Mowday, R., Porter, L., & Steers, R. (1982). *Employee-organization Linkages: The psychology of Commitment, Absenteeism and Turnover*. Academic Press.
- Mahmood A.(2015), Effects of leadership style on organizational commitment in public and private sectors of Pakistan, university of Agder
- Meyer, J.P., Becker, T.E., and Vandenberghe, C. (2004). Employee commitment and motivation: A conceptual Analysis and integrative model. *Journal of applied psychology*, 89, 991-1007.
- Meyer, J., Stanley, D., Herscovitch, L., & Topolynsky, L. (2001). Affective, continuance, and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 61(1), 20-52.
- Meyer, J. P., Stanley, D., Northcraft, T. and Neale, H. (1996). *Organisation Behaviour*. London: PrenticeHall.
- Northouse, P. G. (2007). *Leadership: Theory and practice* (4th ed.). Thousand Oaks, CA: Sage.
- Ololube, N. P. (2013). *Educational Management, Planning and Supervision: Model for Effective Implementation*. Owerri: Springfield Publishers

- Powell, D. M., & Meyer, J. P. (2004). Side-bet theory and the three-component model of organizational commitment. *Journal of Vocational Behavior*, 65(1), 157–177.
- Porter, L.W.; Steers, R.M.; Mowday, R.T.; Boulian, P.V. (1974). Organizational commitment, job satisfaction and turnover among psychiatric technicians. *Journal of applied Psychology*, 59: 603-609 88(2), 207-218
- Powell, D. M., & Meyer, J. P. (2004). Side-bet theory and the three-component model of organizational commitment. *Journal of Vocational Behavior*
- Ramachandran, Sudha (2008). Effect of transformational leadership on followers affective and normative commitment: culture as moderator. Great Lakes Institute of Management
- Ramachandran, S. and Krishnan, V. R. (2008). Effect of Transformational Leadership on Followers' Affective and Normative Commitment: Culture as Moderator. Great Lakes Institute of Management. *Great Lakes Herald* Vol 3, No
- Senait Hailu Girma (2016) Relationship between Perceived Leadership Styles and Organizational Commitment.
- Sabah, B (2015). the impact of administrative leadership patterns on the organizational commitment the case study of banking sector at Biskra state. Unpublished doctoral thesis. university of Mohamed Khiedr Biskra,
- Swid, A. (2014). Police members perception of their leaders' leadership style and its implications. *Policing: An International Journal of Police Strategies & Management*, 37(3), 579-595. doi: 10.1108/PIJPSM-08-2013-0085
- Voon M. Ling, Lo M. Chiun, Ngui K. Sing and Norazirah B. Ayob, The Influence of Leadership Styles on Employees' Job Satisfaction In Public Sector Organizations In Malaysia. *International Journal of Business, Management and Social Sciences*, Vol.2, no.1, pp.24-

32, 2011

Walumbwa, F.O.; Wang, P.; Lawler, J.J.; Shi, K. (2004). The role of collective efficacy in the relations between transformational leadership and work outcomes. *Journal of Organizational and Occupational Psychology*, 77: 515-530.

Walumbwa, F. O., Orwa, B., Wang, P., & Lawler, J. J. (2005). Transformational leadership, organizational commitment, and job satisfaction: A comparative study of Kenyan and US financial firms.

Yunus, N.H. & Ibrahim, W.N (2015). Employees' Organizational Commitment: The Effect of Leaders' Transformational Leadership and Leader-Member Exchange As Moderator. *International Journal of Arts and Commerce* 4 No. 2 February, 2015

Yulk, G. (2008). *Leadership in Organization*, Seventh edition. Dorling Kindersely (India): Pearson Education.

Zakeer Ahmed Khan, Dr. Allah Nawaz & Irfanullah Khan\_PhD ; Leadership Theories and Styles: A Literature Review *Journal of Resources Development and Management* ,[www.iiste.org](http://www.iiste.org) ISSN 2422-8397 An International Peer-reviewed Journal Vol.16, 2016



## **COLLEGE OF BUSINESS AND ECONOMICS**

### **SCHOOL OF COMMERCE**

**Questionnaire to be filled by employees of commercial Bank of Ethiopia.**

**Purpose:** This questionnaire is intended to gather primary data on *“The Effect of leadership style on organizational commitment on Commercial Bank of Ethiopia”* “The purpose of the study is to fulfill a thesis requirement for the partial fulfillment of MA, Business Leadership Addis Ababa University. Your genuine responses for the questions are very important for the success of completing this study. All information collected through the questionnaire will be used only for the purpose of the study and will be kept confidential. And thus, I would like to thank you in advance for your kind cooperation.

***Thank you, for your support!!***

***REDEIT NIGUSSIE***

***Email: redinegus1987@gmail.com***

***Mobile; 0923309868***

## Part I Demographic Information

1. Sex

(1) Male

(2) Female

2. Current job category within the organization

(1) Managerial

(2) non -managerial

3. Age

(1) 20-25years

(2) 26 – 34 years

(3) 35 – 44 years

(4) 45 – 54 years

(5) 55 years and above

4. Highest level of education completed

(1) Certificate or diploma

(2) BA/BSc Degree

(3) MA/MSc Degree

(4) PHD

(5) Others

5. Service Year in the organization

(1) 1 – 5 years

(2) 6 – 10 years

(3) 11 – 15 years

(4) 16 – 20 years

(5) >20 years

## Part II: Leadership Styles

This part of the rchnaire is to describe the leadership style of your supervisor as you perceive it.

Please answer all items on the answer sheet by ticking a number from **1 -5** which best reflect your views from the rating scale shown hereunder. Judge how frequently each statement fits the person you are rating. Thank you in advance for your cooperation. :

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Not at all</b>	<b>Once in a while</b>	<b>Sometimes</b>	<b>Fairly Often</b>	<b>Frequently if not Always</b>

		<b>Not at all 1</b>	<b>Once in a while 2</b>	<b>Sometimes 3</b>	<b>Fairly Often 4</b>	<b>Frequently if not Always 5</b>
	<i>The Person I am rating...</i>					
1	Provides me with assistance in exchange for my efforts					
2	Re-examines critical assumptions to question whether or not they are appropriate.					
3	Fails to interfere until problems become serious.					
4	Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.					
5	Avoids getting involved when important issues arise.					

		<b>Not at all 1</b>	<b>Once in a while 2</b>	<b>Sometimes 3</b>	<b>Fairly Often 4</b>	<b>Frequently if not Always 5</b>
6	Talks about his/her most important values and beliefs.					
7	Is absent when needed.					
8	Seeks differing perspectives when problems.					
9	Talks optimistically about the future.					
10	Instills pride in me for being associated with him/her.					
11	Discusses in specific terms who is responsible for achieving performance targets.					
12	Waits for things to go wrong before taking action.					
13	Talks enthusiastically about what needs to be accomplished.					
14	Specifies the importance of having a strong sense of purpose					
15	Spends time teaching and coaching.					
16	Makes clear what one can expect to receive when performance goals are achieved.					
17	Shows that he/she is a firm believer in "If it isn't broke, don't fix it".					
18	Goes beyond self-interest for the good of the group.					
19	Treats me as an individual rather than just as a member of the group.					
20	Demonstrates that problems must become chronic before taking action.					

		<b>Not at all 1</b>	<b>Once in a while 2</b>	<b>Sometimes 3</b>	<b>Fairly Often 4</b>	<b>Frequently if not Always 5</b>
21	Acts in ways that build my respect.					
22	Concentrates his/her full attention on dealing with mistakes, complaints, and failures.					
23	Considers the moral and ethical consequences of decisions.					
24	Keeps track of all mistakes.					
25	Displays a sense of power and confidence.					
26	Articulates a compelling vision of the future.					
27	Directs my attention toward failures to meet standards.					
28	Avoids making decisions.					
29	Considers me as having different needs, abilities, and aspirations from others					
<b><i>The Person I am rating...</i></b>						
30	Gets me to look at problems from many different angles					
31	Helps me to develop my strengths					
32	Suggests new ways of looking at how to complete assignments					
33	Delays responding to urgent questions					
34	Emphasizes the importance of having a collective sense of mission					
35	Expresses satisfaction when I meet					

		<b>Not at all 1</b>	<b>Once in a while 2</b>	<b>Sometimes 3</b>	<b>Fairly Often 4</b>	<b>Frequently if not Always 5</b>
	expectation					
36	Expresses confidence that goals will be achieved					

**Multi-factor Leadership Questionnaire Rater Form, Bass and Avolio,**

**2004**

**Part III Organizational Commitment**

Listed below is a series of statements that represent feelings that individuals might have about the organization for which they work. Please indicate the extent of your agreement or disagreement with each statement by ticking a number from 1 to 5 that best reflects your views from the rating scale hereunder. Thank you in advance for your cooperation.

		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I feel like part of the family at this organization					
2	Too much of my life would be disrupted if I decided that I wanted to leave this organization now					

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

