



**THE MEDIATING ROLE OF EMPLOYEE COMMITMENT AND
THE MODERATING EFFECT OF BANK SIZE IN THE
RELATIONSHIP BETWEEN LEADERSHIP QUALITY AND
INNOVATION PERFORMANCE IN SELECETD PRIVATE BANKS
IN ADDIS ABABA**

**A Thesis Submitted to Department of Management, College of Business and
Economics in Partial Fulfillment of the Requirements for MBA in Management**

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT**

Prepared by: Solomon Fentie

**Advisor: YITBAREK TAKELE BAYILEY (Ph.D.)
Associate Professor of Business Administration**

June 2021

Addis Ababa; Ethiopia

**THE MEDIATING ROLE OF EMPLOYEE COMMITMENT AND
THE MODERATING EFFECT OF BANK SIZE IN THE
RELATIONSHIP BETWEEN LEADERSHIP QUALITY AND
INNOVATION PERFORMANCE IN SELECETD PRIVATE BANKS
IN ADDIS ABABA**

**A Thesis Submitted to Department of Management, College of Business and
Economics in Partial Fulfillment of the Requirements for MBA in Management**

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT**

Prepared by: Solomon Fentie

June 2021

Addis Ababa; Ethiopia

Addis Ababa University
College of Business and Economics
Department of Business Administration

THE MEDIATING ROLE OF EMPLOYEE COMMITMENT AND THE
MODERATING EFFECT OF BANK SIZE IN THE RELATIONSHIP BETWEEN
LEADERSHIP QUALITY AND INNOVATION PERFORMANCE IN SELECETD
PRIVATE BANKS IN ADDIS ABABA

By: Solomon Fentie

Approved by the Examiners

Yitbarek T. (PhD)

Name of Advisor

Signature

Date

Zelalem G. (PhD)

Name of the Internal Examiner

Signature

Date

Mesfin W. (PhD)

Name of External Examiner

Signature

Date

Statement of Certificate

This is to certify that Solomon Fentie has completed his thesis entitled “*The Mediating Role of Employee Commitment and the Moderating Effect of Bank Size in the Relationship between Leadership Quality and Innovation Performance in Selected Private Banks in Addis Ababa*” is his original work and is submitted for examination with my approval as a thesis.

Yitbarek.T (PhD) _____

Name of Advisor

Signature

Date

Declaration

I declare that this thesis titled “The mediating role of Employee Commitment and the moderating effect of Bank Size in the relationship between Leadership Quality and Innovation Performance in selected private banks in Addis Ababa”; is my original work and that all sources of materials used for this thesis have been dully acknowledged. I have carried out the present study independently with the guidance and support of the research advisor (Yitbarek. T (PhD). This thesis has been submitted in partial fulfillment of the requirement for Masters of Business Administration in Addis Ababa University. I solemnly declare that this thesis is not submitted to any other institution anywhere for the award of any academic MBA.

Solomon Fentie Temesegen

Signature

Date

Acknowledgment

First and foremost, I would like to thank Almighty God for his help to succeed the university's study and the entire period of my study.

Next, I would like to express my gratitude to my advisor **Yitbarek Takele** (Ph.D.) for his unlimited and continuous support, critical comments, and guidance from the inception to the completion of the paper. I am very much grateful for his encouragement and advice during the study.

Also, I want to thank you Dashen, Wegagen, and Addis international bank's head office directors and employees who participated to give information during data collection time. Moreover, I would also like to express my heartfelt thanks to the Addis Ababa City Administration for giving me the chance to pursue my post-graduate study at the Addis Ababa University.

Lastly, I would like to express my special gratitude to my wife (Hirut Getahun) and my best friends Tatek and Mnwelet Chekol for their assistance and encouragement to make this study successful.

Acronyms and Abbreviations

AdIB	Adis international bank
AMOS	Analysis of moment structure
ANOVA	Analysis of variance
CFA	Confirmatory factor analysis
EFA	Exploratory factor analysis
LLCI	Lower limit confidence interval
SEM	Structural equation modeling
SPSS	Statistical package for social sciences
ULCI	Upper limit confidence interval
VIF	Variance inflation factor

Table of Contents

	Pages
Acknowledgment.....	i
Acronyms and Abbreviations.....	ii
Table of Contents	iii
List of Tables.....	vii
List of Figures.....	viii
Abstract.....	ix
CHAPTER ONE.....	1
INTRODUCTION	1
1.1. Background of the Study.....	1
1.2. Statement of the Problem	2
1.3. Research Questions	4
1.4. Objectives of the Study	4
1.4.1. General Objectives.....	4
1.4.2. Specific objectives	5
1.5. Definition of Terms.....	5
1.6. Delimitation of the Study	6
1.7. Limitation of the Study.....	6
1.8. Significance of the Study.....	7
1.9. Organization of the Study.....	7
CHAPTER TWO.....	8
REVIEWING THE RELATED LITERATURE.....	8
2.1. Theoretical Literature	8
2.1.1. Leader and Leadership Quality.....	8
2.1.2. Leadership Effectiveness.....	8
2.1.3. Innovation and Innovation Functionality	9
2.1.4. Characteristics of Innovation.....	10
2.1.4.1. Product Innovation.....	11

2.1.4.2. Process Innovation	11
2.1.4.3. Service Innovation	12
2.1.4.4. Radical Innovation	12
2.1.5. Innovation Capability	12
2.1.6. Business Performance.....	13
2.1.7. Innovation and Business Performance.....	14
2.1.8. Employee Commitment.....	15
2.1.8.1. Affective Commitment.....	16
2.1.8.2. Continuance Commitment	16
2.1.8.3. Normative Commitment.....	17
2.1.9. Employees’ Skills and Innovativeness	17
2.1.10. Employees’ Welfare	17
2.1.11. The Importance of Commitment	18
2.1.12. Size of the Bank	18
2.2. Empirical Studies.....	20
2.2.1. Hypothesis of the Study	21
2.3. Conceptual Frame Work.....	22
CHAPTER THREE	24
RESEARCH METHODOLOGY	24
3.1. Research Approach.....	24
3.2. Research Design	24
3.3. Research Method.....	25
3.4. Population of the Study	25
3.4.1. Target Population.....	25
3.5. Sampling Techniques, Procedures, and Sample Size	25
3.5.1. Sampling Techniques	25
3.5.2. Sampling Procedures	26
3.5.3. Sample Size	27
3.6. Instruments and Procedures of Data Collection	29

3.6.1. Instruments of Data Collection.....	29
3.6.2. Procedures of Data Collection.....	30
3.7. Data Analysis Methods.....	30
3.7.1. Quantitative data Analysis	30
3.8. Validity and Reliability	31
3.8.1. Validity.....	31
3.8.2. Reliability.....	31
3.9. Ethical Considerations.....	32
CHAPTER FOUR	33
PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA.....	33
Introduction	33
4.1 Response rate of Respondents	33
4.2 Demographic Characteristics of Employee Respondents.....	34
4.3 Data Analysis.....	35
4.3.1 Sample Size for SEM	48
4.3.2 Common Method Bias.....	49
4.3.3 Outliers Assumption	49
4.3.4. Linearity Assumption	50
4.3.5. Multi- Collinearity Assumption	50
4.3.6. Normality Assumption	51
4.3.7 Factor Analysis.....	51
4.3.7.1 Factor extraction	52
4.3.7.2 Communality	53
4.3.7.3 Factor Rotation.....	53
4.3.7.4. Confirmatory Factory Analysis (CFA).....	55
4.3.7.5. Measurement Model.....	56
4.3.7.6. Construct Validity.....	56
4.3.7.7. Convergent Validity	57
4.3.7.8. Discriminant Validity	57

4.3.9. Nomo-logical Validity.....	57
4.3.10. Goodness of Fit.....	58
4.4 Complete CFA model (standardized).....	59
4.5 Structural Model.....	61
4.4.1 Proposed standardized model with mediating variable	61
4.4.2 Proposed model without mediating variable.....	63
4.6 Hypothesis Testing and Discussion.....	64
CHAPTER FIVE	69
SUMMERY, CONCLUSION AND RECOMMENDATION	69
5.1. Summary of Major Findings	69
5.2. Conclusion.....	70
5.3. Recommendation.....	71
5.4. Suggestion For Further Study.....	72
References	73
Appendix	77

List of Tables

	Pages
Table 1 Summary of Sample Size	28
Table 2 Population of Sample Size	28
Table 3. Leadership Quality, Innovation, Employee Commitment and Bank Size Reliability Test.....	32
Table 4.1 Response rate of Respondents	33
Table 4.2 Demographic Characteristics of Employee Respondents	34
Table 4.3 KMO and Bartlett's Test	53
Table 4.4 structural model output	63
Table 4.5 structural model output 2	64
Table 4.6 Mediation of employee commitment between leadership quality and innovation performance.....	67

List of Figures

	Pages
Fig. 2.1 Conceptual frameworks	23
Fig. 4.1. Process of SEM Result	56
Fig 4.2 Complete CFA Model	60
Fig 4.3 Structural Model with Mediator	62
Fig 4.4. Structural model without mediator	63
Fig 4.5. Estimate and model fit	68

Abstract

Leadership theories and extant literature suggest leadership quality has a significant influence on innovation performance. However, this relationship is not consistent owing to various reasons such as the role of interaction variables and contextual factors. The study followed a quantitative approach, explanatory research design, survey method, and questionnaire as data collection instrument. The study employed factor analysis (both EFA and CFA) through principal component analysis and structural equation model (SEM) to validate the study result. The study examined the mediating role of employee commitment and the moderating effect of bank size in the relationship between leadership quality and innovation performance. The Ethiopian private banking industry established the study setting. Probability sampling method and proportional random sampling technique were used to collect primary data. 205 questionnaires were distributed of which 187 were collected and found to be useful for analysis, accounting for more than 91.2 percent of the distributed questionnaire. Results indicated a partial complementary mediation role of employee commitment in the relationship between leadership quality and innovation performance. Results signpost bank size moderates the relationship between the input and outcome variables. The research finding showed that innovation performance is impacted by leadership quality of private banks and this relationship is mediated by the presence of committed employees and moderated by financial performance and asset, size of private banks, in Ethiopia.

Keyword: leadership quality, innovation performance, employee commitment and bank size, etc.

CHAPTER ONE

INTRODUCTION

This chapter includes; Introduction, Background of the Study, Statement of the Problem, Basic Research Questions, Objective of the Study, Significance of the Study, Limitation of the study, Delimitation of the Study and Organization of the Study.

1.1. Background of the Study

A concept for a product or business that is often adopted is referred to as innovation; Commercially Tidd and Bessant (2019). Also, innovation is an iterative, interactive, context-specific, multi-active, uncertain, path-dependent process and the end result of a new combination of ends and skill from a certain perspective Hüsigg (2014) and the traits of progressive enterprises include a common vision, leadership, willingness to create a creative organization, collaboration, ongoing involvement in progressive activities, and an appropriate motivational system; Tidd and Bessant (2019).

Leadership consists of influencing individual attitudes and behaviors, as properly as the interplay within and throughout groups to acquire goals,” writes Bass (1990). “A method of social impact in which one character can enlist the cooperation and aid of others in the execution of a common task,” says Chemers (1997) “Innovation is the multi-stage process with the aid of which firms translate ideas into better products, services, or processes, to advance, compete, and differentiate themselves effectively in their marketplace,” according to Barezheh et al. (2009). Innovation management, in accordance to Amabile et al. (1996), is described as the "successful implementation of creative thoughts inside an organization.”

According to Jung et al., (2008), the relationship between leadership and creativity is more suitable in businesses with a supportive lifestyle for innovation and de-centralized organizational structures. Whereas mediating variables tackle how leaders motivate innovation (based on the utilization of mediating variables), we infer that leaders may additionally encourage innovation person degree creativity by way of influencing creative self-efficacy (Gong et al., 2009; & Redmond et al., 1993). Leaders can additionally assist innovation by using establishing regulations that motivate team reflection, such as debates, open communication, and divergent questioning (Somech, 2006) and (HEMLIN, 2012).

Furthermore, each leaders and employees are free in such organizations to participate in creative endeavors (Damanpour, 1991 and Jung et al., 2008). In agreement with Amabile et al., (2004), creativity is a required however now not sufficient prerequisite for innovation. As a result, no conceptualization qualifies innovation as a type of change, and change is broadly described as the genus of innovation, while innovation is mostly described as a subset of alternate Kesting1 is a proponent of exchange (there is no innovation except it) (2016).

According to Armstrong and Shimizu (2007), an organization's recruiting philosophy and employment policies are linked to the employee and organizational commitment. Employees need to be aware of their genuine effect on the company's innovation processes, and administration have to recognize the which means and nature of innovation, Janasz and Kozió-Nadolna say it's easier to put together and persuade employees to do so (2011). Furthermore, various groups that interact in intricate troubles have the biggest capacity for invention.

Such organizations require non-commanding, supportive leadership that includes them in decision-making. Leaders can encourage employees with poor organizational self-esteem and self-presentation to be extra inventive; Rank et al (2009). Furthermore, in accordance to OECD and Eurostat tips published in 2005, innovation is described as the deployment of activities such as brand-new and produced products, processes, and advertising strategies each inner and outside the company.

As a result, most company sectors now require leadership techniques that improve business performance and manage business change and innovation quality. On the other hand, leadership that is resistant to innovation has experienced a drop in performance. Therefore, how leadership quality and their innovation contribute to the success of the business performance of the organization and assessing the mediating role of employee commitment and the moderating effect of bank size of Dashen, Wegagen, and Addis international banks head offices Addis Ababa is the main objective of this thesis.

1.2. Statement of the Problem

Changes are continuous customer needs and changes occurred in an organization based on competition and obliged previous products, services, and business models to give their place to new methods and systems. According to Swiatek and Szajt´ (2018), innovation capability is

one of the most important determinants of organizational performance. However, innovation is not only the creation and capture of new value but also the implementation of new methods in business practices, workplace organization or external relations, and improvement and transformation of managerial mindsets and business models to cope with changes Akgün et al., (2014).

Innovation is one of the most crucial elements of the competitiveness of the economy and some scholars outlined that innovation capability is one of the most important determinants of organizational performance (Poznan´ska 2018; and ´Swiatek and Szajt 2018). Besides, the development of innovation theories and processes shows further evolution of these phenomena, and together with all processes in today´s economy and the latest theories and practice, innovations are the result of numerous, complex interactions among units, organizations, and business environment. It will result in the appearance of more complex and realistic models of the innovation process; Koziół-Nadolna (2019). Moreover, Ken Michaels 2005 also believes that innovation will make the world a better place for the younger generation. Therefore, the scope and type of implemented innovations tend to undergo modifications as the organization develops and business models change.

Innovation can be made in products, services, production and distribution methods, organizational methods, marketing, and design methods of a firm. These are called “product innovation”, “service innovation”, “process innovation”, “organizational innovation” and “marketing innovation”, respectively; Elçi, (2006). Hence, leadership plays important role in this aspect; this is not just, therefore, leaders give their subordinates point out directions and to show employees the purpose of their work, but also, they stimulating employee to wish to achieve the defined goals (Yanchun, Junwei & Amos, 2018). Furthermore, innovation encompasses boosting and developing production processes and operating technologies used in services, the application of new solutions in organization and management, advances in the development of infrastructure, and most importantly, accessibility to information; Janasz and Koziół-Nadolna (2011). Thus, in today´s unstable and competitive environment, organizations attempt to find different ways to gain a competitive advantage. One of these ways is to introduce innovations; Katarzyna, (2020). Indeed, the leaders should be risk takers, visionary, anticipate the future. But it is found that the current leaders of the bank lack the knowledge, skill, and value to solve the current complex problem and anticipate the future problem hence

the leadership qualities help leaders to understand the source of the current and future problem; Şena, (2012). Besides, innovation is one of the main factors behind achieving a competitive advantage by organizations. Each type of organization has a different innovation potential determining the type, scope, and scale of introduced innovations, as well as the organization's operating and innovation strategy.

Researches have been conducted to identify and discuss the above issue; and most empirical evidence revealed that companies that effectively implement and manage good leadership and innovations yield higher revenues and achieve better financial performance than their competitors on the market; Bessant and Tidd (2011). In addition to this, the study by Zahid (2021), Sabahattin et al (2014) found that there is a positive relationship between Leadership and Innovative performance.

However, as far as the researcher's knowledge is concerned the relationship between leadership quality and innovation performance using employee commitment as a mediator has not been studied. Thus, the study will contribute to the existing body of knowledge in three ways. First, the study will contribute by investigating the impact of leadership quality on innovation performance. Second, the study will contribute to the interaction of bank size as a moderator between leadership quality and innovation performance. Finally, the study will contribute by using employee commitment as a mediatory.

1.3. Research Questions

- Does leadership quality associate with innovation performance?
- Does employee commitment mediate between leadership quality and innovation performance?
- Does bank size moderate between leadership quality and innovation performance?

1.4. Objectives of the Study

1.4.1. General Objectives

The main objective of this research is to study the mediating role of Employee Commitment and the moderating effect of Bank Size in the relationship between Leadership Quality and Innovation Performance in selected private banks in Addis Ababa

1.4.2. Specific objectives

1. To explore the association of leadership quality with innovation performance.
2. To investigate the mediation role of employee commitment on the relationship between leadership quality and innovation performance.
3. To examine moderating effects of bank sizes in leadership quality and innovation performance.
4. To recommend solution that can improve bank innovation performance

1.5. Definition of Terms

- **Leader:** one who motivates or inspires others to take an action that they might not otherwise take on their own; does not refer exclusively to the person at the top level of an organization (Kouzes & Posner, 1987).
- **Management:** The term in the study means any person charged with the responsibility of planning, coordinating and directing people, a department or an organization
- **Leadership:** the act of motivating or inspiring another person to take an action that they might not otherwise take on their own (Kouzes & Posner, 1987).
- **Strategies:** the term is used to refer to ways and means that can be used to improve both women and meals. Strategy is important because the resources available to achieve these goals are usually limited.
- **Employee Motivation:** Motivation is an employee's intrinsic enthusiasm about and drives to accomplish activities at work. Employee motivation describes an employee's intrinsic enthusiasm about and drives to accomplish work (Furnham, 2004).
- **Information Technology:** According to Ige (1995) Information Technology (IT) is the use of electronic methods to handle information involving the processing, storing, transportation, transferring, accessing, and delivering of the information.
- **Reliability:** Means ability to perform the promised service dependency and accurately. Reliability is a significant factor of product quality in addition to good personal service, staff attitude, knowledge, and skills (Walker, 1990).
- **Responsiveness:** Means willingness to help customers and provide prompt service; "Customers are very sensitive to employees' working environment in service organizations" (Brown and Mitchell, 1993).

- **Tangibility:** Refers to physical facilities, equipment, and appearance of personnel. (Jabnoun and Al-Tamimi, 2003).
- **Training:** Training is the gaining of skill, competencies, and knowledge as a result of the instruction of occupational or applied skills and knowledge that relate to specific useful competencies (Harris, Willis, Simons, and Underwood, 2008).

1.6. Delimitation of the Study

This study focused on the mediating role of Employee Commitment and the moderating effect of Bank Size in the relationship between Leadership Quality and Innovation Performance in selected private banks in Addis Ababa.

To assess the impact of the variable's questioners, FGD will be presented for more than 187 participants. Therefore, the data needed for this study is collected from the Board of Directors, Executive Management, Department directors., Strategy and innovation department employees, Talent development department employees, HR operation and partnership management department employee, Alternate channels department employee, Applications development and support department employees, International banking department employee, IT infrastructure department employee and Facilities management department employee and selected as the sample size of the research.

1.7. Limitation of the Study

No research would be comprehensive without facing any obstacles or hardships; thus, the researcher faced certain difficulties; shortage of reference, only used quantitative approach and the scope is limited to only private banks in Addis Ababa. Moreover, to make this research more manageable the scope of the study was limited in Addis Ababa head office of Dashen, Wegagen, and Addis international bank, and methodologically. Because of the pandemic, corona virus, it was a challenge to distribute and collect questionnaire papers; therefore, the researcher perceived it may have its impact on the data analysis of the research.

1.8. Significance of the Study

The significance of the study was to assess the mediating role of Employee Commitment and the moderating effect of Bank Size in the relationship between Leadership Quality and Innovation Performance in selected private banks in Addis Ababa and therefore, the thesis may have the following specific significance:

- Identifying the existing quality of leadership on the innovation performance of the three private Banks.
- Identifying the mediating role of employee commitment and the moderating effect of bank size for the performance of the business of the Banks.
- The study will add knowledge on the field of banking and the quality of leadership on innovation performance.
- It serves for further study in the sector and will help as additional input for concerned policy makers and future researchers.
- The study also contributes to the body of existing literature on innovation by examining the mediating of innovation strategy.

1.9. Organization of the Study

This thesis structured in the following way:- Chapter one: will include the introduction and background of the study, problem statement and research questions, research objectives, the scope of the study, the significance of the study, limitation of the study, and operational definition of terms; Chapter two: gives a comprehensive and critical review of literature on the mediating role of Employee Commitment and the moderating effect of Bank Size in the relationship between Leadership Quality and Innovation Performance in selected private banks in Addis Ababa; Chapter three: presents the description of the study area, and explains the research methodology to be used. Chapter four presents the analysis and discussion of the research results of the research obtained through the Data Collection Instrument involved; Chapter five will comprise the conclusion, recommendation and suggestion for future study of the research; Finally, Bibliography and Appendices will attach at the end of the thesis.

CHAPTER TWO

REVIEWING THE RELATED LITERATURE

According to Johnson and Christensen (2008), a theory is a set of assumptions, propositions, or accepted facts that attempts to provide a plausible or rational explanation of cause-and-effect (causal) relationships among a group of observed phenomena. Hence, this chapter looks at literature that has been reviewed and continued to be reviewed for the study and covers the conceptual framework, review of existing literature by the study variables, and empirical studies carried out on the same topic in the past. Theoretical literature review

2.1. Theoretical Literature

2.1.1. Leader and Leadership Quality

Leadership is basically described as the potential to encourage and impressing followers by way of offering them with the reason to combat for them (Sichone, 2004:1). According to Firestone (1996), leadership belongs to a specific position and it covers obligatory tasks and functions that agencies have to fulfill to live, improve and be efficient. Firestone has break up leadership functions into two categories as leadership functions in regular operation and leadership functions in transformation. Leadership functions in regular operation have been evaluated as assist and structure. In current years, transactional and transformational management styles have been being examined and taken an interest in scientific studies. Moreover, Bass and Bass (2008), leadership refers to “interplay between two and an extra member of a group that regularly includes a structuring or restructuring of the situation and of the perceptions and expectation of the members: directing the attention of different contributors to goals and the paths to achieve them”. Such a local weather has been recognized as a convergent manner appearing on each organizational tradition and individual conduct (Ostroff et al. 2003). As an instrument of goal achievement, leadership helps build the structures, processes, and local weather for an organization to become progressive.

2.1.2. Leadership Effectiveness

Behavioral science scholars have sturdy interests in the link between different leadership patterns and employees’ innovation outcomes (e.g., creativity Liu, D.; et.al. 2012) Also, checking out the relationship between transformational management and employees’

revolutionary behaviors has acquired big attention from students of revolutionary behavior. For instance, Organ Behav. (2010). provided empirical evidence for such a relationship. Moreover, an innovation local weather ought to be developed and mounted by transformational leaders who inspire people to function toward creative outcomes; Leadersh Q (2003). Contingency theories of leadership explain leadership effectiveness in terms of exclusive situations or the effect of leadership conduct on effects as various across exceptional conditions. The multiple-linkage model states that the interacting consequences of a manager's behavior and situational variables decide the performances of humans or work gadgets Yukl, G., (2001).

The effectiveness of performance is contingent on two factors, specifically the motivational pattern from a chief e.g., transformational leadership; Policy Pract, (2014) and contextual elements Liu, A. et.al (2017). Leaders give their subordinates a sense of what is essential in the organizational reality or point out directions to exhibit employees the motive of their work, thereby stimulating their wish to acquire the defined goals. Thus, the persona and charisma of leaders have an effect on the conduct of employees. Leaders ought to play a position in encouraging the productivity of employees' innovative outcomes; Anderson, N. & et.al (2014); and management is also a key predictor of innovation; Hughes, D.J.; Lee, (2018). Meanwhile, the hyperlink between leaders and subordinates would be transferred by the mediating variables, such as cooperation, commitment, and organizational support. Moreover, there are some contextual variables, such as the organizational culture, work requirements, and strategy. Therefore, leaders exert have an effect on their subordinates by using a range of means. Social cognitive theory is entrenched inside the perception that human action is prompted by using the personal behavior of others and/or the exterior environment; Miles, J.A., (2012).

2.1.3. Innovation and Innovation Functionality

Innovation has been recognized as the deep-seated condition of the 21st century to realize the sustainability of an organization (Nakano and Wechsler, 2018). Plessis (2007) defined innovation as the creation of new ideas, products, and process which make organizational outcomes possible. Organizations with innovative capacity can recognize advanced technologies and knowledge assets to achieve a competitive advantage; Teece, (2014). Plessis

(2007) clarified innovation as the creation of novel concepts that add value to the organization. Similarly, Andreeva and Kianto (2011) claimed that innovation is the uncovering of novel thoughts, processes, and products. Innovation can be made in products, services, production and distribution methods, organizational methods, marketing, and design methods of a firm. These are called “product innovation”, “service innovation”, “process innovation”, “organizational innovation” and “marketing innovation”, respectively (Elçi, 2006). This approach classifies innovation depending on the place in which it occurs. However, each type of innovation is commonly related to a process or product (Easa, 2012). Moreover, innovation is more than just a great idea; it is the opportunity to solve a problem that matters. The key is executing an idea in useful practice.

Scholars have suggested that innovation functionality is a multifaceted construct. The categories used for innovation functionality frequently adopt a certain kind of innovation, such as product innovation, instead of the overall innovation capability (Ibrahim et al., 2009). In addition, innovation capability has been divided into radical and incremental innovation capabilities (Sen and Egelhoff, 2000). Moreover, According to Davila et al. (2006), the inputs are the resources dedicated to creating innovations. These inputs may be tangible, such as people, money, time, equipment, or intangible, such as motivation, knowledge, and firm culture. Many studies have intangible factors related to innovation capability (Gibson, 2008; Tura et al., 2008).

2.1.4. Characteristics of Innovation

Characteristics of Innovation; Duncan, and Holbek (1973) identified over 21 characteristics or attributes of innovation, which have been drawn principally from research on the diffusion of innovation. Diffusion research basically examines the adoption of innovation by way of person decision-makers such as farmers, physicians, and customers (Rogers 1995; Sultan, Farley, and et.al.1990) and measures innovation traits as perceived by means of the man or woman adopter. A review of the relationship between perceived innovation characteristics and innovation adoption recognized three traits (compatibility, relative advantage, and complexity) that have the steadiest full-size relationships to innovation adoption Klein and et.al. (1982).

However, a few exceptions Schneider, and et.al (2007), research which consists of innovation characteristics as predictors of innovation adoption is scarce. Primary attributes enable differentiating innovation between organizations; secondary attributes enable differentiating innovations inside agencies (Wilson, Ramamurthy, and Nystrom 1999). Thus, innovation traits can be represented with the aid of two constructs: a macro construct that reflects the characteristics that facilitate or inhibit innovation adoption by way of organizations inside a population, and a micro construct that displays the perceived traits with the aid of organizational individuals that facilitate or inhibit innovation use. This study is involved in the first assemble and depends on expert scores of three characteristics cost, complexity, and impact) of innovations that are adopted in public provider organizations.

2.1.4.1. Product Innovation

There are key elements of innovation culture that enhance product innovation. These elements, for example, are creativity; Prajogo and McDermott, (2011); Valencia & et al., (2010), openness; Enzing et al., (2011); Valencia et al., (2010), customer focus Prajogo and McDermott, (2011), external orientation Büschgens & et al., (2013); and risk-taking Herrmann et al., (2007); Wan et al., (2005). Product innovation would then need an innovation culture that values creativity, openness, customer focus, external orientation, and risk-taking. Furthermore, product innovation is viewed as a vital predecessor to product success (Valencia et al., 2010). Product innovation relates to the modifications performed in the end consumer's product and service; Shavinina, (2003). Meanwhile, Cooper and Edgett (2009) argued that product innovation is the newness of products launched promptly to the market.

2.1.4.2. Process Innovation

Gunday et al. (2011) considered process innovation, to be the application of new, considerably changed production and distribution methods by making technical, equipment, or software changes. Wong and He (2003) viewed process innovation as the usage of advanced equipment for novel production processes. In the banking sector, examples of product innovations consist of issuing new credit and debit cards or financing or mortgage options, whereas process innovations focus on the faster delivery process for issuing credit and debit cards; Easa, (2012).

2.1.4.3. Service Innovation

Service innovation, in general, has attracted great attention from academics, companies, policy makers, and individuals. This growing attention has been due to changes in the conventional mindset of innovation. However, managing innovation is not a simple task; rather, it is a complex process; Panesar & Markeset, (2008). Service innovation is a multi-dimensional phenomenon. That implies that service innovations can take various forms and be linked to different parts of the value creation process of a service-dominant firm Den Hertog, (2010). Service innovation in the opinion of the European Commission (2012) “comprises new or significantly improved service concepts and offerings as such, irrespective of whether they are introduced by service companies or manufacturing companies, as well as innovation in the service process, service infrastructure, customer processing, business models, commercialization (sales, marketing, delivery), service productivity and hybrid forms of innovation serving several user groups in different ways simultaneously. Sebastiani & Paiola (2010) and Gallouj (2002) recommend that Service Innovation should be more focused on the uniqueness and the ability of people in serving customers. This implies that the interpersonal relationship is so important that for whatever advanced the technology is, the personal touch is still preferred; Gideon, (2019)

2.1.4.4. Radical Innovation

Radical innovation refers to the introduction of new products or application of new processes; Herrmann et al., (2007); Reichstein and Salter, (2006), while incremental innovation is the marginal development in the existing products or processes; Gatignon et al., (2002); Reichstein and Salter, 2006). Technological innovations are directly related to the organizational core work activity which comprises both product and process innovations; Jansen et al., (2006); Easa, (2012), while administrative innovation is indirectly related to the work activities which relates primarily to process innovation; Al-Husseini, (2014).

2.1.5. Innovation Capability

According to Lawson and Samson (2001), innovation capability is a theoretical framework aimed at describing the movements that can be taken to improve the success of innovation activities. Innovation functionality consists generally of the firm’s intangibles. Intangibles are the non-physical traits of a firm, which will produce cost in the future; Kannan and Aulbur,

(2004). Intangibles are referred to as doable in this paper, are no longer assets as such. Exploiting intangibles generates results; Bontis, (2001); Marr, (2007). Innovation functionality is composed of the main strategies inside the company and can't be separated from the essential practices due to the fact innovation capability is the potential to raise out the practices. Neely et al. (2001) additionally advocate that a firm's innovation overall performance is the manageable to generate revolutionary outputs. Similarly, Lawson and Samson (2001) define innovation overall performance as "the ability to consistently radically change expertise and ideas into new products, processes, and structures for the benefit of the firm and its stakeholders." Saenz et al., (2009) consider innovation a dynamic functionality with a couple of factors (i.e., a functionality that allows the firm to integrate, build, and reconfigure interior and exterior capabilities to address rapidly altering environments; Teece & et al., (1997).

Rogers (2003) defines innovativeness as the degree to which an employer is before in the adoption of a relative to its peers. This definition conceptualizes the meaning of innovativeness as realizing innovation earlier than others. In a brooder meaning innovativeness is no longer solely the advent and seize of new price but also the implementation of new strategies in enterprise practices, administrative center agency or external relations, and enhancement and transformation of managerial mindsets and commercial enterprise fashions to cope with changes; Akgün & et al., (2014). Moreover, Madjar and et al. (2002) define that the creativeness of personnel can be affected through their leaders' encouragement, support, open communication, remarks efforts. On the different hand, Nystrom and et al. (2002) argue that creativeness takes place at the maximum level with democratic and cooperative leadership features in an organic agency structure.

2.1.6. Business Performance

The thoughtful of performance defines how individuals or groups conclude to acquire an aim. Performance is a thinking that is proven through an organization's outstanding employees while gratifying their tasks. This is why organizations' success is without delay proportionate to their employees' performance Benligiray, (2004). Business performance is a description of the stage of the fulfilled challenge of business's intention or target in accordance to bought

output/ conclusion at the cease of an enterprise period; Yıldız, (2010). Scholars have studied one of kind variables which have affect enterprise performance.

They determined that many variables have an effect on business overall performance such as entrepreneurial orientation; Alegre, Chiva, (2013), information technology; Chae, & et.al, (2014) strategy Guo and Cao, (2012), and different variables. In addition, there is brooder literature that has examined the relationship between innovativeness and performance. Moreover, researchers in banking and finance have indicated that financial institution performance is related to interior and external factors. The interior factors relate to banks' characteristics and exterior factors are described as the economic and legal environment; Athanasoglou, (2008).

2.1.7. Innovation and Business Performance

When studies on innovation and commercial enterprise performance are examined; Brown and McDonnell (1995) state that companies have to improve their current offerings and strategies to maintain their profitable enterprise things to do and for this reason, they have to meet with innovation processes. In an article about innovativeness and enterprise performance, it is verified that innovativeness will increase enterprise performance; Hoq and Ha (2009) and it is concluded in some research that innovation ability has a significant and effective relationship with commercial enterprise performance (Jong and Vermeulen 2003). Innovation used to be located to be necessary to components of organizational performance, notably, operational effectiveness; Neely and Hii (1998), economic outcomes; Jansen & et al. (2006), and market competitiveness (Daft 2004), and to the growth and improvement of the enterprise (Scott 2006) and society as a whole; Segerstrom (1991). Therefore, previous research investigated a number of elements that estimated innovation in organizations, together with organizational strategy; Naranjo-Gil (2009), organizational structure; Kimberly (1981), organizational getting to know culture; Bates and Khasawneh (2005), conversation and engagement of stakeholders; Widén & et al. (2014), and high-quality expectations of innovation from the team; Carlfjord & et al. (2010). Currently, innovation is viewed one of the most essential components of commercial enterprise studies. Oslo Manual OECD (2005) labeled innovation into four types: product, process, marketing, and organizational innovation.

Product innovation entails an accelerated purchaser advantages for purposeful or different improvements in the product or service; Zaefarian & et al., (2017), besides, manner innovation refers to doing enterprise in a new and progressive way; Akgün & et al., (2014). Organizational innovation is described as an introduction to new commercial enterprise practices, place of business regulation, decision-making, and new ways of dealing with exterior relations; Polder & et al., (2010). Hassan et al. (2013) describe that innovation in advertising and marketing is imposing a new marketing approach involving significant modifications in design, placement, packaging, product promotion, and pricing strategy. Thus, innovation culture has been suggested as a pre-condition for improving organizational, marketing, and managerial entrepreneurship in a aggressive market; Aksoy, (2017). As a result, corporations want to adopt more modern advertising and marketing things to do to use excellent strategies.

2.1.8. Employee Commitment

Commitment refers to attachment and loyalty. It is related with the feelings of individuals about their organization. As defined by Mondy et al (1984), dedication is the relative power of the individual's identification with, and involvement in, a specific organization. The three characteristics of dedication recognized are a sturdy wish to stay a member of the organization; a robust trust in and acceptance of, the values and desires of the organization, and a readiness to exert sizeable effort on behalf of the organization.

An alternative, even though closely related, the definition of dedication emphasizes the importance of conduct in creating commitment. 'Commitment is a nation of being in which an person becomes certain by means of his actions to beliefs that sustain his things to do and his involvement.' Three points of behavior are important in binding people to their acts: the visibility of the acts, the extent to which the effects are irrevocable, and the diploma to which the individual undertakes the action voluntarily. Commitment can be elevated and harnessed 'to reap help for organizational ends and interests' through such plays as participation in decisions about actions (Armstrong 2006).

A giant variety of studies have examined the commitment level of personnel toward their business enterprise and its relationship with a variety of employee work-related outcomes, such as turnover, performance, and organizational citizenship behavior. Along similar lines,

various research have been performed in India that have printed that organizational commitment has a direct relationship with trust; Nambudiri, (2012), cultural values; Singh & Mohanty, (2011), participation satisfaction; Kanwar, Singh, & et.al (2012) and a mediating relationship between HR practices and turnover intentions; Guchait & Cho, (2010). Employee Commitment believes in and accepting the goals, values, and norms of the business enterprise via employees; it is the willingness via the worker to put forth the vast effort and keeping excellent employer citizen conduct (Porter, Steers, & et.al 1974).

Past research (Taylor-Bianco, Wayne, & et.al 2011) displays that WFC is related with the three dimensions of EC, suggesting that men and women are motivated to remain in the business enterprise due to the fact of exceptional motives. EC is manifested in three forms, namely, affective, continuance, and normative commitment Lambert, (2006). Besides, employees may additionally sense indebted to the business enterprise and point out loyalty when they see that management cares about their welfare. This variety of loyalty can extend their dedication to that organization; Allen & Meyer, (1996). Thus, there is the need for non-stop adaptation via companies to their surroundings is essential due to work dynamic, place of job environment, and employee characteristics. Nevertheless, in the present day commercial enterprise environment, extra and extra personnel are getting uncovered to work-related and family-related conflicts

2.1.8.1. Affective Commitment

Affective commitment is the emotional attachment by means of humans to the enterprise and the willingness of those persons to perceive with the employer irrespective of the situation; Allen & Meyer, (1996). Besides, Meyer and Allen (1991), affective dedication is an employee's emotional attachment to, identification with and involvement in the organization"; continuance commitment is "commitment based totally on the expenses that employees partner with leaving the organization"; and normative commitment is "an employee's feelings of duty to continue to be with the organization" (Meyer & Allen, 1991).

2.1.8.2. Continuance Commitment

Continuance commitment is the material advantages an employee features by way of being a member of a specific organization; Akintayo, (2010). This definition implies that many

employees may prefer to work with their organization because they might also concern dropping the benefits, which they have acquired over a long period (such as improved salary, allowances, share option, or seniority).

2.1.8.3. Normative Commitment

Normative commitment means that employees are grateful to keep on working of an organization due to the fact of the intrinsic and extrinsic reward they get; (Lambert, 2006; Rehman & Waheed, 2012) probably because they are being rewarded to work in the organization. Norm reciprocity has always been used to explain the link between work-life balance policies with in the organization.

2.1.9. Employees' Skills and Innovativeness

According to Kleysen and Street (2001), as a substitute of person progressive behavior requires a suitable correlation between five dimensions: chance exploration, generativity, formative investigation, championing, and application. According to Calantone & et al. (2002), to foster high-quality innovation, practices, and beliefs may have to be challenged. Thus, as business realities change, employees' behavior and actions need to modify accordingly; (Dobni, (2008).

2.1.10. Employees' Welfare

An employee's motivation is also connected to his or her well-being and experience as a member of the work community; Viitala, (2005). According to McMurray et al. (2010), leaders who demonstrate empowering behaviors through transformational leadership enhance employees' well-being.

Leadership practices suggest that when firms aim for innovation excellence, innovativeness and the leaders' ability to guide and direct employees should be improved first Martensen & et al. (2007). Today, leadership is observed as a skill for directing employees' energy in the right direction instead of giving orders and instructions; Emdenand & et.al. (1999). Also Yukl, (1998) stated that participative leadership boosts employees' trust in, commitment to, and appreciation of managers. Employees are also more motivated to do their tasks.

2.1.11. The Importance of Commitment

The importance of commitment was emphasized by Walton (1985a, 1985b). His theme was that amended performance would result if the organization moved away from the traditional control-oriented approach to workforce management, which relies upon launching order, training control, and ‘achieving efficiency in the application of the workforce’. He proposed that this approach should be replaced by a commitment strategy. Workers respond best - and most creatively - not when they are tightly controlled by management, placed in narrowly defined jobs, and treated as an unwelcome necessity, but, instead, when they are given broader responsibilities, encouraged to contribute, and helped to achieve satisfaction in their work.

According to Walton (1985 a, 1985b) in the commitment-based approach, jobs are designed to be broader than before, to combine planning and implementation, and to include efforts to upgrade operations, not just to maintain them. Individual responsibilities are expected to change as conditions change, and teams, not individuals, often are the organizational units accountable for performance. With management hierarchies relatively flat and differences in status minimized, control and lateral coordination depend on shared goals. Expertise rather than formal position determines influence. Put like this, a commitment strategy may sound idealistic but does not appear to be a crude attempt to manipulate people to accept management’s values and goals as some have suggested. Walton does not describe it as being instrumental in this manner. His prescription is for a broad HRM approach to how people are treated, jobs are designed and organizations are managed.

2.1.12. Size of the Bank

Among the factors prominently recognized as affecting savings variability one is bank size. Evidence indicates that the variety and diversity of the ownership of person credit score accounts, as well as the distribution of deposits through type, vary with financial institution size; (George, 1972). (Herald and Heiko 2009) located that even though insignificant once controlled by using different variables financial institution size affects deposits. But, a large bank size with an economy of scale as nicely as a large department community might be capable to higher appeal to deposits; (Herald and Heiko, 2009). However, measurement is not the solely thing that impacts a bank’s long-run profitability. For example, bank-specific

factors such as commercial enterprise strategies, reflected in the composition of banks' assets and liabilities, can have an effect on profitability. Likewise, market-specific factors, such as growth in the markets in which banks operate, can have an effect on banks' long-run profitability. Any analysis that completely examines the relationship between bank profitability and bank size need to account for such bank-specific and market-specific factors (Kristen R. and et.al. 2016).

2.2. Empirical Studies

The banking area is dealing with world challenges resulting from the speedy modifications in the business environment (Jyoti and Dev, 2015). These changes are forcing the banking quarter to be more innovative now not solely to attain however also to continue to exist (Cheung and Wong, 2011). Organizational leaders now not only manipulate or regulate their styles or behaviors however also have an impact on their followers' movements due to the fact the essence of organizational leadership is to direct the followers' actions toward the accomplishment of organizational or crew desires House, R.J.; Shamir, B. 1993. The key factor of human motion is the private personal trust or cognition, which lets in men and women to be proactive or regulators of their movements (Bandura, A. 2001).

Prior empirical lookup in the context of building innovation has examined the results of leadership on fostering innovation climates (Chan, & et.al 2014). Besides, Leadership style has been recognized as one of the most necessary factors affecting innovation positively or negatively (Bojica and Fuentes, 2012; Mittal and Dhar, 2015). In addition, innovation turns into fundamental to the survival of corporations and a key component in accomplishing aggressive advantage, the predominant problem for managers now is how to enhance the innovative conduct among personnel (Han et al., 2016). Liu and Shi on his part referred to that an innovation climate reflected the individuals' cognition for the sense-making of the working environment (Yun, L.; Jintao, S. 2009) or the constant cognitive ride of the innovation environment, which affects their innovative behaviors Isaksen, (S.G.; Lauer, et.al 1999). Likewise, (De Jong and Hartog 2007) described innovation as the adoption of new products, process, and the opening of a new market and there have an impact on on organizational performance.

Correspondingly, (Andreeva and Kianto 2011) claimed that innovation refers to the awareness of new ideas, products, services, and perfect implementation of all these ideas to get new outcomes. A climate for innovation is highly prone to leadership (Damanpour and Schneider 2006; Peterson et al. 2009). Along with, even if there are more than a few variables affecting business performance, management fashion and innovativeness elements have enormous results on business performance. Because leaders have huge influences over enterprise insurance policies and innovation is a critical effect on the competitive environment. Thus,

leadership is necessary to creating and implementing an innovative, organizational strategy, terrific organizational structure, facilitating organizational mastering of innovation, motivating team expectations towards innovations, and so on (Peterson et al. 2009). Moreover, the performance of commercial banks analysis has been carried out by many researchers in various countries. The performance analysis of banks is done to understand the effectiveness of the banking systems. Research has considered various articles on bank performance: emphasizing on profitability of the bank, for instance, Haron (2004) reveals that expenditures and profitability are positively correlated and the size of the bank only had a significant positive correlation with expenditures that was not significant with profitability measures. Furthermore, Chen, et.al, (2005) found the large state owned bank and smaller banks are more efficient than medium size bank. Hence, this research were investigating the mediating role of employees commitment and the moderating effect of bank size in the relationships between leadership quality and innovation performance in selected private banks in Addis Ababa. Then, the following research hypothesis was tested in this research.

2.2.1. Hypothesis of the Study

H1: Leadership quality has positive and significant effect on innovation performance

H2: Employee commitment mediates the relationship between leadership quality and innovation performance.

H2.1 leadership quality has positive and significant effect on employee commitment

H2.2 employee commitment has positive and significant effect on innovation performance

H3 bank size moderate the relationship between leadership quality and innovation performance

2.3. Conceptual Frame Work

Baron and Kenny (1986), described mediation as the generative mechanism via which the focal impartial variable can have an impact on the dependent variable of interest". Mediation represents the addition of a third variable in the relationship between an independent and dependent variable, whereby the independent variable causes the mediator and the mediator causes the dependent variable (MacKinnon D. P., Fairchild A. J., and Fritz M. S., 2007). In other words, the investigation of mediation specifies a chain of family members by way of which an antecedent variable influences a mediating variable, which in flip impacts an established variable. One of the techniques to statistical mediation analysis is known as the causal steps approach, which is based on the influential work of Baron and Kenny (1986). First, the impartial variables need to significantly affect the dependent variable. Second, the independent variables substantially affect the hypothesized mediating variable. Third, the mediating variable ought to significantly affect the dependent variable, controlling for the independent variable. Finally, the relations between the independent variable and the dependent variable have to be weaker when the mediating variable is added to the model (Baron and Kenny, 1986).

A supportive local weather may want to be served as a key mediator for innovation Chang, Y. 2016; Scholars have analyzed the indirect effect of innovation climate upon transformational leadership and innovation behavior but there have been blended results. For instance, (Kang et al. Kang, J.H.; Solomon, G.T.; 2015); observed that the revolutionary climate of a association can mediate the relationship between the transformational leadership of the CEO of the company and the progressive behaviors of the managers of the firm. (Wang et al. Wang, et.al 2013) also observed that the mediating effect of an innovation local weather upon the relationships amongst transformational management and employees' creative outcomes is significant.

Chen et al. (2013) and Dong et al. (2017) additionally recommended that innovation climate may additionally assist translate the fantastic impact of transformational management to innovative outcomes. Liu investigated the function of innovation local weather on the relationships between management and innovation in construction; Liu, A.M.M.; et.al (2017). However, he determined that interior help for innovation (i.e., innovation-supporting climate)

had an insignificant effect on transformational leadership and organizational innovation; Gumusluog & et al. 2009 however had a big mediating effect in corporations Gumusluog & et al. (2009). Furthermore, a conceptual framework is a structure that the researcher believes can great provide an explanation for the herbal development of the phenomenon to be studied (Camp, 2001). A conceptual framework is linked with the concepts, empirical research, and necessary theories used in merchandising and systemizing the understanding espoused via the researcher (Peshkin, 1993). The banking device is an imperative part of the investment machine in the productive zone and a spine of national economic growth.

The conceptual framework of this study observed the objectives of the find out about and developed integrating variables from theories and empirical researches on the position of leadership exceptional on innovation: the mediating function of employee commitment and the moderating effect of bank size. In this study, management fine is assumed to be an independent variable; innovation is a dependent variable; worker commitment is mediating and financial institution size is moderating. Based on the empirical research and the literature, a lookup model for this learns about is developed. Therefore, the discern under is indicated structured variables which include the fundamental determinant and independent variables that may want to affect management first-rate and their innovativeness and the mediating function of employee commitment, and the moderating impact of financial institution measurement.

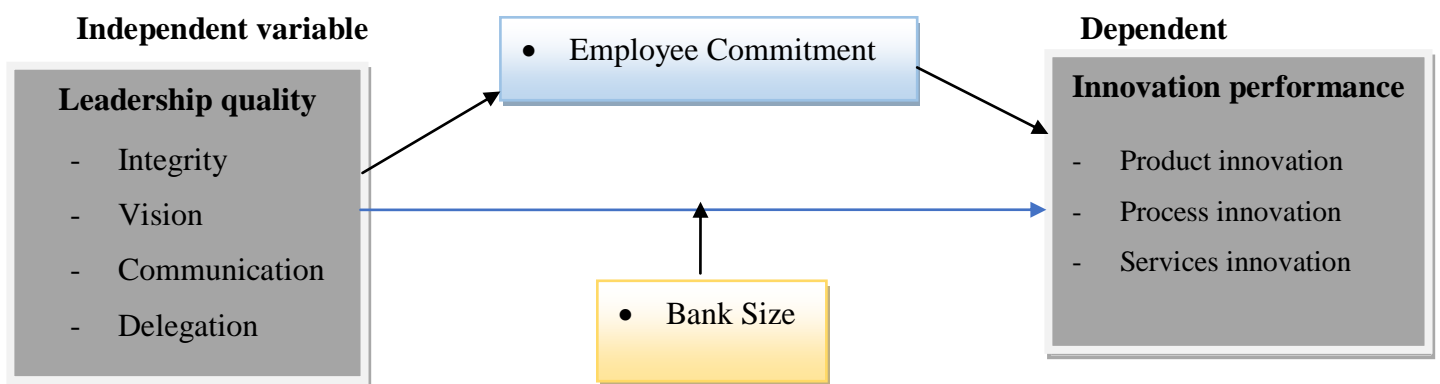


Figure 2.1 : conceptual frameworks

Source: Developed by the Researcher with the Consult of Advisor

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This chapter reviews the research methodology and designs the mediating role of Employee Commitment and the moderating effect of Bank Size in the relationship between Leadership Quality and Innovation Performance in selected private banks in Addis Ababa. Under this chapter, the research design, research approach source of data, sample and sampling techniques, instruments validity, reliability and procedures of data collection, and methods of data analysis were presented. Therefore, the descriptive method was employed; as it is an appropriate method to obtain pertinent and precise information on the topic.

3.1. Research Approach

Creswell, (2003) stated that the mixed methods approach involves gathering both numeric information as well as text information so that the final data will represent both quantitatively and qualitative information. But, the researcher used only quantitative research approaches to study the issues; because the quantitative approach is better in identifying factors that influence the results, intervention frequency, and testing theory.

3.2. Research Design

A research design is a plan, structure, and strategy of investigation so conceived as to acquire solution to research questions or problems. The plan is the completed scheme or program of the research and it includes an outline of what the investigator can do from writing the operational implications to the final analysis of data; Kerlinger (1986). Based on this definition the research design used in this study is a descriptive research and explanatory as Kohtari, (2004), stated that descriptive study was undertaken to establish and be able to describe the characteristics of the variables of interest in the study whereas, Explanatory research attempts to simplify why and the way there's a relationship between two or more aspects of a condition or phenomenon.

3.3. Research Method

The research uses quantitative research method to interpret and analyze data collected through questionnaires and document analysis. As descriptive statistics helps to describe the characteristics of the variables of interest in the study; Kohtari, (2004), and used to describe the general information about the respondents' demographic situation such as percentage, mean and standard deviations and structural equation model (SEM) among the variables using SPSS Version 26.

3.4. Population of the Study

3.4.1. Target Population

The population was defined as any group of people, things that are of interest to the researcher and that they wish to investigate. For this study, the population consists of 418 employees (professional) in the three private banks (Dashen, Wegagen, and Addis International) respectively in head office. However, the target population of the study has selected departments directly in relationship to the title. The reason for selecting those is that the researcher believes that these peoples have better theoretical knowledge and information concerning the issues of the study.

3.5. Sampling Techniques, Procedures, and Sample Size

3.5.1. Sampling Techniques

Sampling is the determination of a subset or a statistical sample of individuals from inside a statistical population to estimate the characteristics of the entire population. Statisticians try for the samples to characterize the populace in question. Therefore, as Kothari, (2004) noted that conducting a learn about on the complete listing of all population or census survey is difficult to cowl due to special constraints mainly if the inquiry is large. As a result: - The variety of sampling used to be used depends on three factors; the nature of the population, the kind of investigation, and the degree of precision favored at minimal cost. By taking this into consideration, purposive and the data collection method was involved in gathering information through questionnaires, so that the final data was presented in quantitative

information. Besides, the required data for the completion of the study will be collected from two sources namely: primary and secondary sources.

Hence the primary sources of data were the Board of Directors, Executive Management, Department directors, Strategy and innovation department employees, Talent development department employees, HR operation and partnership management department employee, Alternate channels department employee, Applications development and support department employees, International banking department employee, IT infrastructure department employee and Facilities management department employee; along with other important documents which are relevant to the study was analyzed. Sampling methods were used to pick out the preferred sample population, Vandalen (1979). To achieve the relevant data, the sample populations were selected only from the study area.

Therefore, the goal populations of the find out about had been focused solely on three financial institution head office at Addis Ababa, and to make the populace size manageable 418 participants was selected amongst the head office personnel in Addis Ababa; without questioners was prepared, distributed, and for Board of Directors, Executive Management, Department directors., Strategy and innovation branch employees, Talent improvement department employees, HR operation and partnership administration branch employee, Alternate channels department employee, Applications development and help department employees, International banking department employee, IT infrastructure department employee and Facilities management department employee.

3.5.2. Sampling Procedures

To draw the representative sample for the study, the following procedures were used: -

1. First, the study area to be covered was identified: Board of Directors, Executive Management, Department directors Talent development department employees, HR operation and partnership management department of the bank.
2. Purposive and random sampling were employed to get appropriate sample based on their typical relevance of this study and these samplings were used among the Board of Directors, Executive Management, Department directors., Strategy and innovation department employees, Talent development department employees, HR operation and partnership management department employee, Alternate channels department

employee, Applications development and support department employees, International banking department employee, IT infrastructure department employee and Facilities management department employee.

3.5.3. Sample Size

Sampling is a method of picking a sufficient number of items from the population so that the sample would not only help in understanding the characteristics of the population's features but also allow us to generalize the results; Chawla and Sondhi, (2011). Sampling refers to the procedure through which we pick out from a collection of units that make up the object of study, a limited number of cases chosen according to criteria that enable the results obtained by studying sample to be extrapolated to the whole population Corbetta, (2003). Although there are no general rules, the sample size usually depends on the population to be sampled. The researcher accepted a maximum sampling error of 5% with a 95% level of confidence. The role of leadership qualities on innovation performance: the mediating role of employee commitment and the moderating effect of bank size the case of Dashen, Wegagen, and Addis international Bank. Following this, to get the exact number of respondents, the formula given by Yamane (1967) is used.

$$n = \frac{N}{1 + N(e^2)}$$

Where N= the total population.

e = sampling error estimated

n = total sample size which is taken from the calculation

So, the researcher sample is $n = \frac{418}{1 + 418(0.05)^2} = 204.9 \approx 205$

Therefore, sample size n would be 205 and Board of Directors, Executive Management, Department directors., Strategy and innovation department employees, Talent development department employees, HR operation and partnership management department employee, Alternate channels department employee, Applications development and support department employees, International banking department employee, IT infrastructure department employee and Facilities management department employee a total number of the samples are 205.

The proportionate calculation of the sample: $\frac{205}{418} \times 100 = 0.49\%$

Table 1: - Summary of Sample Size

No	Respondent categories	Total population	Sample size
1	Dashen Bank	214	$214 \times 0.49\% = 105$
2	Wegagen Bank	124	$124 \times 0.49\% = 61$
3	Addis international Bank	80	$39 \times 0.49\% = 39$
	Total	418	205

Sources: Own filled Survey, (April 2021)

According to table 3.1, the employee respondent sample size in Dashen bank 105, Wegagen bank 61, and Addis International (AIB) 39 totally 205 respondents was engaged in the study. From this, to divide by different categories namely Board of directors, executive managers and department directors was the respondent.

Table 2: - Population of Sample Size

No.	Respondent Category	Sample size	Distribution	Remark
1.	Board of Directors	4	4	
2.	Executive Management	4	4	
3.	Department directors	5	5	
4.	Strategy and innovation department employees	43	43	
5.	Talent development department employees	29	29	
6.	HR operation and partnership management department employee	26	26	
7.	Alternate channels department employee	24	24	
8.	Applications development and support department employees	16	16	
9.	International banking department employee	17	17	
10.	IT infrastructure department employee	18	18	
11.	Facilities management department employee	19	19	
	Total	205	205	

Source: Own survey, (April 2021)

3.6. Instruments and Procedures of Data Collection

Data collection method was involved in gathering information through questionnaires, so that the final data was presented in quantitative information. Besides, the required data for the completion of the study will be collected from two sources namely: primary and secondary sources. Hence the primary sources of data were the Board of Directors, Executive Management, Department directors., Strategy and innovation department employees, Talent development department employees, HR operation and partnership management department employee, Alternate channels department employee, Applications development and support department employees, International banking department employee, IT infrastructure department employee and Facilities management department employee; along with other important documents which are relevant to the study was analyzed.

The principal source of data for the research is primary data. Data is collected through a closed-ended questionnaire based on the relationship of the title selected sample of professional employees in three private banks of Addis Ababa. All of the questions were constructed on a five-point Likert scale such as 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree which allows respondents to indicate their level of agreement with the statements provided. The questionnaire contained two sections. Section one is about the general demographic information of the respondents that covers age, gender, educational level, length of service years and marital status of the respondents. Section two consisted of questions regarding the independent variable (leadership quality), the mediating variable (employee commitment), and the dependent variable (innovation performance), and moderating variable (bank size).

3.6.1. Instruments of Data Collection

Questionnaire

According to Baumgartner and Smith (2018), information attained from questionnaires is free from bias and researchers' influence; thus, accurate and valid data were gathered. The preference for the questionnaire was based on the premise that it gave respondents the freedom to express their views or opinions more objectively. Therefore, the questionnaires were used as the principal tool of data collection, and since closed-ended forms of

questionnaires are easy to the administrator to a large number of participants and similarly, closed-ended forms of questionnaires are versatile to facilitate figures during the process of tabulation and analysis of the data; hence 205 questionnaires were prepared in form of closed-ended and distributed for respondents.

3.6.2. Procedures of Data Collection

Totally 205 questionnaires were prepared; distribute and enough time was given to complete the questionnaires and return them to the researcher on time; then the researcher was recollect the responses through representative personnel assigned in the organization.

3.7. Data Analysis Methods

Furthermore, after the collection of relevant data from the respondents, the researcher was look for documents, reports, and manuals to strengthen the idea and to evaluate the issues from different dimensions. Therefore, to meet the specific research objectives used quantitative data analysis was perused for the study purpose. Descriptive statistics like frequency distributions, charts, cross-tabulations, and inferential statistics like linear regression and binary logistic regression were used to elicit meaningful information. The data entry and analysis was performed by using SPSS and AMOS version 26.

3.7.1. Quantitative data Analysis

Quantitative data analysis is describing the collected data in numeric form, therefore, according to this study; the data that was being collected through the questionnaire was analyzed by using descriptive statics like percentage, frequencies, mean and standard deviation. In analyzing the primary data, SPSS version 26 software was used. Moreover, descriptive statics such as percentages mean, and standard deviation was used for analyzing the research findings (Bahiru, 2015). To compute the means and standard deviations on the quantitative data analysis of the mediating role of employee commitment and the moderating effect of bank size in the relationship between leadership quality and innovation performance in selected private banks in Addis Ababa.

3.8. Validity and Reliability

3.8.1. Validity

Collis and Hussey (2009) described validity as the extent to which the research findings precisely reflect the phenomenon under study. Saunders et al. (2009) mentioned that the questions used in the instrument ought to be understood through the individuals in the way supposed via the researcher, and the answers given by way of the respondents need to be understood by way of the researcher in the way supposed by way of the respondents. Saunders & et al. (2009) recommended three ways of validating a questionnaire, namely content, construct, and external validity. Sekaran and Bougie (2011) noted that content validity explains how well the dimensions and factors of the notion have been delineated. Content validity can be established by asking people with experience and knowledge in a subject to choose whether, on the face of it, the measure seems to mirror the concept involved whereas external validity, refers to the research findings, which means the capability of the data to be generalized across populations and research settings; (Cooper and Schindler, 2008) and (Hald-Mortensen, 2007).

3.8.2. Reliability

It refers to the absence of random error, enabling subsequent researchers to arrive at the same insights if they conduct the study along with the identical steps again (Yin, 2014) noted (Bahiru, 2015) There are different methods of reliability test, for this find out about the internal consistency (Cronbach alpha) technique was once regarded to measure the consistency respondents, response and Cronbach's alpha is the most often used inside consistency metric for determining whether or no longer a scale is dependable. It's most typically used in the following situations: researchers use a couple of Likert scales in a questionnaire and these learn about devised five Likert scales from "strongly disagree" to "strongly agree".

The researcher conducts a pilot test earlier than the actual dissemination of the contraptions for a full-scale survey. Accordingly, the pilot check was once carried out on 41 worker respondents for checking the questioners concerning the leadership quality, innovation, employee commitment, and bank size and 41 employees' respondents for measuring of

Dashen Bank head office in A.A. The coefficient of reliability of Alpha for this study was once found? 0.79, 0.81, 0.76, 0.75, 0.80 and 0.68 for leadership quality, product innovation process innovation, services innovation, employee commitment, and bank size respectively. According to Sarandakos (1998), refers to the capacity to an instrument to produce consistent results. Reliability is equivalent to consistency. Hair (1998) additionally notes that Coefficient alpha, ranging between 0- 1 is frequently used to estimate reliability when the gadgets are developed by ranking scales. Nunnally (1967) cited in Thong, Yap (1995) notes that reliability of 0.5 to 0.6 is sufficient for the early stages of basic research (Chieochan, 2015).

Table: 3. Leadership Quality, Innovation, Employee Commitment and Bank Size Reliability Test

No	Category	Cronbach alpha	No of item
1	Leadership quality	0.79	13
2	Product innovation	0.81	4
3	Process innovation	0.76	4
4	Services innovation	0.75	5
3	Employee commitment	0.80	11
4	Bank size	0.68	3

Source SPSS out Put

Table 3.2 illustrates Cronbach's Alpha values for the pilot test data. Cronbach's Alpha result of the Constructs in the pilot test ranged from 0.68 to 0.81. This indicated that all the Constructs had acceptable reliability score 0.5 to 0.6 was sufficient from the above explanation, therefore; the research instruments were reliable for data collection.

3.9. Ethical Considerations

The Oxford Advanced Learner's Dictionary (8th Edition) defines the word ethical as something morally correct or acceptable. In this research, the researcher imperatively expected to collect and use the data from the respondents in a morally acceptable way. The researcher also maintains the respondents' privacy with undue confidentiality and not collecting the respondent's personal life information. The collection of data was the best stage to minimize chances of infringing on personal space and violating individual's rights and freedom. To avoid unethical conduct in data collection, the researcher strived not to reveal names, residences, or addresses of the participants that may ultimately cause social damages to their personal lives or their families.

CHAPTER FOUR

PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA

Introduction

This chapter focuses on the presentation, analysis, and interpretation of data collection from respondents through questionnaires and document analysis. It consists of an introduction, respondents' demographic characteristics, descriptive statistics which are measured in terms of leadership quality, Innovation performance, employee commitment, and Moderating bank size (MOD). Items of the questionnaire on these variables were measured in five Likert scales using five points ranging from 1=Strongly Agree to 5=Strongly Disagree. In addition, some demographic descriptions of the respondents are collected.

4.1 Response rate of Respondents

The researcher distributed 205 questionnaires to the respondent of the study .out of these, 187 were returned. This represents a response rate of 91.2%. According to (Mc Burney 2001as cited in Yohannes, (2018) 70% and above response rate is acceptable for analysis and interpretation of findings, and hence, the response rate obtained (91.2%) in this study is significant to give reliable finding. In short, a total of 205 questionnaires 187 (91.2%) them were returned whereas, 18 questioners (8.78%) unreturned.

Table 4.1 Response rate of Respondents

No	Data collection tool	No, of respondents	No, answered	Response rate
1	Questionnaires	205	187	91.2%

Source: Own, (April, 2021).

4.2 Demographic Characteristics of Employee Respondents

Table 4.2 Demographic Characteristics of Employee Respondents

No	Category	Frequency	%
Sex	Male	120	64.2
	Female	67	35.8
	Total	187	100.0
Age	18-25	21	11.2
	26-33	104	55.6
	34-41	52	27.8
	42 and above	10	5.3
	Total	187	100.0
Education	Diploma	9	4.8
	Degree	94	50.3
	Masters	83	44.4
	Other	1	.5
	Total	187	100.0
Service/experience	0-5	66	35.3
	6-11	85	45.5
	12-17	31	16.6
	18 and above	5	2.7
	Total	187	100.0
Marital Status	Single	79	42.2
	Married	102	54.5
	Divorced	4	2.1
	Widowed	2	1.1
	Total	187	100.0

Source: Own Survey, (April 2021)

As shown in table 1, the study includes 67 (35.8%) females and 120 (64.2%) men were among the respondents out of 187 sample size. The percentage indicates the great difference in the number of male and female participation in the area of the study. Regarding the age of

the respondents 21 (11.2%) were in the age between 18-25 below and 104 (55.6 %) of them were in between 26-33; meanwhile, 52 (27.8) % of the participants were in the range between 34-41, and only 10 (5.3%) of the respondents were above the age of 42. Moreover, regarding educational level, 9(4.8 %) of employees were Diploma graduates, 94 (50.3 %) of the respondents were first Degree holders and 83 (44.4%) participants had Master's degree and the rest 1 (0.5 %) of the participants were among the others educational backgrounds. Meanwhile, regarding service experience 66 (35.3 %) of the participants have 0-5 years' experience and 85 (45.5 %) have 6-11 experience and the rest 31 (16.6 %) of employees has 12-17 years' experience. Most of the respondents are well educated in private banks encompassing more than 95 % of degree or masters holder. In addition to this above 66% of the employees are youths.

4.3 Data Analysis

Leadership quality based on Integrity

A description of leaders integrity and regarding that the leader abilities' to see what has to be done next, and 6 (3.2%) of the respondents strongly disagree and 48 (25.7 %) of the respondents disagree and believe that the leader is not capable of seeing what has to be done next; however, 80 (42.8 %) of the respondents agree and the other 12 (6.4 %) of the respondents strongly agree and believe that the leaders have the abilities to see what has to be done next; meanwhile 41 (21.9 %) of the respondents placed under neutral column this implies that they don't have information on this regard or they don't want to decide their leader abilities on this regard b/c of their reasons. Besides, regarding integrity R. J., Tomlinson, & et.al; in 2006 stated that. The supreme quality of leadership is unquestionably integrity. Without it, no real success is possible, whether it is on a section gang, a football field, in an army, or in an office, moreover concerning leader's integrity 3 (1.6 %) of the respondents strongly disagree and 13 (7.0 %) of the respondents disagree and believe that the leaders have no integrity; but, 84 (44.9 %) of the respondents agree and 51 (27.3 %) of the respondents strongly agree and believe that the leadership as integrity; furthermore, 36 (19.3 %) of the respondents were neutral regarding leaders integrity. Regarding leaders willing 11 (5.9 %) of the respondents strongly disagree and 18 (9.6 %) of the respondents disagree and believe that the leaders are not willing to serve others; but, 70 (37.4 %) of the respondents

agree and 24 (12.8 %) of the respondents strongly agree and believe that the leaders are willing to serve others; also, 64 (34.2 %) of the respondents were neutral regarding are leaders willing to serve others. In this regard, W. Resick, C. J., & et.al. (2004) specific that integrity in leaders refers to being honest, trustworthy, and reliable, and leaders with integrity act by way of their words and own up to their mistakes, as antagonistic to hiding them, blaming their team, or making excuses.

Regarding leaders initiative 1 (0.5 %) of the respondents strongly disagree and 5 (2.7 %) of the respondents disagree and consider that the leaders are not successful in taking initiative; though, 106 (56.7 %) of the respondents agree and 45 (24.1 %) of the respondents strongly agree and believe that the leaders are precise takes initiative; and also, 30(16.0 %) of the respondents had been impartial in taking initiative. The mean value of integrity was found to be 3.64 and standard deviation of 0.37. since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. Likewise, if employees lack integrity they are more likely to engage in unethical or counterproductive behaviors which damage each the work environment and the company; Johnson, M. K., Petrini, L. & et.al. (2011). However, leaders who act responsibly, make moral decisions, and uphold organization values assist set and maintain expectations for employee conduct; Dickson, M. W., & Smith, D. B. et.al. (2004). See appendix A

Vision

As shown in appendix B a description of vision and concerning confidence, the decisiveness of the leaders 6 (3.2 %) of the respondents strongly disagree and 67 (35.8 %) of the respondents disagree and believe that the leaders have no confidence and decisiveness capability. However, 66 (55.3 %) of the respondents agree and 21 (11.2 %) strongly agree and believe that leaders are good in vision implementation and their confidence, and optimism. Concerning the vision of the leaders Nanus, in 1992 stated that visionary leadership has been defined as the ability to create and explain distinct visions that give meaning and purpose to the work of an organization. Otherwise, People spend their time trying to figure out what direction to go, which makes them tired and even unresponsive and the result shows 3 (1.6 %) of the respondents strongly disagree and 20 (10.7 %) of the respondents disagree and believe that leaders are not visionary when it comes to where we can go as a business; but,113 (60.4

%) of the respondents agree and 18 (9.6 %) strongly agree and believe that leaders are visionary when it comes to where we can go as a business.

Besides, self-awareness and humility refer to the capacity of becoming the object of one's attention and one becomes self-aware when one reflects on the experience of perceiving and processing stimulant, Duval & Wicklund, in (1972) and the result shows 2 (1.1 %) of the respondents strongly disagree and 9 (4.8 %) of the respondents disagree and believe that the leader does not build great self-awareness and humility; though, 136 (72.7 %) of the respondents agree and 16 (8.6 %) strongly agree and believe that the leader does not build great self-awareness and humility. However, 16 (8.6 %) of the respondents were neutral concerning self-awareness and humility.

The mean value of integrity was found to be 3.56 and standard deviation of 0.29. Since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. Also, people with high self-awareness understand what makes them tick and how to respond effectively and have more direction, purpose, influence, and success in their professional and personal lives. Moreover, with humility, we enhance our ability to see ourselves precisely; to understand others as they truly are, and to be true to our potential greatness; Ravis B. and Jean Greaves, in (2018). Moreover, concerning system thinking and creativity 6 (3.2 %) of the respondents strongly disagree and 16 (8.6%) of the respondents disagree and believe that the leader is not constructing system thinking and creativity; however, 97 (51.9%) of the respondents agree and 25 (13.4 %) strongly agree and believe that leader builds system wondering and creativity. Scholars like Ackoff, in 1999 recommended that system thinking entails a broader view, searching at large and large numbers of interactions and that creates a better grasp of the massive picture; thus, like Sterman, in 2000 depicts; in a world of growing dynamic complexity requires managers to become systems thinkers".

Communication

Literature depicts that, Effective and accurate communication acts as an important factor to grow as an efficient and successful leader or manager. Towler (2003) expressed that, the utmost essential key to great leadership is communication. So, it is effective communication, which makes leaders lead successfully; Deborah J. Barrett, (2006). And the analysis shows

that 25 (13.4 %) of the respondents disagree and believe that the leader has no strong communication skill; however, 104 (55.6 %) of the respondents agree and 42 (22.5 %) strongly agree and believe that the leader has strong communication skill; yet 16 (8.6 %) of the respondents were neutral regarding the leader has strong communication skill. Furthermore, communication is the most important process in a company several studies have linked organizational outcomes such as work motivation, job satisfaction, and productivity to the communication process. (Chiang C.F., 2006). However, some scholars believe that Different leadership styles also influence the communication process; and also, there exists a vice-a-versa relation between the two; Benita Zulch, (2014).

To concerning the communication process of the bank 9 (4.8 %) of the respondents strongly disagree and 27 (14.4 %) disagree and believe that the leaders are not restructured the communication process of the bank; but, 115 (61.5 %) of them agree and 13 (7.0 %) strongly agree and believe that the leaders are not restructured the communication process of the bank and yet, 23 (12.3 %) of the respondents were neutral concerning communication process of the bank. The mean value of integrity was found to be 3.69 and standard deviation of 0.25. since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean.

Similarly, Communication is well recognized as instrumental to organizational survival and growth; Wanberg & B., & et.al. (2000); this fact has served as a driving force in the development of efficient instruments for the measurement and analysis of communication in organizations; Downs, DeWine, & Greenbaum, (1994). Restructuring; Sikavica, (2001) is a process of implementing changes in the organizational structure that often include reducing the number of management levels and changing organizational components by relocating and outsourcing some activities or functions, and very often also by reducing the number of employees. However, it requires implementation of a series of procedures within the management system, aimed at enhancing its characteristics, such as selection of strategy, clear and appropriate policies, realistic and measurable goals, flexible and process-oriented organization, reliable business processes, adequate good quality resources, developed relationships with partners, and a functioning information and communication system at all levels and in all directions. See appendix C

Delegation

According to Weber (1947) there are three types of authority: legal-rational authority or institutional power, traditional authority based on customs or social norms, and charismatic authority. Hence, regarding delegation and leaders' conformity of subordinate ability; Most classifications of authority found in the research literature are based on Weber's three ideal types. The most influential taxonomy on organizational studies was developed by French and Raven (1959), who identified reward, coercion, legitimacy, expertise, and referent power as the main sources of perceived authority. The analysis shows 7 (4.8 %) of the respondents strongly disagree and 13 (7.0 %) disagree and believe that subordinate can exercise the authority, and the others 103 (55.1%) of the respondent agree and 10 (5.3 %) strongly agree and leaders ensure that a subordinate can exercise the authority. Besides, Peabody (1962) found that authority was accepted if it was based on one of four specific factors:(a) legitimacy, arising from a legally established order of rights and duties; (b) position, linked to the office a person occupies with its associated powers; (c) competence, resting on an individual's experience, skills, and knowledge of a domain; and (d) person, based on individual philosophy and style of working.

Concerning, delegation 6 (3.2 %) strongly disagree and 35 (18.7 %) and disagree and believe that delegation doesn't accelerate the decision making process; however, 92 (49.2%) of the respondent agree and 13 (7.0 %) strongly agree and believe that delegation accelerates decision-making process; yet, 41 (21.9 %) of the respondents were neutral about delegation and decision-making process. Besides literature also state about delegation is that it is widely acknowledged to be an essential element of effective management, and effective delegation offers several potential benefits, both to the manager and the subordinates; Yukl, (2002). Moreover, regarding delegation and work displaying 1 (0.5 %) strongly disagree and 13 (7.0 %) disagree and believe that delegation does not prevent work displaying in the case of managers absence; 79 (42.2 %) agree and 2 (1.1%) strongly agree and believe that delegation prevents work displaying in the case of managers absence. But 92 (49.2%) of the respondents were neutral about Delegation and work displaying and work displaying. The mean value of integrity was found to be 3.44 and standard deviation of 0.09. Since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. Some researchers argue for the benefits of delegation, Leidner, and et.al. (1999) report that an

effective leader of a virtual team needs to be more flexible to accommodate the complexities and volatility of the virtual team environment, and to be willing to let others take the lead when necessary. See appendix D

Product

Everett Rogers (2003), defines innovation as an idea, practice, or object that is perceived as new by an individual or other unit of adoption. The result shows 9 (4.8 %) of the respondents strongly disagree and 68 (36.4 %) disagree and believe that leaders are not following a formal process to generate and develop new ideas; on the hands of the other 64 (34.2 %) of the respondent agree and believe that leaders follow a formal process to generate and develop new ideas; however, 46 (24.6 %) of the respondents were neutral about the process to generate new ideas. Concerning development and research project 2 (1, 1%) of the respondents strongly disagree and 17 (9.1 %) disagree and believe that the banks are not emphasizing development and doing research project; but 115 (61.5%) of the respondent agree and 11 (5.9 %) strongly agree and believe that the bank constantly emphasizes the development and doing research project; however, 42 (22.5 %) of the respondents were neutral about development and research project. Likewise, Innovation is more apt to involve the practical implementation of an invention (i.e. new/improved ability) to make a meaningful impact in a market or society, and not all innovations require a new invention; Schumpeter, Joseph A. (1939).

In addition, regarding the development of new services 7 (3.7 %) of the respondents strongly disagree and 46 (24.6 %) disagree and believe that the leaders don't initiate the development of new services to meet customers' requirements and market trends; however, 70 (37.4%) of the respondent agree and 2 (1.1 %) strongly agree and believe that initiates the development of new services to meet customers' requirements and market trends. Although, innovation is often viewed as taking place through the provision of more effective products, processes, services, technologies, artworks; Schumpeter, Joseph Alois (1939), and Kevin Lane Keller (2016) state that it could be a business model that innovators make available to markets, governments, and society. However, innovation is related to, but not the same as, invention. Moreover, concerning new technology adoption, 7 (3.7 %) of the respondents strongly disagree and 27 (14.4 %) disagree and believe that the leaders don't adopt new technology to

provide new services and to improve the current ones; and however 113 (60.4 %) of the respondent agree and 10 (5.3%) strongly agree and believe that the leaders adopt new technology to provide new services and to improve the current ones, but 30 (10.4%) of the respondents were neutral new technology adoption.

The mean value of integrity was found to be 3.25 and standard deviation of 0.35. Since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. According to Kanter (1997), innovation includes original invention and creative use and defines innovation as a generation, admission, and realization of new ideas, products, and services, and processes. See appendix E

Process

A description of the process and concerning teamwork and good working relationship 18 (9.6 %) of the respondents disagree and believe that the bank leaders don't encourage teamwork and good working relationship between staff members; but 81 (34.2 %) of the respondent agree and 16 (8.6 %) strongly agree and believe that the bank leaders encourage teamwork and good working relationship between staff members, however, 72 (38.3 %) of the respondents were neutral about teamwork and good working relationship; Effective team performance derives from several fundamental characteristics, and team processes become a critical determinant of team performance and often mediate the influences of most other exogenous variables. However, most leadership theories that mention team processes treat them as moderators that indicate what leadership behaviors are most appropriate or effective in particular circumstances; Kerr & Jermier, (1978).

Regarding developing new technology 9 (4.8 %) strongly disagree and 20 (10.7 %) of the respondents disagree and believe that the bank leaders are not developing new technology to improve the services process; however, 75 (40.1 %) of the respondent agree and 46 (24.6 %) strongly agree and believe that the bank is often developing new technology to improve the services process. moreover, according to Edison, H., Ali, N.B., & et.al. (2014), the two main dimensions of innovation were degree of novelty (i.e. whether an innovation is new to the firm, new to the market, new to the industry, or new to the world) and kind of innovation (i.e. whether it is processor product-service system innovation). Moreover, on the subject of management strategies 3 (1.6 %) and strongly disagree 4 (2.1 %) of the respondents disagree

and said that the bank leaders are not following flexible management strategies to deal with unexpected changes and 93 (49.7 %) of the respondent agree and 58 (31.0 %) strongly agree and believe that the bank leaders follow flexible management strategies to deal with unexpected changes. The mean value of integrity was found to be 3.59 and standard deviation of 0.33. since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. Meanwhile, workplace innovation involves some combination of problem/opportunity identification, the introduction, adoption, or modification of new ideas germane to organizational needs, the promotion of these ideas, and the practical implementation of these ideas; Newman, A. Legood, & et.al. (2018). Concerning structures, practices, and techniques 1 (0.5 %) and strongly disagree 22 (11.8 %) of the respondents disagree and said the bank does not provide improvements in its structures, practices, and techniques; and 73 (39.0 %) of the respondent agree and 9 (4.8 %) strongly agree and believe that the bank provides improvements in its structures, practices, and techniques; but 82 (43.9 %) of the respondents were neutral about practices and techniques of the bank. See appendix F

Services

A description of services and concerning resource new services development 21 (11.2 %) disagree and believe that the banks do not have enough resource to develop the new services; but 70 (37.4 %) of the respondent agree and 59 (31.6 %) strongly agree and believe that the banks have enough resource to develop the new services; however, 32 (17.1 %) of the respondents were neutral about resources to develop the new services in the bank; besides, serving customers requires that service organizations go beyond merely tinkering with efficiency improvements and refining existing service models. A more comprehensive and holistic approach to service innovation is needed that enables value co-creation for customers and the service organization; Patrício & Fisk (2011).

Concerning services providing 34 (18.2 %) disagree and believe that the banks are not trying to its best to provide different services for customers; but 60 (32.6 %) of the respondent agree and 58 (31.0 %) strongly agree and believe that that the banks are always trying to its best to provide different services for customers but, 33 (17.6 %) of the respondents were neutral about new service providing, moreover, regarding special services delivery 10 (5.3 %) of the

respondents strongly disagree and 16 (8.6 %) disagree and believe that the banks don't try to its best to provide the special services delivery for customers, but 89 (47.6 %) of the respondent agree and 46 (24.6 %) strongly agree and believe that the banks are always trying to its best to provide different services for customers. The mean value of integrity was found to be 3.78 and standard deviation of 0.18. Since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. Indeed, customer experiences are increasingly important for differentiating and adding value to an organization's offerings; Pine & Gilmore (1998). Customer experiences are co-created through all interactions between customers and the organization, and cannot be completely determined by the service provider; Gentile et al. (2007). furthermore, concerning innovation services 2 (1.1 %) of the respondents strongly disagree and 15 (8.0 %) disagree and believe that the banks are not in the position to creates innovation services to deliver better services; and according to Kanter (1997), innovation includes original invention and creative use and defines innovation as a generation, admission and realization of new ideas, products, and services and processes.

Likewise, 86 (46.0 %) of the respondent agree and 12 (6.4 %) strongly agree and believe that the bank always creates innovative services to deliver better services; but, 72 (38.5 %) of the respondents were neutral about innovation services. Along with service innovation is the creation of new and/or improved service offerings, service processes, and service business models; Ostrom & et al. (2010). An offering not previously available to customers that results from the addition of offerings, radical changes in the service delivery process, or incremental improvements to existing service; Johnson & et al. (2000). However, from a service logic perspective, innovative services are not defined in terms of their new features, but in terms of how they change customer thinking, participation, and capabilities to create and realize the value (Michel et al. 2008). Hence, from this perspective, innovative services enable customers to find new ways to fulfill their personal needs. See Appendix G

Affective Commitment

A description result of affective commitment and relating to employee's happiness; Happiness is the experience of frequent positive affect, infrequent negative affect, and an overall sense of satisfaction with life as a whole; Myers & Diener, (1995). Workplace happiness is about mindfully making the best use of the resources you have, to overcome the

challenges you face; Pryce-Jones (2010) and Seligman (2012) presents a more comprehensive view on happiness and defines it as “quality of individual life, emotional health, work environment, physical health, behavior and basic access favorably” and the result shows 1 (0.5 %) of the respondents strongly disagree and 17 (9.1 %) disagree and believe that employees are not happy being a member of this organization; and 75 (40.1 %) of the respondent agree and 66 (35.3 %) strongly agree and believe that employees are happy being a member of this organization; however, 28 (15.7 %) of the respondents were neutral about employees happiness; what's more concerning talking about the organization 12 (6.4 %) of the respondents strongly disagree and 17 (9.1 %) disagree and believe that employees are not enjoying talking about my organization to people outside the organization; and 64 (34.2%) of the respondent agree and 75 (40.1 %) strongly agree and believe that employees are enjoying talking about my organization to people outside the organization; however, 19 (10.2 %) of the respondents were neutral about employees are enjoying and promoting outside the organization. Undeniably, commitment has been conceptualized in several ways not all of which are directly relevant to enjoyment; Swailes (2002), and being happy is of great importance to most people, and enjoyment is a highly valued goal in most societies; Diener (2000).

Furthermore, regarding employees' contribution towards organization's goals 11 (5.9 %) of the respondents strongly disagree and 9 (4.8 %) disagree and believe that employees do not understand how their work contributes to the organization's goals and 83 (44.4 %) of the respondent agree and 51 (27.3 %) strongly agree and believe that employees understand how their work contributes to the organization's goals and; on this regard; Kristin Ryba (2021), affirmed that every organization understands the importance of goal setting, but setting goals is not enough. It's imperative to align employee goals to team goals, and team goals to organizational goals; but, 33 (17.6 %) of the respondents were neutral about contributes towards organization's goals moreover, concerning companies' problems 1 (0.5 %) of the respondents strongly disagree and 5 (2.7 %) disagree and believe that employees do not feel that company problems are their problems and 87 (46.5 %) of the respondent agree and 77 (41.2 %) strongly agree and believe that employees feel that company problems are their problem; however, 17 (9.1 %) of the respondents were neutral about companies' problems their perception regarding the problems.

The mean value of integrity was found to be 3.96 and standard deviation of 0.68. since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. Moreover, according to; Vroom, (1964), satisfaction is derived when expectancy meets the rewards and performance; And Judge and Watanabe, (1994) describe that job satisfaction does not affect life satisfaction; whereas, life satisfaction affects job satisfaction; moreover, as Kristin Ryba (2021) states that, everyone should be working to achieve the organization's overall strategy, and aligning goals gets everyone on the same page and moving in the same direction. However, according; Cohen 2007 & et al. (1997), normative and affective commitment are not always empirically distinct, and both represent internalized forms of psychological attachment, prompting some scholars to suggest that the constructs should be combined and labeled affective commitment Affective commitment is fairly strongly related to other positive attitudes in the workplace. See Appendix H

Countenances Commitment

A description result of countenances commitment and concerning leaving the organizations and literature describes that, job satisfaction is an attitude, so should contain both cognitive and affective components; Eagly and Chaiken (1993). However, job satisfaction largely affects 'a pleasurable or positive emotional state resulting from an appraisal of one's job or job experiences'; Locke (1976). Others have pointed out that the most frequently used measures of job satisfaction ignore affect and have a predominant focus on the cognitive component; Weiss & et.al. (2002) and the analysis shows, 5 (2.7 %) of the respondents strongly disagree and 12 (6.4 %) disagree and believe it is not very hard for them to leave the organization; meanwhile, 100 (53.5 %) of the respondent agree and 51 (27.3 %) strongly agree and believe that it is very hard for them to leave the organization; yet, 19 (10.2%) of the respondents were neutral about leaving the organizations; regarding staying in the organization 10 (5.3 %) of the respondents disagree and believe that they don't want to stay in the organization and 82 (43.9 %) of the respondent agree and 76 (40.6 %) strongly agree and believe that they need to stay in the organization; undeniably retention is driven by several key factors, which ought to be managed congruently: organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems; Logan, (2000).

But the reasons why people are staying are not always the same as the reasons people leave; Steel & et.al, (2002). Yet, 19 (10.2%) of the respondents were neutral about staying in the organization; on the subject of employee's current position; and Career development; hence according to Kyle L. (2007) pointed that as an employer needs to understand why your employees are emotionally connected to your business; and it's usually much more than salaries, training, or benefits. Furthermore, Boomer Authority (2009), organizational commitment; Patrick Owens, (2006), communication; Gopinath and Becker, (2000) and superior-subordinate relationship; Zenger, Ulrich, Smallwood, (2000) are the factors known for a prolonged stay of the employees in the organization. Agrela, & et al (2008) states the need to focus on the factors that affect retention leading to the growth and success of organizations. Retention factors incorporating the needs and desires of employees at any age enhance levels of individual job satisfaction, loyalty, and commitment; Boomer Authority, (2009). While analysis of the study shows that, 1 (0.5 %) of the respondents strongly disagree and 12 (6.4 %) of the respondents disagree and believes their current position is inspiring them and 99 (52.9%) of the respondent agree and 63 (33.7 %) strongly agree and believes their current position is inspiring them; however, 12 (6.4 %) of the respondents were neutral about employee's current position. The mean value of integrity was found to be 3.79 and standard deviation of 0.08. since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. See Appendix I

Normative Commitment

Scholl, (1981) describes that employees with a high level of normative commitment feel that they ought to remain with the organization. Recognition of these investments causes employees to feel an obligation to reciprocate by committing them to the organization until the debt has been repaid. A Description of Normative commitment and concerning employees loyalty; and 7 (3.7 %) disagree and not believes in the value of remaining loyal to one organization and 114 (61.0 %) of the respondent agree and 29 (15.5 %) strongly agree and believes in the value of remaining loyal to one organization; yet, 36 (19.3 %) of the respondents were neutral about employees loyalty; along with, Employee loyalty is a deliberate commitment to further the best interests of one's employer, even when doing so may demand sacrificing some aspect of one's self-interest beyond what would be required by one's legal and other moral duties; Elegido, (2013). besides, about employees, inspiration 6

(3.2 %) of the respondents strongly disagree and 9 (4.8 %) disagree and believes that they are not feel inspired to provide the best service to our partners and 121 (64.7%) of the respondent agree and 17 (9.1 %) strongly agree and believes they feel inspired to provide the best service to our partners; some scholars also states that, factors which typically can affect the level of loyalty among employees are solidarity, organizational culture and values, career opportunities, wages, and competence development opportunities.

Besides, variables like; word-of-mouth, complaining, intention to stay, and benefit insensitivity to explain the level of employee loyalty; Bloemer and S. (2006); however, 34 (18.2 %) of the respondents were neutral about employees inspiration; in addition, about employees ownership 8 (4.3 %) of the respondents strongly disagree and 11 (5.9 %) disagree and believes that employees' not feel that they owe this organization quite a bit and 124 (66.3 %) of the respondent agree and 24 (12.8 %) strongly agree and feel that they owe this organization quite a bit because of what it has done for theme; however, 20 (10.7 %) of the respondents were neutral about employees inspiration moreover, about employees willingness 8 (4.3 %) of the respondents strongly disagree and 8 (4.3%) disagree and believes that employees are not willing to put in a great deal of effort beyond the normally expected in order to help this organization be successful and 102 (54.3 %) of the respondent agree and 43 (23.0 %) strongly agree and feel that are willing to put in a great deal of effort beyond the normally expected in order to help this organization be successful; however, 26 (13.9 %) of the respondents were neutral about employees willingness to help this organization be successful. The mean value of integrity was found to be 4.08 and standard deviation of 0.12. Since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. Hence, if employees feel like the organization is listening to them, recognizing them for their contributions, then they will more likely be loyal to the company. See Appendix J

Bank Size (MOD)

A Description result of moderate bank size and concerning effects of bank size on the innovation of the organization 10 (5.3 %) of the respondents strongly disagree and 9 (4.8 %) disagree and believes that moderate bank size have no effects on the innovativeness of the organization and 99 (52.9 %) of the respondent agree and 34 (18.2 %) strongly agree and

believes moderate of bank size have effects on the innovativeness of the organization; and 35 (18.7 %) of the respondents were neutral about effects of bank size on innovation; also Correa & O. (2014) express that, depending on the approach used; the market size; and the assumptions of the type, cost, and importance of each innovation, can vastly change the conclusions reached by academics. likewise, regarding bank size and its effect on financial performance 4 (2.1 %) of the respondents strongly disagree and 7 (3.7 %) disagree and believes that bank size does not affect financial performance the bank and 127 (67.9 %) of the respondent agree and 21 (11.2 %) strongly agree and believe that moderate of bank size has effects on financial performance the bank.

Batiz-L. & et.al (2006) found the importance of innovation in financial services to combat competitors, and banks were engaging in incremental and gradual innovations rather than radical changes. Similarly, bank size has been investigated in many innovation studies and finds the level of innovative activity within an industry can inhibit small firms from entering; Acs & A. (1989); however, 28 (15.0 %) of the respondents were neutral. Moreover, concerning bank size and its impact on loan application 7 (3.7%) of the respondents strongly disagree and 35 (18.7 %) disagree and believes that bank size has no impact on the loan application and 100 (53.5 %) of the respondent agree and 16 (18.6 %) strongly agree and believe that bank size has an impact on the loan application; yet, 29 (15.5 %) of the respondents were neutral about effects of bank size and its impact on the loan application and approvals of the bank.

The mean value of integrity was found to be 3.76 and standard deviation of 0.24. Since this value is closer to zero, it showed that the data points are not dispersed rather they are closer to the mean. Indeed, there is much academic debate as to how to effectively measure bank efficiency, and deciding which variables are inputs and outputs depends on which theoretical approach is followed. However, some scholars, explain that there is no consensus on the effects of innovation on a bank's profits or the effects of bank size on innovation performance; Cooper, (1998). See Appendix K

4.3.1 Sample Size for SEM

When sample size is being determined by means of the act of choosing a number of repeated, to encompass it in to a statistical sample, one-of-a-kind factors are considered. This includes

the cost, time, or comfort of gathering the data, and the need for it to provide ample statistical power. Knile (2005), Researchers need to acquire matching parameters that are as shut to the population as possible; because, quantitative research findings are extrapolated from samples to the whole population. According to Loehlin (2004), pattern measurement For SEM be at least 100 to 200. The pattern measurement used for this find out about used to be 187 which are adequate for performing the thing analysis and structural model.

4.3.2 Common Method Bias

As said by using Podsakoff et al. (2012), the systematic variance shared by using the variables is referred to as frequent technique bias; and it assumes that a single element explains the majority of variance. Unless dealt with, considering that it is regarded to be the major source of dimension error, it may want to be a problem. The presence of frequent technique bias in any measure produces hypothetically ambiguous results through inflating the correlation (Carlson, Kacmar, and Williams, 2000). To be free of CMB, the first issue of un-rotated factor evaluation ought to be much less than 50% (Podsakoff et al., 2003). The un-rotated factor analysis of this thesis showed that the first factor accounted for 23.06% of the total variance; therefore, the results suggested that there were no common variable (See Appendix L).

4.3.3 Outliers Assumption

As noted by using Tinsley and Brown (2000), Outliers are severe values which are either on one or a set of variables. This could be due to an fallacious cost being entered, an error in recoding or reworking variables, or the presence of an gorgeous however valid facts point. As stated by Kline (2005), the presence of outliers will impact the evaluation and perchance the perception of empirical findings.

There are two categories of Outlier findings. The first, outliers that have cases with uncommon values for solely one variable, referred to as univariate outliers and the second, outliers that have instances with an uncommon combine of values for more than one variable, referred to as multivariate outliers (Field, 2009; Pallant, 2010). The researcher used the frequency distributions of z rankings In order to discover un-variety outliers. According to Tinsley and Brown (2000), Z score of absolute cost above 3.29 with p fee less than .001, indicates the presence of a un-variety outlier. However, based totally on the above value, no

variety outlier was once discovered in this thesis. The multivariate outliers analysis was once executed by means of the usage of the criterion that the D2 (Mahalanobis distance) value have to be $p < 0.005$ as advocated by using Kline (2010). In the output of SPSS, due to the fact there were no values which were much less than 0.005, all the facts have been used.

4.3.4. Linearity Assumption

Here the dependent variables are described as a linear function of the independent variable, the predictor. The relationship between independent and dependent variable can only be accurately estimated by Standard multiple regression, if their relationships is linear in nature. However, if not, the regression analysis outcomes were underestimating the true relationship and produce inaccurate statistical results (Jensen and Ramirez, 2013). For all the relationship in the model, curve estimation was conducted and found to be sufficiently linear to be examined using a covariance based SEM algorithm.

4.3.5. Multi- Collinearity Assumption

Multi-collinearity, in multiple regressions is the degree to which independent variables are correlated. It reduces the capability to check the individual significance of each independent variable; a problem of Multi-collinearity consequences high correlations among unbiased variables (Kline, 1998; Mansfield & Helms, 1982; Ramadan et al., 2017).

Tolerance denotes how a great deal of the variability of the certain predictor variable is now not defined with the aid of the other predictor variables in the mannequin and the variance inflation issue (VIF is the have an effect on of correlations among independent variables on the precision of regression estimates. Dormann et al. (2013), advised that a tolerance fee less than 0.1 nearly absolutely indicates a serious Collinearity problem and Liu (2010), additionally suggests that a VIF value higher than 10 potential extra severe Multi-collinearity. To take a look at if there is a multi-Collinearity trouble in this thesis, the researchers depend on a common reduce off price of 0.10 for tolerance, and a value of 10 for VIF as recommended by way of Sekaran & Bougie (2013); and it used to be discovered to be in the suited range. See Appendix M

4.3.6. Normality Assumption

Normality test is used to determine whether the sample data has been drawn from the data normally distributed. It also shows if the data set is well modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed (Brown, 2016).

Since multiple regression require independent variables in the analysis to be normally distributed normality was checked by using Kurtosis, which measures if the data is heavily tailed or lightly tailed to the normal distribution and skewness, which is a measure of symmetry, before running the regression. If the data is normally distributed, as a rule of thumb, the skewness and kurtosis should be fall within the range of -2 and 2. Therefore, the analysis for all the variables, as can be seen below, is normally distributed (Hair et al, 2006). See Appendix N

4.3.7 Factor Analysis

Factor analysis explains the relationship between a set of construct and observed variables; It can be used to assess the validity of measurements, as well as to develop or confirm a theory by investigating the observed variables and also to generate a smaller set of latent variables from a larger set of observed variables (Tinsley and Brown, 2000; Thompson, 2004). Factor analysis removes redundancy from set of correlated variables and it reduces number of correlated variables by representing them with derived variables. Factor analysis assumes that the fundamental dimensions of factors, rather than the entire factors, can be used to explain complex phenomena (Stevens, 2002). Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) are the two factor analysis techniques.

Exploratory Factor Analysis assists researchers in condensing data into a smaller set of précis variables in order to inspect the necessary theoretical shape of the phenomenon. It aids in figuring out the shape of the variable's relationship with the respondents.

EFA is a multivariate statistical approach to model the covariance shape of the determined variables via the usage of factor loadings associated with latent variables; residual variances and element correlations. It is considered as one of the records reduction methods because it goals at explaining the relationship of many found variables through a exceptionally small

quantity of factors. As stated with the aid of DeCoster (1998) when we choose to find out one of a kind factors influencing variables and to analyze which variables go together for the reason of producing an gorgeous structural model, we use EFA (McDonald, 1985). In this thesis EFA helped removes redundancy from set of correlated variables and internal reliability and it showed whether factors are loading into the variable.

4.3.7.1 Factor extraction

According to Pallant (2003), Factor extraction is concerned with figuring the fewest number of factors that can be used to best represent the interrelationships among a set of variables. It pursues to find out common factors. Different factor extraction methods includes maximum likelihood; generalized least squares; unweight least squares; principal axis factoring; alpha factoring; image factoring; principal components and the alternative strategies together with correlation or covariance matrix (George and Mallery, 2003).

This thesis used principal component method to extract factors from the results of un-variety analysis and it used Variamax rotation to carry out factor interpretation. By using SPSS 26 Kaiser-Meyer-Olkin (KMO), which tests weather the partial correlations among variables are small and Bartlett's test of Sphericity were also done to measure sample adequacy and appropriateness.

The basic/primary/ guidance for KMO are as follows.

- Less than 0.05 is considered poor
- 0.5 - 0.6 is average
- 0.6 - 0.7 is acceptable
- 0.7 - 0.8 is good and above 0.8 is viewed excellent (Kaiser, 1974).

In addition to KMO, Bartlett's test of sphericity, which measures weather the correlation matrix is an identical (the diagonal value is 1 and the off-diagonal values are 0).This situation ability that the variables are completely independent of each different and hence the factor model is inappropriate. Identify matrix of p-value test of less than 0.005 results in ruling out (Tobias & Carlson, 1969).

Table 4.3 KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.662
Bartlett's Test of Sphericity	Approx. Chi-Square	5341.176
	df	820
	Sig.	.000

Source: analysis of survey data using SPSS 26

The KMO value of 0.66 is considered acceptable, insuring that factor analysis is useful with our data. In addition to this, values of Bartlett's Test of Sphericity (< 0.05) suggest that factor analysis could be useful with our data. As shown above in the table we have a value of 0 (Kaiser, 1974; Tobias & Carlson, 1969).

4.3.7.2 Communality

Communality is the measure of the percentage of variables variation which is explained by the factors. It is the variance amount, the prior variable share with all the other variables which are included in the analysis. The presence of variance is explained by all the factors jointly and measured by Communality. It estimates a section of the variance in a variable and might be interpreted as reliability of indicators. A communality value of below 0.5 will face omission (Thompson, 2004).

Certain variables and common factors are used to commence foremost factor analysis. At first, it assumes that all variances are the same. As a result, before extraction, the communalities equal one. This means that after extraction, there are common factors representing the common variance in the data structure. After extraction, the communalities factor representing the amount of variance in each variable that could be defined through retained factors. All the variables of in the data indicated high communality, >0.5 (See Appendix O).

4.3.7.3 Factor Rotation

Factor rotation is a technique for testing and improving the interpretability of factors. Rotation is used to maximize each variable's loading on one of the extracted factors minimizing the loading on all other factors. The three techniques for orthogonal rotation are Varimax,

quartimax and equamax. The varimax method is the most popular among these methods and is often used to make factor analysis (FA).

The research used absolute fee of 0.50, as advised by means of Field (2005), so that values above 0.5 to be observed. This increases the significance of items to their respective factor.

The rotated component matrix divided the factors into six. See Appendix P

Category	Indices with Abbreviation	Definition	Cut off values	References
Chi-Square	Chi square (χ^2)	Difference between observed and estimated covariance matrices	p-value of $>.05$	Abdul Razak and Abduh (2012)
	Degrees of freedom (df)	Covariance in the observed matrix less than number of estimated coefficients		
	Probability statistic (p)	Probability that the observed and estimated covariance matrices are actually equal		
	Normed chi-square (χ^2 / df)	Ration of chi-square to degrees of freedom for a model	≤ 0.3	Kline, 1998
			< 5	Schreiber et al. 2006
Absolute Fit measures	Goodness of fit index (GFI)	Measure indicating how well a model reproduce the variance/covariance matrices of the observed Sample	≥ 0.90	Matsunaga, 2010
			> 0.85	Abdul Razak and Abduh (2012)
	Root mean square error of approximation (RMSEA)	Badness-of-fit index measuring how well a model fits a population taking into account both model complexity and sample size	< 0.10	Matsunaga, 2010
			< 0.08	Abdul Razak and Abduh (2012)
	Root mean square residual (RMR)	Represents the average residual value derived from the fitting of the variance-covariance matrix for the hypothesized model	< 0.05	Hair et al, 1988
			< 1.00	Schreiber et al., 2006
Incremental fit	Normed fit index (NFI)	Assesses how well a specified model fits relative to some alternative baseline model (often a null model that assumes all observed variables are uncorrelated)	Values $\geq .90$ and sample size	Hair et al, (2010)
	Comparative fit index (CFI)			
	Tucker-Lewis index (TLI)			
Parsimony fit indices	Parsimony comparative fit index (PCFI)	Evaluates the parsimony ratio of the model compared to the GOF such as CFI and NFI	Values $\geq .5$	Hair et al, (2010)

Source Hair Et Al, (2010)

4.3.7.4. Confirmatory Factor Analysis (CFA)

After identifying the underlying structure with exploratory factor analysis and a most important issue analysis method, confirmatory factor evaluation (CFA), that bridges thing analysis with Structural Equation Modeling (SEM), was once used to verify assemble validity via model match indices (Tabachnick and Fidell, 2007).

CFA is used to decide whether or no longer a described factor model fit a set of located data. It is additionally used to determine the validity of a single thing mannequin and compares the validation capability of two special models for the equal set of data; it investigates the importance and the relationship between two or greater aspect loadings; it determines whether a set of elements is correlated or uncorrelated, and it evaluates the convergent and discriminant validity of a set of measures (Brown, 2015). CFA is carefully related to Structural Equation Modeling.

The statistical technique known as: structural equation modeling (SEM); examines the relationships between latent and observed variables. Observed variables are variables that are measured all through the data collection process, whereas latent variables are variables that are measured by using connecting to the determined variables due to the fact they cannot be measured directly. SEM is a statistical framework that is multivariate in nature. It simulates complex relationships between variables that are at once and in a roundabout way determined (latent). It is a multi-step process that includes the solution of systems of linear equations as properly as the incorporation of structures and techniques. Path and aspect analysis, simultaneous econometric equations, latent boom curve modeling, and regression evaluation are some of the strategies used (Barrett, 2007).

The estimation of parameters for a machine of simultaneous equations is the intention of structural equation modeling (SEM). It aids researchers in the specification of confirmatory Factor Analysis (CFA), regression analysis, and complicated models (Kaplan and Miller, 2000). After essential shape was found the use of EFA with PCA, then model in shape indices are employed to assess the assemble validity by means of using CFA (Tabachnick, Fidell, and Ullman, 2007).

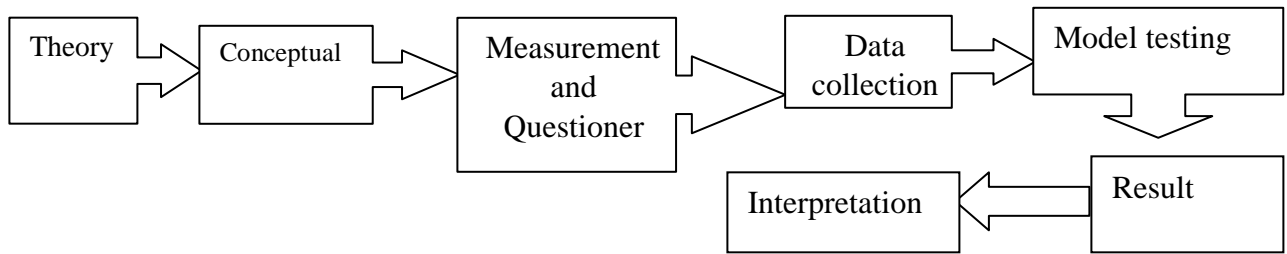


Fig. 4.1. Process of SEM Result

SEM is a powerful multivariate analysis technique comparable to factor analysis. According to Holmes Smith (2007), SEM chiefly affords a parsimonious summary of the interrelationships among variables. Expanding on the conceivable of EFA, SEM can include CFA that can take a look at specific hypotheses about the shape of the component loadings and inter-correlations. Secondly, similar to course analysis, SEM can check hypothesized relationships among constructs with a linear equation device (Weston and Gore, 2006). Byrne (2001), separated SEM approach into two models: the size model, which is involved with the variables that are supposed to measure the idea (represent CFA model). It suggests how the latent variables are represented by way of their respective indications and structural model describes the relationships between the latent variables, or constructs. Both models together are referred to as The composite, or full, structural model (Weston and Gore, 2006). AMOS (Analysis of Moment Structures) software program was once used to conduct SEM.

4.3.7.5. Measurement Model

Paschke, (2009), the measurement model produces the most parsimonious, well-fitting, and legitimate model. It is used to verify construct validity primarily based on convergent and discriminant validity. If the measurement mannequin is based on principle and well-defined constructs, the full structural model will be valid and reliable, ensuing in a solid theoretical foundation for the subsequent structural model.

4.3.7.6. Construct Validity

Two construct validity assessments, convergent and discriminant validities have been tested. The test had been carried out for the complete dimension model (Sounders et al, 2009). This part affords an overview of convergent and discriminant validity as nicely as result of model constructs validity.

As said via Hair et al. (2010), construct validity, which focuses on the measurement of individual constructs, is the extent to which a test measures what it was once designed to measure. It determines how nicely a set of measured items displays the underlying factor model in which those objects are designed to measure. It is the appropriateness of the inferences made on the foundation of observations or measurements which measure the intended design of the test.

4.3.7.7. Convergent Validity

Convergent validity is defined as the degree to which individual items reflecting a construct converge when in contrast to items measuring different constructs. It determines whether items of the same variable or construct measure the identical component and, as a result, disclose correlations (Hair et al., 2006). The relationship between the located and latent variable is measured using convergent validity.

Convergent validity is achieved when the necessary ratios are outside the -1.96 to +1.96 z-value range and the p-values ($p < 0.05$), in accordance to Holmes-Smith (2007), which indicates that factor loadings are significantly distinct from zero is fulfilled. This test of significant factor loading is the most important criterion in determining factor validity. Convergent validity is assessed with a standard regression loading > 0.5 , significant p value at 95% confidence interval and critical ratios outside -1.96 to +1.96 z-range. Hair et al. (2006), Squared multiple correlation value above 0.5 is accepted and below 0.4 are regarded not to preserve convergent validity.

4.3.7.8. Discriminant Validity

Discriminant Validity assesses how much latent variables differ from one another. It is a measure between variables and in this study it is compares AVE and squared correlation. The model does now not violate the discriminant validity assumption, as proven below, the AVEs are larger than the values of the Squared Correlation (Zaiț & Berteau, 2011; Holmes-Smith 2007).

4.3.9. Nomo-logical Validity

Nomo-logical validity is a structure of construct validity. It assesses the overall model validity. A Nomo-logical validity assessment relationship between structures (latent variables), and features to the variables (indicators). It is useful for factor analysis. The degree

to which the summated scale accurately predicts different standard in a theoretically based model is referred to as Nomo-logical validity. According to Cronbach & Meehl (1955), it is an association with measures of other constructs that, according to theory, ought to be related to it. The relationships between constructs should be reflected in the relationships between measures or observations. The researcher assumes that the model does no longer contradict theoretically findings and concept from prior research.

4.3.10. Goodness of Fit

Validity of measurement model depends on goodness of fit indices (GOF) The validity of a measurement model is determined by goodness of fit (GOF) indices, which indicate how well the model reflects the data (Hair et al., 2006). Despite the fact that there are numerous GOF indicators, only a few of them are usually reported. Absolute measures, incremental measures, and parsimonious fit measures are the three types of GOF indicators. Multiple GOF indices are used to ensure consistency in the empirical assessment (Kline, 2005).

4.4 Complete CFA model (standardized)

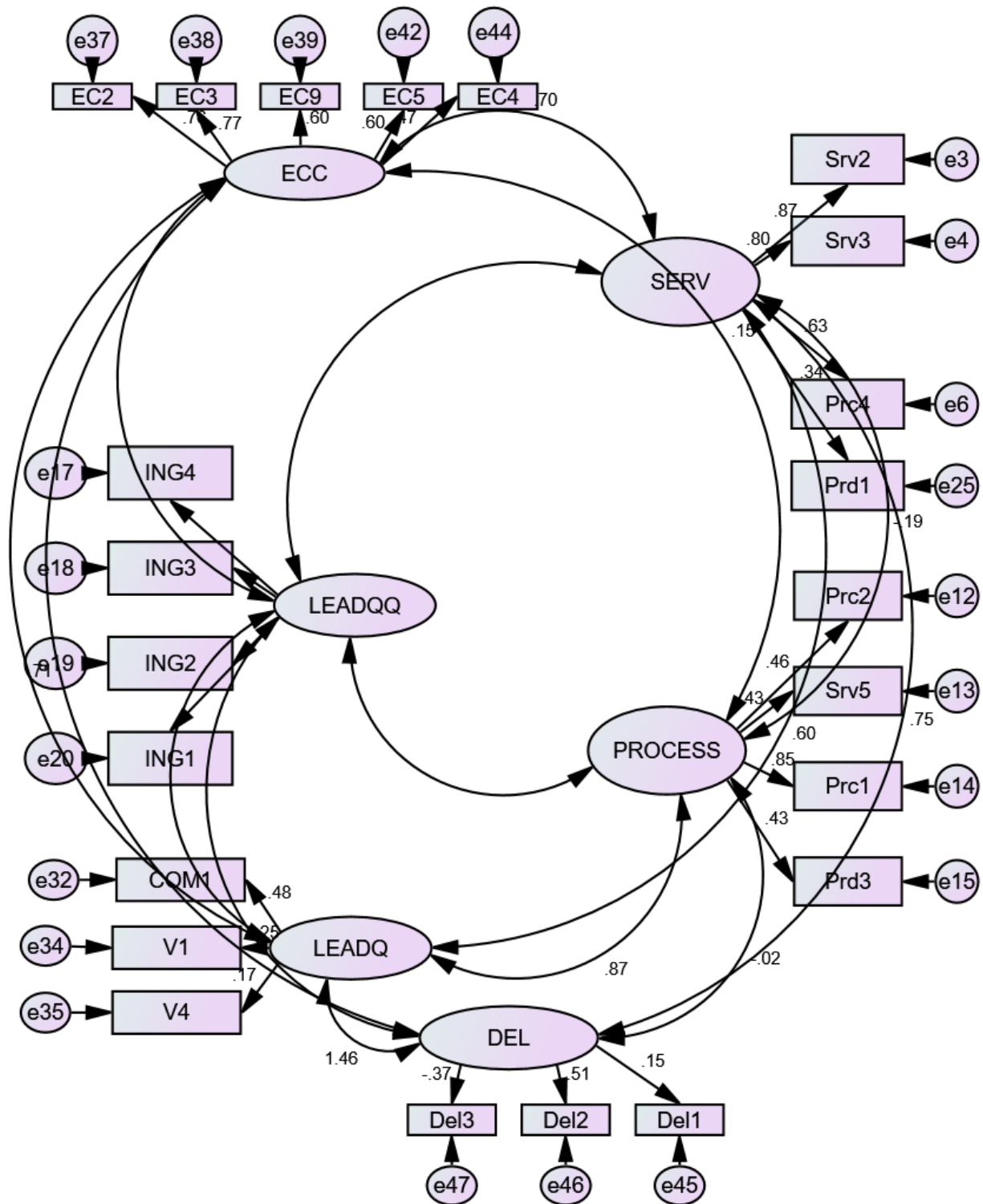


Fig 4.2: Complete CFA Model

<i>Chi square</i>		<i>Parsimony fit test</i>	
X² (P value)	967.3 P VALUE (0.000)	PCFI	0.65
Df	237	PNFI	0.71
X²/df	4.08	GFI	0.72

The CMIN/DF value of the complete CFA model is within the acceptable value of between 1 and 5 (4.08) (Schreiber et al 2006).

The parsimony fit indices had values of 0.65, 0.71 and 0.72 for PCFI, PNFI and GFI respectively. The acceptable range for these indices is >0.5. At P value of less than 0.001, all standardized regression weights (estimates) are significant. This shows that there is no problem of item reliability and convergent validity.

4.5 Structural Model

4.4.1 Proposed standardized model with mediating variable

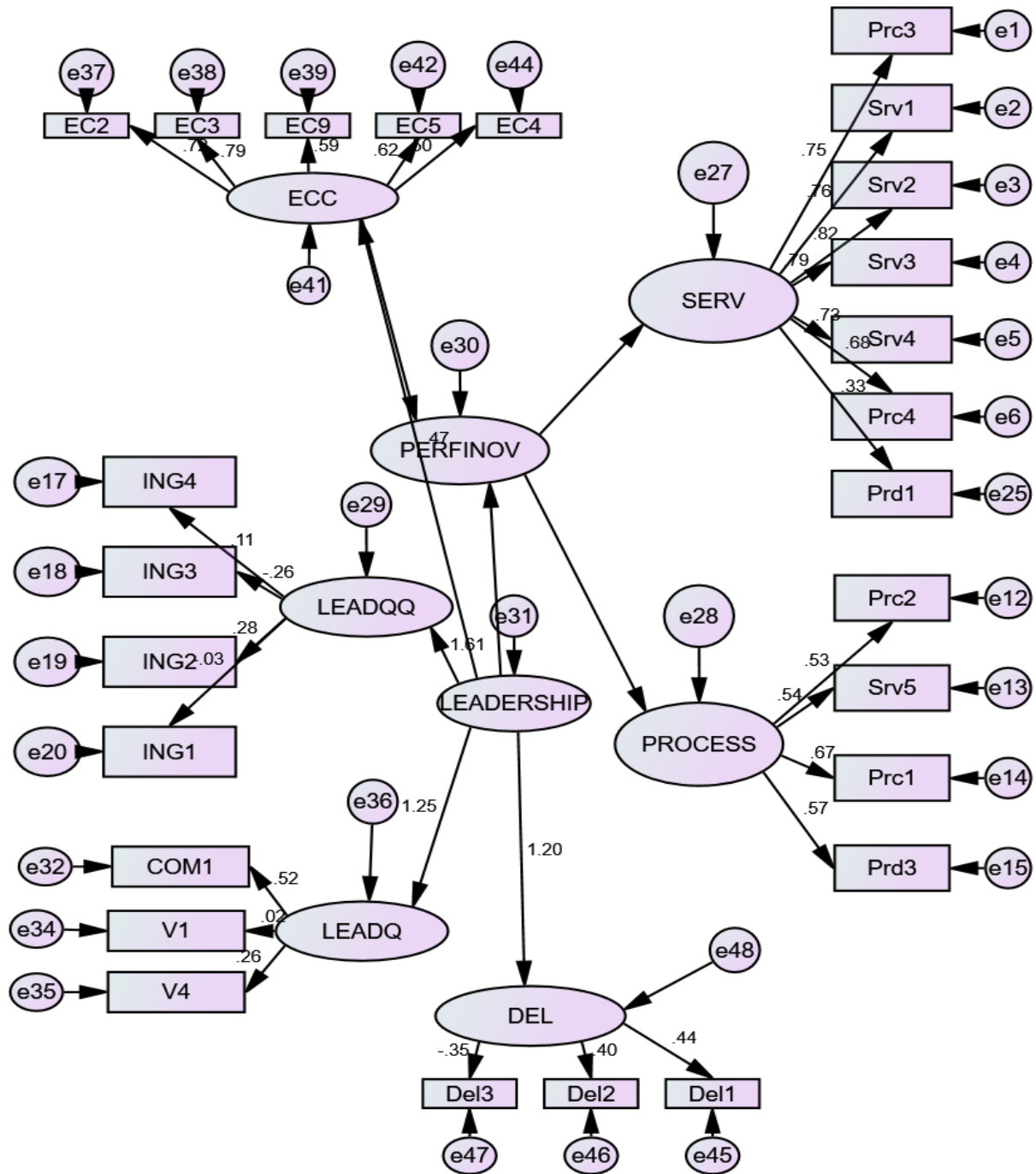


Fig 4.3 Structural Model with Mediator

<i>Chi square</i>				<i>Parsimony fit test</i>			
X² (P value)	1294.5 P VALUE (0.000)			PCFI		0.55	
Df	291			PNFI		0.62	
X²/df	4.4			GFI		0.69	
			Estimate	S.E.	C.R.	P	STATUS
ECC	<---	LEADERSHIP	.720	.180	4.013	***	Significant
PERFINOV	<---	ECC	.135	.049	2.766	.006	Significant
PERFINOV	<---	LEADERSHIP	.209	.080	2.606	.009	Significant
LEADQQ	<---	LEADERSHIP	.975	.220	4.439	***	Significant
LEADQ	<---	LEADERSHIP	1.307	.239	5.467	***	Significant
SERV	<---	PERFINOV	4.485	1.610	2.786	.005	Significant

Table 4.5 structural model output 2

4.6 Hypothesis Testing and Discussion

H1. Leadership quality has positive and significance effect on innovation performance

			Estimate	S.E.	C.R.	P	Status
INP	<---	LQ	.209	.080	2.606	.009	Significant

In the hypothesis one leadership quality has positive and significant on innovation performance this means the value of P is (0.009) so, this indicated that P – value < 0.05 it is significant

H2: Employee commitment mediates the relationship between leadership quality and innovation performance.

			Estimate	S.E.	C.R.	P	Status
EC	<---	LQ	.720	.180	4.013	***	Significant

From this table employee commitment mediate the relationship ship between leadership quality and innovation performance have been positive and significant relationships .

H2.1 leadership quality has positive and significant effect on employee commitment

			Estimate	S.E.	C.R.	P	Status
INP	<---	EC	.135	.049	2.766	.006	Significant

From the above table leadership quality has positive and significant relationship with in employee commitment from the result of P- value 0.006. this indicated that the value of P < 0.05 .

As stated by Baron and Kenny’s (1986), to confirm a mediation effect four steps need to be fulfilled.

1. In the absence of mediator, indirect variable significantly affects direct variable.
2. Mediator is significantly affected by indirect variable.
3. The mediator has significant and unique effect on the direct variable, and
4. The effect of indirect variable on direct variable has to shrinks when mediator is added to the model.

One of the limitations of using the Baron and Kenny's method is that all four steps must be significant before mediation can be accepted. And this causal procedure of Baron and Kenny was criticized by Hayes (2009), suggesting that what matters in mediation analysis is the indirect effect (Hayes & Rockwood, 2016). Preacher and Hayes (2008) suggested a mediation method called "bootstrapping the indirect effect". For testing the mediating effect, a nonparametric resampling procedure, called bootstrapping, has been recognized as powerful and one of the more demanding methods. Hair et al., (2013) also suggested this method for mediation effect. In Bootstrapping, measures of accuracy, including bias, variance, confidence intervals, etc. are assigned to sample estimates.

According to Baron and Kenny (1986), three step mediation analyses, complete /full mediation holds if the independent variable has no effect on the dependent variable, when the mediator is controlled. However, Partial mediation is given if the independent variable exerts some of its influence on the dependent variable through the mediating variable. Competitive mediation, no non mediation and direct only non-mediation fall under a mediation category in Baron and Kenny's approach which may result in rejection. Mediation or non-mediation could occur in the cases listed below.

1. **Complementary mediation** – is one of the partial mediations in Baron and Kenny's approach and it occurs when both direct and indirect effects are significant and on the same direction.
2. **Competitive mediation** - it is one of the partial mediations that occur when both the direct and indirect effects are significant but has opposite directions.
3. **Indirect only mediation-** it is full mediation that occurs when only the indirect is significant.
4. **Direct only non-mediation** – this occurs only when direct impact is significant.
5. **No Non-mediation:** if both the indirect and direct effects are insignificant, it is said no non mediation. This shows a failure for testing mediation.

In this thesis employee commitment was found to have complimentary partial mediation role in the relationship between leadership quality and innovation performance.

In addition to this the researcher used the latest Hayes, process to triangulate the result and found the following.

Mediation of employee commitment between leadership quality and innovation performance

To explore the mediating role of employee commitment, a process written by Dr. Andrew F. Hayes was used. In the light of our theoretical framework model number 4 was selected in SPSS version -26 and Boot-Strap Samples were raised to 5000. Additionally to this, Confidence Interval was 95%. Confidence Interval was preselected and we selected” Effect Size” and” Total Effect Model” The results we got from this analysis were evidence of the occurrence of mediation. The total effect of the independent variable (leadership quality) and mediator (employee commitment) on the dependent variable (innovation performance) was 0.3430 with a standard error was 0.1179, this shows that employee commitment has a positive influence on innovation performance, while LLCI and ULCI were 0. 1104 and 0.5755 respectively. This indicated that the value of LICI and ULCI a non-zero value between the upper and lower boot limits demonstrates that the mediating variable mediates the independent and dependent variable relationship.

In the second, the direct effect between leadership quality and innovation performance was 0.1961 in sizes with a standard error of 0.0870 with an LLCI was 0.0244 and ULCI was 0.3677 respectively; when the value of LICI and ULCI non-zero value between the upper and lower boot limit demonstrates that the mediating variable mediates the independent and dependent variable relationship.

Lastly, the indirect effect encompasses the presence of Mediator (employee commitment) between Independent variable (leadership quality) and Dependent Variable innovation performance. The effect size of indirect path passing through mediator was 0.1469 with a standard error of 0.0677 and LLCI of 0.0132 and ULCI of 0.2871. We see that bootstrap confidence interval includes zero or not, this CI gives us a rough idea of the population value of the indirect effect is. The results we got show that the population value is not zero. The indirect effect is the most important in this part of mediation analysis because it tells about that whether mediation has occurred or not. In this case, the results showed the significance of the indirect path i.e., mediation path. This proves that the mediating of employee commitment

the relationship between leadership quality and innovation performance. When the value of LLCI and ULCI non-zero value between the upper and lower boot limit demonstrates that the mediating variable mediates the independent and dependent variable relationship

Table 4.6 Mediation of employee commitment between leadership quality and innovation performance

Effect	Effect size	S. E	LLCI	ULCI
Total effect	0.3430	0.1179	0.1104	0.5755
Direct effect	0.1961	0.0870	0.0244	0.3677
Indirect effect	0.1469	0.0677	0.0132	0.2871

Sources: process procedure for SPSS version 3.5.3

H3 bank size moderate the relationship between leadership quality and innovation performance

For moderation effect to occur three things need to be satisfied ; Independent variable to dependent variable; Moderator to dependent variable and interaction of the two needs to be significant

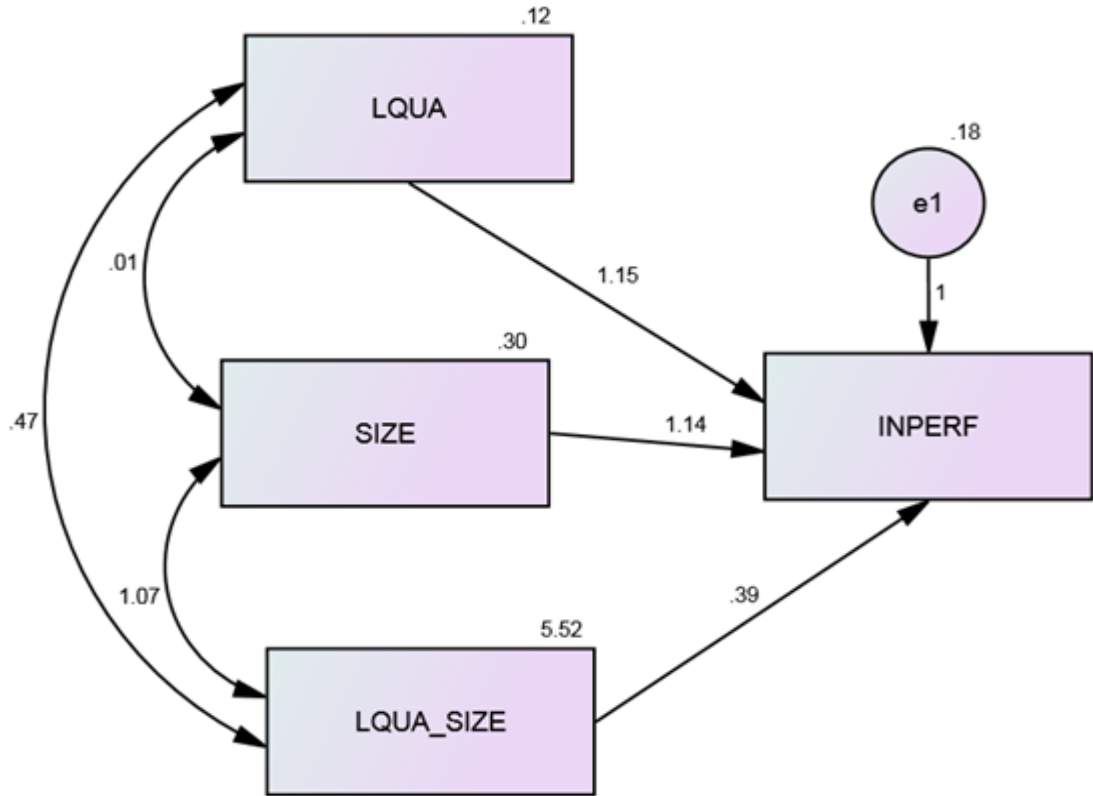


Fig 4.5. Estimate and model fit

			Estimate	S.E.	C.R.	P	Status
INPERF	<---	LQUA	1.150	.564	-2.039	.041	Significant
INPERF	<---	SIZE	1.138	.534	-2.131	.033	Significant
INPERF	<---	LQUA_SIZE	.389	.152	2.551	.011	Significant

From the regression weight result of the above table the value innovation performance to estimate leadership quality by 1.150 ,innovation performance to bank size 1.138 and positive significant as the value of P(0.041 and 0.33) this indicate that P – value is < 0.05; therefore Bank size has moderate the relationship between leadership quality and innovation performance

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

The main objective of this thesis was to see the mediating role of employee commitment and the moderating effect of bank size in the relationship between leadership quality and innovation performance in selected private banks in Addis Ababa. The following summary, conclusion, recommendation and suggestion for future study are made based on the analysis and interpretation done in chapter four.

5.1. Summary of Major Findings

From this thesis organized by four research questions were raised in order to achieve the objective this thesis. A total of 205 questionnaires were distributed for employees in three private banks of Ethiopia and 91.2 % of usable responses were returned. Along with, Most of the respondents 64 % were males and 36 % were females, which to some extent show that the number of males is greater than the number of females in three private banks. A vast majority of the employees in this bank are in age categories (approximately 56 %) employees age was between 26 up to 33 years this indicated that the younger employees have more interest in the bank. In addition to this the bank has well as educated and experienced employees.

Which means (50 % degree and 44% masters) holder and above 6 years experiences. When the age, educational qualification and experience of the employees combined together enabled the study to be more reliable since it is believed to give more understanding to fill and return the questionnaires. And the analysis was done Structural Equation Modeling (SEM). SPSS 26 and AMOS 23 software were used.

Measure Cronbach alpha, reliability, discriminant and convergent validity evaluated as the internal consistency and also, hypothesis testing was done. And the research revealed that leadership quality and innovation performance has positive and significant relationship and Mediation role of employee commitment between leadership quality and innovation performance are positive and significant relationship. For moderation effect to occur leadership quality on innovation performance rather than Moderator to innovation performance and interaction of the two needs to be significant

5.2. Conclusion

From the summarized analysis of the data and then the following conclusions and recommendations are given, the role of leadership quality (LQ) on innovation performance (INP) and the mediating role of employee commitment (EC) and moderating effect of bank size in private bank of Ethiopia. In order to answer the first two research questions which asks the relationship leadership quality associate with innovation performance and employee commitment mediate between leadership quality and innovation performance the study evaluated direct effect whereas, the first main hypothesis that states that leadership quality has positive and significant effect on innovation performance and the mediating of employee commitment positive and significant relationship between leadership quality and innovation performance similarly the bank size moderate between leadership quality and innovation performance has positive and significant. Moreover, Bank size had a significant moderating effect on bank performance and innovation performance and the findings also insinuated that bank size is most probable to accelerate the bank to diversify accessibility of the bank, increase customers and deposition, and henceforth superior and increased financial performance.

Likewise, literature depicts that, effective and accurate communication acts as an important factor to grow as an efficient and successful leader or manager. However, some scholars believe that different leadership qualities also influence the communication process; and also, there exists a vice-a-versa relation between the two; Benita Zulch, (2014). However, in the case of innovation performance, most leaders failed in product innovation. According; Cohen 2007 & et al. (1997), normative and affective commitment is not always empirically distinct, and both represent internalized forms of psychological attachment. And concerning countenances commencement, Eagly, and C. (1993) state that job satisfaction is an attitude, so should contain both cognitive and affective components; moreover, concerning effects of bank size on the innovation of the organization 99 (52.9 %) of the respondent agree and 34 (18.2 %) strongly agree and 35 (18.7 %) and believes that bank size has effects on innovation of the organization. Indeed, there is much academic debate as to how to effectively measure bank efficiency, and deciding which variables are inputs and outputs depends on which theoretical approach is followed. However, according to Cooper, in 1998; explains that there is no consensus on the effects of bank size on innovation.

5.3. Recommendation

- Innovation performance has impacts on the bank performance; however, not only does innovation performance affect the bank business; but also, commitment and the bank size also play a great role in overall the bank performance either negatively or positively.
- Indeed, innovation thinking is crucial and it allows to bring new ideas and energy to the leaders and to solve challenges in the bank; however, the finding shows that there is an innovation environment limitation in most banks. Hence the leader and the bank should pave the way to bring a more innovative climate. An innovation leadership quality brings new thinking and different actions to lead, and manage the work; however, the analysis shows the minimal innovative quality of the leaders or most leaders failed in product innovation performance. Thus, leaders must learn how to apply innovation thinking to solve the existing problems; to develop new products for the betterment of the bank.
- The finding revealed that commitment mostly attached to employees; however, specific tasks, environmental factors, the location where the duties are performed and etc.; negatively or positively affects leaders and employees' commitment; therefore, leaders and the bank should strive to assess employees need; organizational safety; and the conducive working environment. Moreover, the study confirmed that the commitment and innovation performance of employees and the leaders severely affect the bank to be successful in the competitive and globalized business environment. Therefore, committed employees are needed for organizations to foster innovation behaviors; and the leaders and the banks should play a great role in the engagement and satisfaction of your employees.
- Leaders are responsible to manage innovation performances, and try to make them successful but the result of the research shows some leaders failed to promote and manage innovation in their bank; hence, leaders and the bank as an organization should promote, pro-innovation attitude and organize innovation adoption skills/ knowledge training. Furthermore, leaders should possess integration, communication, motivation, and others leaders' qualities that could enhance commitment and inspire innovation performance

5.4. Suggestion For Further Study

This thesis as stated in the limitation part has geographical limitations. Therefore; future researches are suggested to fill this gap. This thesis used private banks in Ethiopia; however, it would be good if future researches do the research in much more scale. In addition to this the thesis used other private bank. Secondly, qualitative approach method can also be used between the mediating role of Employee Commitment and the moderating effect of Bank Size in the relationship between Leadership Quality and Innovation Performance in selected private banks in Addis Ababa. Finally the significant relationship between leadership quality and bank size needed to be studied; on the other hand, since the result has pointed the need for additional/ other mediation or moderation which is not incorporated in the model future researches should focus on other mediating and moderating variables.

References

- Allen N J and Meyer J P 1990 The measurement and antecedents of affective, continuance and normative commitment to the organization, *J. Occup. Organ. Psychol.* 63 1
- Abhishek, N. (2013). Accruing innovation in software firms through employees' commitment . *Int. J. Indian Culture and Business Management, Vol. 6, No. 4*, 391.
- Anderson, N.; Potočnik, K.; Zhou, J. (2014) Innovation and creativity in organizations: A state-of-the-science review and prospective commentary. *J. Manag.*
- Asım Ş, a. (2012). *Innovative Leadership for the Twenty-First Century* . 1-7.
- Bass B M 1985 *Leadership and performance beyond expectations* (New York: The Free Press)
- Bass B M and Avolio B J 1994 *Improving organizational effectiveness through transformational leadership* (Thousand Oaks: Sage Publishing)
- Bass B M and Avolio B J 1990 *Developing Transformational Leadership: 1992 and Beyond* *Journal of European Industrial Training* .
- Burns J M 1978 *Leadership* Harper & Row (New York)
- Carter, M.Z.; Self, D.R.; Bandow, D.F.; Wheatley, R.L.; Thompson, W.F.; Li, J. (2014) Unit-focused and individual-focused transformational leadership: The role of middle leaders in the midst of incremental organizational change. *J. Manag. Policy Pract.*
- Chang, Y.(2016) Multilevel transformational leadership and management innovation: Intermediate linkage evidence. *Leadersh. Organ. Dev. J*
- Chen, G.; Farh, J.L.; Campbell, E.M.; Wu, Z.; Wu, X. Teams as innovative systems: Multilevel motivational antecedents of innovation in R&D teams. *J. Appl. Psychol.* 2013.
- Çetin M, Karabay M E and Efe M N 2012 The Effects of Leadership Styles and the Communication Competency of Bank Managers on the Employee's Job Satisfaction: The Case of Turkish Banks, *Procedia Soc Behav Sci* 58 227

- Dong, Y.; Bartol, K.M.; Zhang, Z.; Li, C. Enhancing employee creativity via individual skill development and team knowledge sharing: Influences of dual-focused transformational leadership. *J. Organ. Behav.* 2017.
- Emery C R and Barker K J 2007 The effect of transactional and transformational leadership styles on the organizational commitment and job satisfaction of customer contact personnel, *Journal of Organizational Culture, Communication and Conflict* 11 77
- Fullerton G 2003 When Does Commitment Lead to Loyalty?, *Journal of Service Research* 5
- Greenberg J 2008 *Behavior in organizations* (London: Pearson Education)
- Gumusluoglu, L.; Ilsev, A. Transformational leadership, creativity, and organizational innovation. *J. Bus. Res.* 2009.
- G.T. Gundlach, R.S. Achrol, Mentzer 1995 The structure of commitment in exchange, *J. Marketing* 59 78
- Gounaris S P 2005 Trust and commitment influences on customer retention: insights from business-to-business services, *J. Bus. Res* 58 126
- HEMLIN, S. (2012). LEADERSHIP AND INNOVATION IN ORGANIZATIONS: A SYSTEMATIC REVIEW OF FACTORS THAT MEDIATE OR MODERATE THE RELATIONSHIP. *International Journal of Innovation Management*.
- Hughes, D.J.; Lee, A.; Tian, A.W.; (2018) Newman, A.; Legood, A. Leadership, creativity, and innovation: A critical review and practical recommendations. *Leadersh. Q.*
- Haider M H and Riaz A 2010 Role of transformational and transactional leadership with job satisfaction and career satisfaction, *Business and Economic Horizons* 1 29
- Jaiswal, N.K.; Dhar, R.L. (2015) Transformational leadership, innovation climate, creative self-efficacy and employee creativity: A multilevel study. *Int. J. Hosp. Manag*
- Jung, D.I.; Chow, C.; Wu, A. (2003) The role of transformational leadership in enhancing organizational innovation: Hypotheses and some preliminary findings. *Leadersh. Q.*
- Katarzyna, K.-N. (2020). The Role of a Leader in Stimulating Innovation in an Organization.

- Kesting, P. U. (2016). The impact of leadership styles on innovation management - a review and a synthesis . *Journal of Innovation Management*.
- Kang, J.H.; Solomon, G.T.; Choi, D.Y. (2015) CEO's leadership styles and managers' innovative behaviour: Investigation of intervening effects in a entrepreneurial context. *J. Manag. Stud.*
- Kelly S J and Mark 2004 Measuring attitudinal commitment in business- to- business channels *Marketing Intelligence & Planning* 22 636
- Kleine C and Weißenberger B E 2014 Leadership impact on organizational commitment: The mediating role of management control systems choice, *Journal of Management Control*
- Liu, D.; Liao, H.; Loi, R. (2012)The dark side of leadership: A three-level investigation of the cascading effect of abusive supervision on employ creativity. *Acad. Manag. J.*
- Liu, A.M.M.; Chan, I.Y.S. (2017) Understanding the interplay of organizational climate and leadership in construction innovation. *J. Manag. Eng.*
- Mintzberg H 2009 *Managing* (San Francisco: Berrett-Koehler Publishers)
- Morsing M and Oswald M D 2009 Sustainable leadership: management control systems and organizational culture in Novo Nordisk A/S *Corporate Governance: The international journal of business in society*.
- Mosadeghrad A M 2004 *The Handbook of Hospital Professional Organization and Management* (Tehran: Dibagran Tehran)
- Miles, J.A. (2012) *Management and Organization Theory*; John Wiley: San Francisco, CA, USA.
- Park S M and Rainey H G 2008 Leadership and Public Service Motivation in U.S. Federal Agencies, *International Public Management Journal* 11 109
- Pieterse, A.N.; van Knippenberg, D.; Schippers, M.; Stam, D. (2010)Transformational and transactional leadership and innovative behavior: The moderating role of psychological empowerment. *J. Organ. Behav.*
- Ranjit, K. (2011). *RESEARCH METHODOLOGY*. British: third edition.

- Şena, A. a. (2012). Innovative Leadership for the Twenty-First Century. 2.
- Sharma N and Patterson P G 2000 Switching costs, alternative attractiveness and experience as moderators of relationship commitment in professional, consumer services Int. J. Serv. Ind. M.
- Yanchun Zhang, Junwei Zheng & Amos Darko. (2018). How Does Transformational Leadership Promote Innovation in Construction? The Mediating Role of Innovation Climate and the Multilevel Moderation Role of Project Requirements.
- Yukl, G. (1989) Leadership in Organizations, 2nd ed.; Prentice Hall: Englewood Cliffs, NJ,
- Wang, P.; Rode, J.C.; Shi, K.; Luo, Z.; Chen, W. (2013) A workgroup climate perspective on the relationships among transformational leadership, workgroup diversity, and employee creativity. Group Organ. Manag.
- Wilmore E and Thomas C 2001 The New Century: Is It Too Late for Transformational Leadership? Educational Horizons 79 115
- Wong A and Sohal 2002 An examination of the relationship between trust, commitment and relationship quality, International Journal of Retail & Distribution Management 30 34
- Mwatumwa, A. S. (2015). *Performance : a Study of the County Government of*.
- addin mendeley bibliography csl_bibliography ajibew, e. (2019). college of business and economics department of mangement the mediating role of employees training in the relationship between organizational culture and employee commitment : *The Case of Hidassie Telecom Share Company Thesis submitted for partial fulfill*.
- Bahiru, D. B. (2015). *Institute of Leadership and Good Governance. December*.
- Chieochan, O. (2015). *Factors Affecting the Use of Information Technology in Thai Agricultural Cooperatives : A Work in Progress Factors Affecting the Use of Information Technology in Thai Agricultural Cooperatives : A Work in Progress Keywords. October 2011. <https://doi.org/10.1002/j.1681-4835.2000.tb00008.x>*
- Hald-Mortensen, C. (2007). *Leadership Qualities That Moved A Nation*. 129. http://d-scholarship.pitt.edu/6819/1/Hald-Mortensen_etd.pdf
- Zaib, M. J. (2018). *CAPITAL UNIVERSITY OF SCIENCE AND Impact of Ethical Leadership on Innovative Work Behavior with Mediating Role of Thriving at Work and Moderating Role of Openness to Experience by*.

Appendix

A. Questionnaire



College of Business and Economics
Masters of Business Administration (MBA)
Department of management

My name is Solomon Fentie and I am currently MBA student at Addis Ababa University, College of Business and Economics. I am writing my MBA thesis as a partial fulfillment.

Dear Respondents!

This questionnaire is designed to gather data on **the Mediating role of Employee Commitment and the moderating effect of Bank Size in the relationship between Leadership Quality and Innovation Performance in selected private banks in Addis Ababa**. Since the success of the study depends upon the responses that you provide, I will ask your genuine and accurate response to each of the items. Hence, I would like to assure you that your response and answers remain strictly confidential. Therefore, please evaluate each item in relation to your opinion and then put a tick mark (✓) under the choices below.

5= Strongly Agree

2= Dis Agree

4 = Agree

1= Strongly Disagree

3= Neutral

Note

- No need of writing your name
- Where alternatives answers are given, please put “✓” mark in the blank against your choice.

Thank you!

Part II. Questionnaire for: Board of Directors, Executive Management, Department directors., Strategy and innovation department employees, Talent development department employees, HR operation and partnership management department employee, Alternate channels department employee, Applications development and support department employees, International banking department employee, IT infrastructure department employee and Facilities management department employee

Instruction: Please show the extent to which how practices are being carried out in your organizations by putting “√” mark in one of the alternatives.

Rating:

1= Strongly Disagree

3 = Neutral

2 = Disagree

4 = Agree

5 = Strongly Agree

Nº	Items	Variables				
		SD	D	N	A	SA
1.	Leadership quality					
1.1.	Integrity					
1	The leader has the ability of see what has to be done next.					
2	The leader has integrity.					
3	The leader is willing to serve others					
4	The leader takes initiative					
1.2.	Vision					
1	The leader has expressed their confidence and decisiveness.					
2	The leader is a visionary when it comes to where we can go as a business.					
3	The leader has Builds great self-awareness and humility					
4	My leader has Builds system thinking and creativity					
1.3.	Communication					
1	The leader has strong communicated skill					
2	The leader restructured the communication process of the bank					

1.4. Delegation					
1	Leaders ensure that a subordinate has the ability to exercise the authority				
2	Leaders believe that Delegation accelerate decision making process				
3	Leaders believe that Delegation prevents work displaying in the case of managers absence				
2. Innovation					
2.1. Product					
1	Follows a formal process to generate and develop new ideas				
2	The bank constantly emphasizes development and doing research project				
3	The leader Initiates the development of new services to meet customers' requirements and market trends.				
4	The leader Adopts new technology to provide new services and to improve the current ones.				
2.2. Process:					
1	The bank encourages team work and good working relationship between staff members				
2	The bank is often developing new technology to improve the services processes				
3	The bank Follows flexible management strategies to deal with unexpected changes				
4	The bank Provides improvements in its structures, practices and techniques				
2.3. Services					
1	Our banks have enough resource to develop the new services				
2	Our bank always try to our best to provide different services for different customer				
3	Our banks try to our best to provide the special services delivery for customers.				
5	Our bank always creates the innovation services to delivery better services.				

3. Employee Commitment					
1	I am very happy being a member of this organization				
2	I enjoy talking about my organization to people outside the organization				
3	I understand how my work contributes to the organization's goals				
4	I really feel as if this company problems are my own				
5	It would be very hard for me to leave my organization right now.				
6	I am happy to stay in this organization because of support from the manager				
7	My current position is inspiring for me				
8	I believe in the value of remaining loyal to one organization				
9	I feel inspired to provide the best service to our partners.				
10	I feel that I owe this organization quite a bit because of what it has done for me				
11	I am willing to put in a great deal of effort beyond the normally expected in order to help this organization be successful				
4. Moderating effect of Bank size					
1	Have effects on innovativeness of the organization				
2	Have effects on financial performance				
3	Have impact on loan applications and approvals of the bank				

A. Description of integrity

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	The leader has the ability to see what has to be done next.	Strongly disagree	6	3.2	3.24	1.00
		Disagree	48	25.7		
		Neutral	41	21.9		
		Agree	80	42.8		
		Strongly agree	12	6.4		
2.	The leader has integrity	Strongly disagree	3	1.6	3.89	0.93
		Disagree	13	7.0		
		Neutral	36	19.3		
		Agree	84	44.9		
		Strongly agree	51	27.3		
3.	The leader is willing to serve others	Strongly disagree	11	5.9	3.42	1.02
		Disagree	18	9.6		
		Neutral	64	34.2		
		Agree	70	37.4		
		Strongly agree	24	12.8		
4.	The leader takes initiative	Strongly disagree	1	.5	4.01	0.75
		Disagree	5	2.7		
		Neutral	30	16.0		
		Agree	106	56.7		
		Strongly agree	45	24.1		
Overall (aggregate) mean					3.6	0.37

B. Description of vision

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	The leaders express their confidence, and decisiveness	Strongly disagree	6	3.2	3.15	1.13
		Disagree	67	35.8		
		Neutral	27	14.4		
		Agree	66	35.3		
		Strongly agree	21	11.2		
2	The leaders are visionary when it comes to where we can go as a business.	Strongly disagree	3	1.6	3.65	0.85
		Disagree	20	10.7		
		Neutral	33	17.6		
		Agree	113	60.4		
		Strongly agree	18	9.6		
3	The leader builds great self-awareness and humility	Strongly disagree	2	1.1	3.82	0.68
		Disagree	9	4.8		
		Neutral	24	12.8		
		Agree	136	72.7		
		Strongly agree	16	8.6		
4.	The leader builds system thinking and creativity	Strongly disagree	6	3.2	3.63	0.93
		Disagree	16	8.6		
		Neutral	43	23.0		
		Agree	97	51.9		
		Strongly agree	25	13.4		
Overall (aggregate) mean					3.5	0.29

C. Description of communication

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	The leader has strong communication skill	Strongly disagree	-	-	3.87	0.91
		Disagree	25	13.4		
		Neutral	16	8.6		
		Agree	104	55.6		
		Strongly agree	42	22.5		
2	The leader restructured the communication process of the bank	Strongly disagree	9	4.8	3.51	0.98
		Disagree	27	14.4		
		Neutral	23	12.3		
		Agree	115	61.5		
		Strongly agree	13	7.0		
Overall (aggregate) mean					3.6	0.25

D. Description of delegation

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	Leaders ensure that a subordinate has the ability to exercise the authority.	Strongly disagree	7	3.7	3.51	0.85
		Disagree	13	7.0		
		Neutral	54	28.9		
		Agree	103	55.1		
		Strongly agree	10	5.3		
2	Leaders believe that Delegation accelerate decision making process	Strongly disagree	6	3.2	3.37	0.97
		Disagree	35	18.7		
		Neutral	41	21.9		
		Agree	92	49.2		
		Strongly agree	13	7.0		
3	Leaders believe that Delegation prevents work displaying in the case of managers absence	Strongly disagree	1	.5	3.36	0.65
		Disagree	13	7.0		
		Neutral	92	49.2		
		Agree	79	42.2		
		Strongly agree	2	1.1		
Overall (aggregate) mean					3.4	0.09

E. Description of product

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	Follows a formal process to generate and develop new ideas	Strongly disagree	9	4.8	2.88	0.94
		Disagree	68	36.4		
		Neutral	46	24.6		
		Agree	64	34.2		
		Strongly agree	-	-		
2	The bank constantly emphasizes development and doing research project	Strongly disagree	2	1.1	3.62	0.77
		Disagree	17	9.1		
		Neutral	42	22.5		
		Agree	115	61.5		
		Strongly agree	11	5.9		
3	The leaders initiate the development of new services to meet customers' requirements and market trends.	Strongly disagree	7	3.7	3.07	0.90
		Disagree	46	24.6		
		Neutral	62	33.2		
		Agree	70	37.4		
		Strongly agree	2	1.1		
4	The leaders Adopts new technology to provide new services and to improve the current ones.	Strongly disagree	7	3.7	3.49	0.93
		Disagree	27	14.4		
		Neutral	30	16.0		
		Agree	113	60.4		
		Strongly agree	10	5.3		
Overall (aggregate) mean					3.3	0.35

F. Description of process

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	The bank encourages teamwork and good working relationship between staff members	Strongly disagree	-	-	3.50	0.78
		Disagree	18	9.6		
		Neutral	72	38.5		
		Agree	81	43.3		
		Strongly agree	16	8.6		
2	The bank is often developing new technology to improve the services process	Strongly disagree	9	4.8	3.68	1.10
		Disagree	20	10.7		
		Neutral	37	19.8		
		Agree	75	40.1		
		Strongly agree	46	24.6		
3	The bank follows flexible management strategies to deal with unexpected changes	Strongly disagree	3	1.6	4.06	0.83
		Disagree	4	2.1		
		Neutral	29	15.5		
		Agree	93	49.7		
		Strongly agree	58	31.0		
4	The bank provides improvements in its structures, practices and techniques	Strongly disagree	1	.5	3.88	0.99
		Disagree	22	11.8		
		Neutral	82	43.9		
		Agree	73	39.0		
		Strongly agree	9	4.8		
Overall (aggregate) mean					3.7	0.33

G. Description of services

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	Our banks have enough resource to develop the new services	Strongly disagree	5	2.7	3.83	1.03
		Disagree	21	11.2		
		Neutral	32	17.1		
		Agree	70	37.4		
		Strongly agree	59	31.6		
2	Our bank always try to its best to provide different services for different customer	Strongly disagree	2	1.1	3.73	1.11
		Disagree	34	18.2		
		Neutral	33	17.6		
		Agree	60	32.1		
		Strongly agree	58	31.0		
3	Our banks try to its best to provide the special services delivery for customers.	Strongly disagree	10	5.3	3.77	1.07
		Disagree	16	8.6		
		Neutral	26	13.9		
		Agree	89	47.6		
		Strongly agree	46	24.6		
	Our bank always creates the innovation services to delivery better services	Strongly disagree	2	1.1	3.48	0.77
		Disagree	15	8.0		
		Neutral	72	38.5		
		Agree	86	46.0		
		Strongly agree	12	6.4		
Overall (aggregate) mean					3.7	0.18

H. Affective commitment

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	I am very happy being a member of this organization	Strongly disagree	1	.5	4.00	0.95
		Disagree	17	9.1		
		Neutral	28	15.0		
		Agree	75	40.1		
		Strongly agree	66	35.3		
2	I enjoy talking about my organization to people outside the organization	Strongly disagree	12	6.4	3.92	1.20
		Disagree	17	9.1		
		Neutral	19	10.2		
		Agree	64	34.2		
		Strongly agree	75	40.1		
3	I understand how my work contributes to the organization's goals	Strongly disagree	11	5.9	3.82	1.07
		Disagree	9	4.8		
		Neutral	33	17.6		
		Agree	83	44.4		
		Strongly agree	51	27.3		
4	I really feel as if these company problems are my own problems	Strongly disagree	1	.5	4.25	0.77
		Disagree	5	2.7		
		Neutral	17	9.1		
		Agree	87	46.5		
		Strongly agree	77	41.2		
Overall (aggregate) mean					3.9	0.68

I. Continuous commitment

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	I believe in the value of remaining loyal to one organization	Strongly disagree	1	.5	3.87	0.72
		Disagree	7	3.7		
		Neutral	36	19.3		
		Agree	114	61.0		
		Strongly agree	29	15.5		
2	I feel inspired to provide the best service to our partners.	Strongly disagree	6	3.2	3.71	0.82
		Disagree	9	4.8		
		Neutral	34	18.2		
		Agree	121	64.7		
		Strongly agree	17	9.1		
3	I feel that I owe this organization quite a bit because of what it has done for me	Strongly disagree	8	4.3	3.77	0.89
		Disagree	11	5.9		
		Neutral	20	10.7		
		Agree	124	66.3		
		Strongly agree	24	12.8		
4	I am willing to put in a great deal of effort beyond the normally expected to help this organization be successful	Strongly disagree	8	4.3	3.87	0.95
		Disagree	8	4.3		
		Neutral	26	13.9		
		Agree	102	54.5		
		Strongly agree	43	23.0		
Overall (aggregate) mean					3.8	0.08

J. Normality commitment

No	Item	Response option	Frequency	%	Mean	Standard deviation
1	It would be very hard for me to leave my organization right now	Strongly disagree	5	2.7	3.96	0.93
		Disagree	12	6.4		
		Neutral	19	10.2		
		Agree	100	53.5		
		Strongly agree	51	27.3		
2	I am happy to stay in this organization because of the support	Strongly disagree	-	-	4.19	0.82
		Disagree	10	5.3		
		Neutral	19	10.2		
		Agree	82	43.9		
		Strongly agree	76	40.6		
3	My current position is inspiring for me	Strongly disagree	1	.5	4.12	0.83
		Disagree	12	6.4		
		Neutral	12	6.4		
		Agree	99	52.9		
		Strongly agree	63	33.7		
Overall (aggregate) mean					4.0	0.12

K. Bank size

No	Item	Response option	Frequency	%	Mean	Standard deviation
1.	Have effects on innovation capability of the organization	Strongly disagree	10	5.3	3.73	0.98
		Disagree	9	4.8		
		Neutral	35	18.7		
		Agree	99	52.9		
		Strongly agree	34	18.2		
2.	Have effects on financial performance	Strongly disagree	4	2.1	3.82	0.75
		Disagree	7	3.7		
		Neutral	28	15.0		
		Agree	127	67.9		
		Strongly agree	21	11.2		
3.	Have impact on loan applications and approvals of the bank	Strongly disagree	7	3.7	3.44	1.01
		Disagree	35	18.7		
		Neutral	29	15.5		
		Agree	100	53.5		
		Strongly agree	16	8.6		
Overall (aggregate) mean					3.6	0.24

L. Normality assumption

Descriptive Statistics									
	N	Minimum	Maximum	Mean	SD	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
LQ	187	44.18	66.18	58.3498	5.00087	-.900	.178	.648	.354
EC	187	22.36	48.45	39.6894	5.96169	-.471	.178	-.291	.354
MOD	187	3.67	11.67	8.8146	1.33740	-1.028	.178	2.008	.354
Product	187	4.50	14.75	10.9131	1.65916	-.978	.178	3.124	.354
ProcessI NO.	187	5.25	15.00	11.6778	1.81378	-1.146	.178	1.906	.354
Services	187	6.80	21.00	15.8898	3.66572	-.517	.178	-.383	.354
Valid N (listwise)	187								

M. TOTAL VARIANCE EXPLAINED

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.454	23.058	23.058	9.454	23.058	23.058	5.695	13.889	13.889
2	3.901	9.515	32.573	3.901	9.515	32.573	3.013	7.349	21.238
3	2.854	6.961	39.534	2.854	6.961	39.534	2.949	7.193	28.431
4	2.433	5.934	45.467	2.433	5.934	45.467	2.847	6.945	35.376
5	2.196	5.357	50.824	2.196	5.357	50.824	2.690	6.560	41.936
6	1.630	3.975	54.799	1.630	3.975	54.799	2.187	5.333	47.269
7	1.616	3.941	58.740	1.616	3.941	58.740	2.128	5.191	52.460
8	1.472	3.591	62.331	1.472	3.591	62.331	2.003	4.885	57.346
9	1.384	3.375	65.707	1.384	3.375	65.707	1.843	4.496	61.841
10	1.272	3.103	68.810	1.272	3.103	68.810	1.796	4.382	66.223
11	1.102	2.687	71.497	1.102	2.687	71.497	1.626	3.967	70.190
12	1.072	2.616	74.112	1.072	2.616	74.112	1.608	3.923	74.112

13	.962	2.348	76.460						
14	.907	2.213	78.673						
15	.880	2.145	80.818						
16	.788	1.923	82.741						
17	.704	1.717	84.458						
18	.665	1.623	86.081						
19	.572	1.395	87.476						
20	.518	1.263	88.739						
21	.516	1.259	89.998						
22	.477	1.163	91.161						
23	.431	1.051	92.212						
24	.380	.928	93.140						
25	.365	.891	94.031						
26	.316	.772	94.802						
27	.302	.737	95.540						
28	.286	.697	96.237						
29	.225	.548	96.785						
30	.196	.478	97.262						
31	.181	.443	97.705						
32	.159	.388	98.094						
33	.128	.312	98.405						
34	.121	.295	98.701						
35	.114	.278	98.979						
36	.099	.240	99.219						
37	.089	.218	99.437						
38	.074	.181	99.618						
39	.067	.164	99.782						
40	.050	.122	99.904						
41	.039	.096	100.000						

Extraction Method: Principal Component Analysis.

N. COMMUNALITY

Communalities		
	Initial	Extraction
ING1	1.000	.744
ING2	1.000	.833
ING3	1.000	.806
ING4	1.000	.796
V1	1.000	.774
V2	1.000	.757
V3	1.000	.682
V4	1.000	.803
COM1	1.000	.730
COM2	1.000	.816
Del1	1.000	.596
Del2	1.000	.787
Del3	1.000	.776
Prd1	1.000	.732
Prd2	1.000	.633
Prd3	1.000	.687
Prd4	1.000	.753
Prc1	1.000	.731
Prc2	1.000	.564
Prc3	1.000	.767
Prc4	1.000	.739
Srv1	1.000	.786
Srv2	1.000	.746
Srv3	1.000	.784
Srv4	1.000	.804
Srv5	1.000	.619
EC1	1.000	.714
EC2	1.000	.787
EC3	1.000	.790
EC4	1.000	.850
EC5	1.000	.693
EC6	1.000	.747
EC7	1.000	.810
EC8	1.000	.750
EC9	1.000	.745
EC10	1.000	.728
EC11	1.000	.798
Extraction Method: Principal Component Analysis.		

O. Collinearity statistics

	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
LEAD	0.982	1.018
MED	0.982	1.018
a. Dependent Variable: PERF		

P. Rotated component matrix

Rotated Component Matrix^a											
	Component										
	1	2	3	4	5	6	7	8	9	10	11
Srv3	0.809										
EC1	0.801										
Srv2	0.786										
Srv1	0.687										
Srv4	0.673										
Prc3	0.648										
Prc4	0.626										
EC7		0.824									
EC6		0.709									
EC8		0.609									
EC2		0.568									
Prc1			0.785								
Prd2			0.633								
Prc2			0.619								
Srv5											
EC10				0.752							
EC3				0.626							
EC5				0.624							
EC9				0.613							
EC4					0.759						
EC11					0.751						
V3					0.634						
Del1						0.699					
V2						0.622					
Prd3											
Prd1											
Del3							0.788				
COM2							0.567				
ING2							0.560				
ING4								0.823			
V4								0.618			
Prd4								0.560			
ING1									0.788		
V1									0.534		
ING3										0.783	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.											
a. Rotation converged in 29 iterations.											