



**Addis Ababa University
Department of Management**

**“The Effect of Leadership Styles on Organizational Commitment: A
Study on Employees of Commercial Bank of Ethiopia”**

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Of Business And Economics In Partial Fulfilment Of The
Requirements For The Degree Of Master Of Science In International
Business (Strategic Investment Management)

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STATEMENT OF DECLARATION

I, Elham Muhidin, hereby declare that this Master thesis titled **“The Effect of Leadership styles on organizational commitment: A study on Employees of Commercial Bank of Ethiopia”** is an original work. I have carried out the present study independently with the guidance and support of the research advisor, Dr. Jemal Mohammed. Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any diploma, degree or any other higher education Program in this or any other institution.

Elham Muhidin

Declared by

Signature

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This is to clarify that the above declaration made by the candidate is correct to the best of my knowledge.

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Approval Sheet

This is to certify that the thesis paper, entitled “**The Relationship between Leadership Style and Organizational Commitment: A study on Employees of Commercial Bank of Ethiopia**” which is submitted for the partial fulfillment of the degree of Masters of Science in International Business complies with the regulations and meets the standards of the university.

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LIST OF ACRONYMS

AF/AC- Affective Commitment

ANOVA- Analysis of Variance

CBE- Commercial Bank of Ethiopia

CC- Continuance Commitment

LS- Laissez-Faire

NC- Normative Commitment

OC- Organizational Commitment

SPSS- Statistical Package for the Social Sciences

TSCL- Transactional Leadership Style

TSFL- Transformational Leadership Style

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ABSTRACT

This study investigates the effects of leadership styles on organizational commitment in commercial bank of Ethiopia. It examines how three leadership styles - transformational, transactional, and laissez-faire - influence the three dimensions of organizational commitment - affective, continuance and normative. The study has been conducted by both primary and secondary research. The primary research was done using the quantitative approach with the help of survey questionnaire to collect data and the secondary research was used through the review of previously published literatures. A total of 221 data records were analyzed using inferential statistics with the help of the SPSS Version 27.0. Results revealed a positive and consistent impact of transformational leadership on all commitment dimensions. However, Transactional and laissez-faire yielded a mixed result. Transactional leadership showed a negative impact on normative commitment and insignificant impact on affective and continuance commitment. On the other hand, laissez-faire leadership yielded positive impact on continuance and normative commitment and an insignificant impact on affective commitment. The findings highlight the critical role leadership styles play in shaping employee commitment within the Ethiopian banking sector. The study recommends embracing transformational leadership, re-evaluating transactional leadership and consideration of cultural context to fit the context of the bank under study as well as areas that require further exploration.

Key Words: *Leadership styles, Transformational Leadership, Transactional Leadership, Laissez-Faire, Organizational Commitment, Affective Commitment, Normative Commitment, and Continuance Commitment.*

CHAPTER ONE

INTRODUCTION

Introduction

Organizational commitment, encompassing an employee's emotional attachment, identification with, and intention to remain with the organization (Meyer & Allen, 1991), plays a vital role in organizational success. Highly committed employees demonstrate increased productivity, lower turnover rates, and a greater willingness to go the extra mile (Mathieu & Maynard, 1998). Leadership style, the manner in which leaders interact with and influence their followers (Northouse, 2019), is a key factor shaping employee commitment.

In Ethiopia's booming banking sector, a highly committed workforce is critical for maintaining a competitive advantage. Research suggests that employee commitment can be understood through three distinct lenses (Meyer & Allen, 1991). Affective commitment reflects an emotional attachment to the organization, characterized by a desire to stay and a strong sense of belonging. Continuance commitment, on the other hand, emphasizes the perceived costs associated with leaving, such as lost benefits or job security. Finally, normative commitment arises from a sense of obligation to the organization, driven by moral or ethical reasons. Understanding these different types of commitment can help Ethiopian banks develop strategies to cultivate a loyal and engaged workforce.

However, a limited understanding exists regarding the specific leadership styles that resonate most effectively with Ethiopian bank employees and how they influence these different types of commitment. This research aims to bridge this gap by investigating the effect of leadership styles on organizational commitment (affective, continuance, and normative) among employees of banks in Ethiopia. Hence, this research investigated employees of commercial bank of Ethiopia on how they perceived the leadership styles of their managers/supervisors and how it affected their level of commitment to the organization. Based on the findings the research further delved into recommendations for managers and future researchers looking forward to study the contextual relationship between leadership styles and organizational commitment.

1.1 Background of the study

Understanding employee commitment has been a major focus in recent years. Committed employees are crucial for organizational success (Rafiei, et al., 2014). A satisfied and motivated workforce is the foundation of a competitive company (GABČANOVÁ, 2011). Employee satisfaction translates into increased productivity, creativity, and innovation. In essence, employees are a company's most valuable asset, driving its engine of success.

The Critical Role of Organizational Commitment: Organizational commitment, defined as an employee's emotional attachment, identification with, and intention to remain with the organization (Meyer & Allen, 1991), is a cornerstone of organizational success. Highly committed employees demonstrate increased productivity, lower turnover rates, and a greater willingness to go the extra mile (Mathieu & Maynard, 1998). In today's competitive business environment, fostering a highly committed workforce is essential for organizations to thrive.

(Bass & Avolio, 1993) defined leadership styles as behaviors or processes that leaders undertake or participate in that enable remarkable things to be done within the organization. For this study, the context of leadership used is that of the organization, in which a person is appointed to lead or manage the company. It is very crucial for the organization to know what are the aspects that play an important role in making the employees commit to the company or in fostering their commitment (May-Chiu, et al., 2009). (Allen & Meyer, 1990) also suggest that if employee commitment is effectively managed, it can result in some welfare of the company such as employee performance, reduced turnover, and reduced absenteeism. Leadership style, the manner in which leaders interact with and influence their followers (Northouse, 2019), plays a significant role in shaping employee commitment, and is seen as the fuel for the attainment of organizational goals (Abasilim, et al., 2019). Researchers suggest that different leadership styles can evoke varying levels of commitment within an organization.

The Ethiopian Banking Context: Ethiopia's banking sector is experiencing rapid growth, and fostering a committed workforce is crucial for maintaining a competitive edge. However, there's a limited understanding of how leadership styles (transformational, transactional, and laissez-faire)

influence the specific types of organizational commitment (affective, continuance, and normative) among Ethiopian bank employees (Meyer & Allen, 1991).

Motivation for the Study: This research is motivated by the need to bridge the knowledge gap and gain a deeper understanding of the effect leadership styles have on organizational commitment in the Ethiopian banking context by taking one of the major banks in the industry. The study investigated employees of Commercial Bank of Ethiopia, as a target to investigate the current practices of leadership styles and how it is impacting their commitment to the bank. By exploring how leadership styles influence affective, continuance, and normative commitment, the study aims to Identify which leadership styles are most effective in fostering different types of organizational commitment among employees of commercial bank of Ethiopia, provide valuable insights for bank leaders in Ethiopia to develop strategies that cultivate a highly committed workforce and contribute to the existing body of knowledge on leadership and commitment within a specific cultural and organizational context.

1.2 Background of the company

Commercial Bank of Ethiopia (CBE) the largest commercial bank in Ethiopia, was first established as the State Bank of Ethiopia in 1942. CBE was legally established as a share company in 1963. Since then, it has been rapidly growing and playing significant roles in the development of the country. As of June 2021, it had about 1.1 trillion birr in assets and held approximately 67% of deposits and about 53% of all bank loans in the country. The bank has around more than 35,000 employees as of June 2022, who staff its headquarters and its over 1000+ branches positioned in the main cities and regional towns. Currently CBE has more than 40+ million account holders in its more than 1940+ branches.

1.3 Statement of the Problem

In Ethiopia's growing banking sector, the cultivation of a highly committed workforce is important for sustaining competitiveness and achieving organizational success. Organizational commitment, characterized by an employee's emotional attachment, identification with, and intention to remain

with the organization (Meyer & Allen, 1991), is pivotal for enhancing productivity, reducing turnover rates, and fostering a culture of dedication and excellence (Mathieu & Maynard, 1998).

While the significance of organizational commitment is well-recognized, there remains a notable gap in understanding the specific leadership styles that effectively influence different dimensions of organizational commitment among employees of banks in Ethiopia. Although previous research has identified various leadership styles, such as transformational, transactional, and laissez-faire, and their impacts on organizational outcomes, there is limited empirical evidence on their effectiveness within the Ethiopian banking context.

Furthermore, the existing literature predominantly focuses on organizational commitment as a singular construct, overlooking its multifaceted nature encompassing affective, continuance, and normative dimensions (Meyer & Allen, 1991). Each dimension represents distinct facets of commitment, including emotional attachment, perceived costs of leaving, and moral obligation to stay, respectively. Understanding how different leadership styles influence these dimensions of organizational commitment is crucial for devising targeted strategies to foster employee engagement and loyalty in Ethiopian banks.

Therefore, the primary gap addressed by this research is the lack of contextual and comprehensive understanding regarding the relationship and effect of leadership styles, namely transformational, transactional, and laissez-faire, on the diverse dimensions of organizational commitment (affective, continuance, and normative). By elucidating how leadership styles impact organizational commitment dimensions, this study aims to provide valuable insights for bank leaders to develop tailored approaches for enhancing employee commitment and organizational performance in the banking sector.

1.4 Research Objectives

1.4.1 General Objective

This research aims to investigate “The effect of Leadership styles on organizational commitment: A study on Employees of Commercial Bank of Ethiopia”.

1.4.2 Specific Objectives

Specifically, to achieve general objective, the study seeks to achieve the following objectives:

- Examine how transformational leadership style impacts the three organizational commitment dimensions.
- Investigate the impact of transactional leadership style on the three dimensions of organizational commitment.
- Analyse how laissez-faire leadership style affects employee commitment across the three dimensions.
- Identify which Leadership Styles has most positive impact on Fostering Commitment of employees of the bank.

By investigating these relationships, the study also hopes to Contribute to Knowledge on Leadership and Commitment in a Specific Context and provide practical recommendations for bank leaders in Ethiopia to cultivate a committed and productive workforce.

1.5 Research Question

In this study, the following research questions are developed to gain an extensive understanding of the factors under investigation, and to provide an adequate argument for the results.

1. Does transactional leadership style have a positive impact on the commitment among the bank employees?
2. Does transformational leadership style have a positive impact on the commitment among the bank employees?
3. Does laissez-faire leadership style have a positive impact on the commitment among the bank employees?
4. Which leadership style (transformational, transactional, or laissez-faire) has the strongest positive impact on fostering affective commitment among bank employees?

1.6 Significance of the Study

This study holds several significant implications for academia, the banking industry in Ethiopia, and organizational management practices:

Academic Contribution: The research contributes to the existing body of knowledge by examining the relationship between leadership styles and organizational commitment within the Ethiopian banking context. By exploring the nuances of affective, continuance, and normative commitment dimensions, the study enhances our understanding of how leadership behaviors influence employee attitudes and behaviours.

Practical Implications for Bank Leaders: Findings from this study will provide actionable insights for bank leaders in Ethiopia to develop effective leadership strategies aimed at cultivating a highly committed workforce. By understanding which leadership styles resonate most with employees and promote stronger commitment across different dimensions, bank leaders can tailor their approaches to enhance employee engagement, retention, and overall organizational performance.

Enhanced Employee Engagement and Retention: A better understanding of the relationship between leadership styles and organizational commitment can help Ethiopian banks create supportive work environments that foster employee engagement and retention. Highly committed employees are more likely to exhibit discretionary effort, contribute to organizational goals, and remain loyal to their employers, thereby reducing turnover costs and increasing organizational stability.

Competitive Advantage: In the dynamic and competitive landscape of the Ethiopian banking sector, organizations that prioritize employee commitment and well-being are better positioned to attract and retain top talent. By leveraging insights from this study, banks can differentiate themselves as employers of choice, thereby gaining a competitive edge in the market.

1.7 Scope of the Study

While the study aims to provide comprehensive insights into the effect of leadership styles on organizational commitment among employees of commercial bank of Ethiopia, it is important to delineate the scope of the research:

Geographical Scope: The study focusses on Commercial bank of Ethiopia operating within Adiss Ababa, Ethiopia, in the district of Nifas silk lafto. The study will examine different departmental levels of the bank's employees, specifically working in branches operating within Nifas silk lafto district. While findings may have broader implications for other industries or geographical regions, the research will primarily examine the effect of leadership styles on organizational commitment among employees of commercial bank of Ethiopia in the specific district.

Participant Scope: The study encompasses examination of effect leadership styles on organizational commitment among employees working in CBE. Participants will include employees from various roles, departments, and experience levels within the organization. However, the study will not extend to other stakeholders such as customers, regulators, or external partners.

Leadership Styles: The research will investigate three leadership styles: transformational, transactional, and laissez-faire. While these styles represent key dimensions of leadership behavior, the study may not encompass all possible leadership variations or combinations.

Organizational Commitment Dimensions: The study will explore organizational commitment across three dimensions: affective, continuance, and normative. While these dimensions provide a comprehensive framework for understanding commitment, other factors influencing employee engagement and retention may not be fully captured within the scope of this research.

Methodological Approach: The research will employ quantitative data collection methods. Hence, the study includes structured questionnaires and data analysis techniques that are well fit to achieve the aim of the study in an effective manner.

1.8 Limitations of the Study

The study acknowledges several limitations. The research focuses on three leadership styles (transformational, transactional, laissez-faire), which, while valuable, might not capture the full spectrum of leadership behaviors or potential combinations that could exist. While the study explores three dimensions of organizational commitment (affective, continuance, normative), it acknowledges that other factors influencing employee commitment might be missed. The research relies on quantitative data collection methods, which offer valuable insights but may not fully capture the complexities of organizational dynamics or individual employee experiences, as quantitative data often focuses on measurable aspects and might miss subjective experiences. Finally, the study's scope, limited by its focus on a specific geographic area, bank, employee group, leadership styles, and commitment dimensions, might restrict the generalizability of the findings to other industries or contexts. This focus could make it difficult to achieve a more holistic understanding of the relationship between leadership and organizational commitment. Additionally, the reliance on self-reported data from employees may introduce potential biases or inaccuracies, which should be considered when interpreting the study's results.

1.9 Definition of Key Terms

Leadership styles: Leadership styles refer to the characteristic behaviors and approaches that leaders use to influence, motivate, and guide their teams, Northouse & Peter G (2016). It is a way of directing a group of people that reflects a specific character of a leader (Cherry, 2020). Different styles emphasize different aspects of leadership, and the most effective style can vary depending on the situation, the team, and the leader's personality (Yukl 2013). In this study, three of the common leadership -Transformational Leadership, Transactional Leadership and Laissez-faire Leadership- are included.

Transformational Leadership: It describes leadership style that is focused on change within a project, team, or organization. This type of leaders works closely with their followers and share the bigger picture with them. They empower them and make them achieve goals willingly (Boogard, n.d.).

Transactional Leadership: it based on the transaction of leader-follower relationship. The transaction is based on the employee completing required task in exchange of benefit. This type of leadership is based on a reward-punishment base (Cherry, 2020).

Laissez-faire Leadership: involves managers or leaders that delegate responsibility to the employees with very less interference from their side. In this type of leadership style, leaders tend to be careless and delegate decision-making to followers, they intervene only when they are faced with a problem. There is no proactivity in this style (Boogard, n.d.).

Organizational Commitment: is an emotional and psychological dependence on the organization, in which an employee is very committed and wants to stay within the organization with loyalty and contributing what he/she can (Aghalari, et al., 2021). Organizational commitment refers to an individual's psychological attachment to their organization, Meyer & Allen (1991). It reflects the strength of an employee's connection to their workplace and their desire to remain employed there, Mowday & Porter (1979). Organizational commitment has three major dimensions: Affective commitment, Normative commitment and Continuance commitment, Allen, D. G. (2016).

Affective Commitment: refers to an employee's emotional attachment to their organization. It reflects the strength of the employee's identification with the organization and their desire to remain a member. Highly affectively committed employees experience a sense of belonging and take pride in being part of the organization (Meyer & Allen, 1991).

Continuance Commitment: is a dimension that focuses on the perceived costs associated with leaving the organization (Meyer & Allen, 1991). Employees with high continuance commitment feel they have invested too much time, effort, or skills into the organization to leave easily. Factors like marketable skills, alternative job opportunities, and financial security can influence continuance commitment (Meyer & Allen, 1991).

Normative Commitment: is a component that reflects an employee's sense of obligation to stay with the organization due to moral or ethical reasons (Meyer & Allen, 1991). Employees feel a

sense of duty or loyalty to the organization and believe they should remain, even if it's not necessarily the most convenient or desirable option (Meyer & Allen, 1991).

1.10 Organization of the study

This study is structured across five chapters. Each chapter serves a distinct purpose as described below.

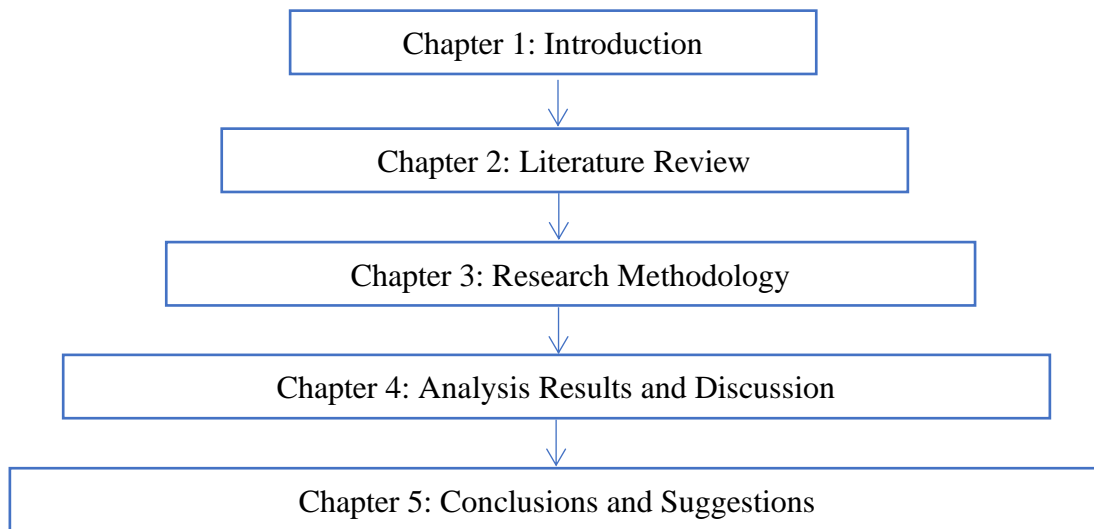


Figure 1.1- Outline of thesis

Chapter 1, The introduction establishes the foundation by outlining the research topic, relevant background, and key elements such as the problem, objectives, questions, significance, scope, limitations, and terminology.

Chapter 2, The literature review delves into existing research, weaving together past studies with theoretical and conceptual frameworks to provide context for our present investigation. It further incorporates reviews of empirical research.

Chapter 3, The methodology chapter delves into the "how" of the research. It outlines the overall approach taken, the specific research design chosen, and the methods used to collect data. This section provides a clear understanding of the research process and how information was gathered.

Chapter 4, The "Data Analysis and Findings" chapter focuses on analyzing and presenting the collected data. It uses interpretations and discussions to connect the results back to the research objectives and questions we initially set forth. This section provides valuable insights into the study's outcomes.

Chapter 5, The concluding section acts as both a conclusion and recommendations section. It summarizes the main findings, draws conclusions, and suggests areas for further research or practical applications informed by the study's results.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter lays the groundwork for the study by exploring relevant research on leadership styles and organizational commitment. It dives deep into existing theoretical frameworks, empirical findings, and conceptual models. By drawing insights from various scholarly works, this literature review aims to create a comprehensive picture of what's already known in this field.

2.1. Theoretical Framework

2.1.1 The Concept of Leadership and Leadership Styles

The concept of leadership is constantly evolving, with theories adapting to the ever-changing contexts organizations face (Dess & Picken, 2000). The concepts of leadership and leaders are central to both education and management research, with numerous definitions proposed by scholars (Malik & Azmat, 2019). Yukl (1994) views leadership as the act of influencing followers.

Leaders, according to Winston & Patterson (2006), are individuals who empower and guide followers with diverse skills towards achieving organizational goals, inspiring them to dedicate their energy passionately.

Recognizing there's no single "magic bullet" leadership style, effectiveness hinges on the specific situation (Amabile et al., 2004). Leaders adapt their leadership style based on the situation they are in or based on the demand and the working environment of an organization (Asghar & Oino, 2018). Several key factors influence the most appropriate leadership approach and this is where situational leadership comes into play: the task itself, requiring high precision or technical expertise might necessitate a more directive style, while routine tasks allow for a more participative approach (Dess & Picken, 2000). Follower readiness, the level of competence and confidence of those being led, also plays a role. Leaders may provide more direction to new or unsure followers, while experienced and skilled followers may thrive with greater autonomy (Ryan & Tipu, 2013). Finally, the organizational environment, encompassing factors like culture, working environment, and complexity, all significantly impact leadership effectiveness (Amabile et al., 2004). This emphasis on context stands in stark contrast to the outdated "great man" theory, which posited that leaders were simply born with inherent traits (Samad, 2012). Modern leadership recognizes that effective leadership can be learned and developed (Bass, 1985), with successful leaders adapting their style to meet the specific demands of the situation and their followers.

2.1.2 Leadership Theories

2.1.2.1 Great-Man Theory

For centuries, cultures have been fascinated by the search for universal traits that define great leaders. In 1847, Thomas Carlyle's influential "great man theory" placed leaders on a pedestal. Carlyle believed leaders are born, not made, and possess inherent heroic qualities that make them destined to lead (Carlyle, 1847). He argued that history is essentially the story of these "great men" and their accomplishments. American philosopher Sidney Hook (Dobbins & Platz, 1986) built on Carlyle's idea suggesting that some leaders are not merely products of their circumstances, but actively influence them through their "outstanding capacities of intelligence, will and character" (Dobbins & Platz, 1986).

However, the "great man" theory faced significant challenges. The rise of destructive leaders exposed the moral flaws inherent in this concept. Their actions highlighted that exceptional intelligence, willpower, and character can be used for negative ends. Furthermore, McGregor (2003) argued that such dictatorial leadership styles stifle organizational growth. Over time, leadership theory evolved from the rigid dogma that leaders are simply born for the role to a more nuanced perspective.

2.1.2.2 Traits Theory

Trait theories propose that leaders are predisposed with certain qualities that set them apart from non-leaders, suggesting leadership is innate. One attempt to categorize these traits came from Jenkins (citing Ekvall & Arvonen, 1991), who identified two groups: "emergent traits" like height, intelligence, and attractiveness, and "effectiveness traits" like charisma. Charisma, in particular, was seen by Max Weber as a powerful force that could inspire complete devotion in followers, almost as if the leader possessed supernatural abilities (Weber, as cited in Ekvall & Arvonen, 1991).

However, research based on these initial ideas struggled to find a consistent set of traits common to all effective leaders (Burns, 2003). This lack of clear results led to a decline in the popularity of trait theory, with some scholars suggesting it was an unviable approach.

2.1.2.3 Process Leadership Theory

The theories in process leadership, such as servant leadership (Greenleaf, 1970s, 1996) and learning organizations, focus on the leader's behaviors and their impact on followers and the organization as a whole. Servant leadership emphasizes the leader's role in serving their followers, prioritizing their well-being, development, and empowerment. This focus on follower growth fosters a service-oriented culture that benefits both individuals and the organization (Greenleaf, 1996). Learning organizations share a similar emphasis on continuous learning and development. The theory proposes that leaders in these settings act as stewards, aligning individual and organizational goals for a shared purpose that extends beyond the organization itself. As Yammarino (1999) suggests, this shift in leadership research reflects a broader trend, moving from

a focus on inherent traits and leadership styles to situational and relationship-based leadership, and finally to group dynamics and processes. Current process leadership theories emphasize the interaction of group members and their personal and organizational development, with a focus on ethical and moral improvement.

2.1.2.4 Behavioral Theory

Behavior also known as Style theories acknowledges that leaders are not born, rather they are made. According to Yukl (1989), leaders have unique styles they naturally gravitate towards. Just like one hat size doesn't fit everyone, one leadership style can't be effective in all situations. Yukl (1989) identified three common types: democratic, autocratic, and laissez-faire. Democratic leaders create an environment where employees feel empowered and contribute to decision-making, fostering creativity, motivation, and strong leader-follower relationships. Autocratic leaders prioritize output and make decisions without input, potentially leading to high productivity but potentially sacrificing quality and employee satisfaction. Laissez-faire leaders provide minimal guidance and delegate control to highly skilled and motivated teams. Feidler & House (1994) added two dimensions to consider: "consideration," which reflects a leader's ability to build trust and rapport, and "initiating structure," which reflects the degree to which a leader defines roles, sets goals, and provides clear direction. These additional dimensions can be applied to any leadership style to provide a more nuanced understanding of a leader's approach.

2.1.2.5 Contingency Theories (Situational)

The contingency theory proposes that the most effective leadership approach depends on various factors, such as the capabilities and experience of followers (the "situation") and the internal and external environment of the organization. In other words, leaders need to adapt their style to fit the specific context. that effectiveness hinges on the interaction between leader behavior, follower characteristics, and situational demands (Hodgson & White). Researchers emphasize the leader's ability to assess these contextual factors, such as follower skills and task complexity (Bahirat, 2021). Studies have identified various situational factors that influence leadership effectiveness, including a leader's formal authority, follower motivation, and the level of task structure

(Admassie, 2018). By adapting their style to these contingencies, leaders can maximize their impact (insert citation on effective contingency leadership).

They propose that the most effective leadership approach depends on various factors, such as the capabilities and experience of followers (the "situation") and the internal and external environment of the organization. In other words, leaders need to adapt their style to fit the specific context. Contingency theories differ slightly from situational theories. While contingency theories focus on the leader's ability to adapt, situational theories emphasize the role of followers in shaping the relationship (Bass, 1997). However, both theories acknowledge the importance of leader flexibility and the influence of group dynamics on leadership effectiveness.

One specific example of a situational approach is the situational leadership model. This model, introduced in 1969, proposes that leaders should adjust their leadership style based on the maturity level of their followers. Effective leaders can shift between task-oriented (providing clear direction) and relationship-oriented (supporting and encouraging) styles depending on the situation and follower development (Bass, 1997).

2.1.3 Full Range of Leadership Model (FRLM)

According to (Saqr, 2009), the full range leadership theory was first pinpointed by Burns in 1978 and it was more explained by Bass around 1985. The full range of leadership model is model that depicts types of styles from non-leadership to transformational leadership practices. According to (Bass, 1990), findings suggest that in the field of organizational leadership there are three dimensions of leadership, namely transformational leadership, transactional leadership, and laissez-faire leadership. These three leadership styles are the fusion of leadership. The model is an accumulation of different kind of the leadership practices with their respective outcomes. It begins with the transformational leader practice which is characterized by inspiring and motivating employees, continues with transactional leader practice where leaders focus on rewards and punishments, and last it sinks to the lowest level of laissez- faire practice, where leaders are less involved, (Bass, et al., 2003). It's important to note that regardless of style, leaders who demonstrate relational and transformational behaviors tend to achieve better results than those who rely on autocratic styles (Cummings et al., 2010).

2.1.3.1 Transactional Leadership Style

Transactional leadership, also referred to as management or exchange theories, emphasizes structure, supervision, and teamwork within organizations (Bahirat, 2021). This style is rooted in a system of rewards and punishments, where improved performance is incentivized with rewards (Bahirat, 2021).

Transactional leaders establish clear contractual relationships with employees. Tasks are explicitly defined with corresponding rewards and disciplinary structures (Teshome, 2011). This leadership style promotes independent work, with minimal emphasis on collaboration or negotiation between employees (Teshome, 2011). Additionally, transactional leadership often lacks a shared vision or mission, leading to a disconnect between employees and organizational goals (Teshome, 2011). Leaders in this context primarily act as negotiators and resource allocators (Teshome, 2011).

Several scholars have described transactional leadership as a contractual or lawful exchange between leaders and employees, with benefits being central to the relationship (Winkler, 2010; Abasilim et al., 2019). This approach aligns with the "carrot and stick" theory, where desired behavior is obtained through incentives and consequences (Abasilim et al., 2019). Employees receive compensation based on performance and are expected to meet specific leader expectations (Abasilim et al., 2019). Avolio and Bass (2004) further delineate transactional leadership into three key elements: contingent reward, active management by exception, and passive management by exception.

1. Contingent Reward:

This approach focuses on motivating followers through the use of extrinsic rewards, such as bonuses or recognition, tied to achieving specific performance goals (Bass & Avolio, 2004). Transactional leaders set clear expectations and acknowledge good performance (Bass, 1985). In contrast to transformational leadership, which emphasizes intrinsic motivators like shared values and purpose, transactional leadership appeals to followers' self-interest (Bass & Avolio, 2004). Effective use of contingent rewards requires managers to provide clear direction and build trust within their teams (Bass & Avolio, 2004).

2. Management-by-Exception (Active)

Leaders who practice active management-by-exception trust their followers to complete tasks competently but actively monitor performance to identify and address any deviations from expectations (Bass & Avolio, 2004). This approach prioritizes maintaining the status quo and ensuring smooth operations. While it fosters stability and avoids unnecessary disruptions, it can limit innovation and risk-taking (Bass & Avolio, 2004). This style aligns with a need-driven change culture, where the focus is on efficiency and meeting established targets.

3. Management-by-Exception (Passive)

This is the least effective form of transactional leadership (Bass & Avolio, 2004). Passive leaders fail to set clear goals or expectations and only intervene when problems arise (Bass & Avolio, 2004). This lack of direction and feedback can demotivate followers and hinder team performance.

The effectiveness of transactional leadership varies depending on the context. In environments requiring high precision, technical expertise, or strict deadlines, the structured approach of transactional leadership can be beneficial. However, in human-centered environments where creativity, innovation, and emotional intelligence are crucial, transformational leadership is likely more effective (MacGregor Burns, 2003)

2.1.3.2 Transformational Leadership Style

Transformational leadership, also known as relationship leadership, emphasizes the power of connection between leaders and followers (Bahirat, 2021). Leaders in this style act as motivators and role models, inspiring followers to excel in their work and pursue personal growth. They often possess charismatic qualities and a strong ability to influence followers towards higher performance (Bahirat, 2021). Transformational leadership is associated with positive outcomes for both individuals and organizations (Bass, 1985). Transformational leaders inspire followers to pursue higher-order needs such as self-actualization and self-esteem (Bass, 1985). They motivate followers to prioritize organizational goals while achieving personal growth (Bass, 1995).

The concept of transformational leadership has its roots in the work of James V. Downton (1973) and was further developed by James McGregor Burns in the late 1970s (Bahirat, 2021). Bernard M. Bass, a prominent leadership researcher, expanded upon this concept in 1985, including methods for measuring its effectiveness (White, 2018). Bass' model emphasizes the importance of authenticity and inspiration in motivating employees to achieve organizational goals (White, 2018). Hall et al. (2002) define transformational leadership as the process of elevating followers' awareness of purpose and empowering them to become more self-aware. This empowers them to take charge of opportunities and challenges. Transformational leaders are proactive and encourage their followers to utilize their full potential. They foster innovation, critical thinking, and ethical behavior (Hall et al., 2002). They motivate followers to exploit their potential optimistically (Hall et al., 2002).

Transformational leadership goes beyond simply addressing immediate problems. It involves setting clear standards and fostering behaviors that contribute to achieving organizational goals (Middleton et al., 2015; Arif & Akram, 2018). Bass (1985) further identifies four key dimensions of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

1. Idealized Influence (Charisma)

These leaders serve as role models, inspiring followers through shared values and a sense of purpose (Jung et al., 2008). They demonstrate confidence in their followers' abilities and encourage them to take risks in pursuit of ambitious goals (House & Shamir, 1993). Idealized leaders possess a strong sense of self-determination and emotional stability (Shamir, 1993).

The concept of Idealized Influence has two facets: how leaders behave (idealized influence-behaviour) and how they are perceived by followers (idealized influence-attributed). Leaders who project confidence, charisma, and power are seen as possessing high attributed idealized influence (Aydogdu & Asikgil, 2011). Given the cultural variations in perception and meaning-making, it stands to reason that followers from different cultural backgrounds will differ in attributing idealized influence to specific leaders (Loon et al., 2012).

2. Inspirational Motivation

Inspirational motivation is an element of transformational leadership, focusing on a leader's ability to cultivate team spirit and drive performance through a compelling vision (Ngaithe et al., 2016). Transformational leaders effectively communicate a clear vision and motivate followers to align with it (Bass & Avolio, 2004). They encourage experimentation, creativity, and autonomy while setting high standards (House & Shamir, 1993). Effective inspirational leaders inspire, reward, and correct followers, fostering growth within the organization. Leaders in this dimension act as motivators and role models, inspiring followers with ambitious and exciting goals (Ngaithe et al., 2016). They ignite passion within their followers, fostering a shared desire to achieve the vision (Ngaithe et al., 2016).

Effective communication is crucial for inspirational motivation. Leaders utilize clear and persuasive communication styles to establish high expectations and create a shared vision within the organization (Bass & Avolio, 1994). This alignment between individual goals and organizational objectives is a powerful motivator, as it allows followers to see a clear path to achieving both (McCleskey, 2014). Aligning individual goals with organizational objectives is a key strategy employed by leaders with high inspirational motivation (McCleskey, 2014).

Furthermore, inspirational motivation involves providing meaning and challenge to work. Leaders do this by creating a positive vision for the future and demonstrating how to achieve organizational goals (Renjith, 2015). They foster a sense of enthusiastic teamwork by involving employees and nurturing their commitment to the shared vision, mission, and strategic goals (Renjith, 2015). By defining a clear path towards achieving these goals, inspirational leaders instill a sense of determination in their employees (Renjith, 2015).

3. Intellectual Stimulation

Intellectual stimulation is an essential component of transformational leadership, characterized by a leader's encouragement of followers to critically examine their own values and beliefs, including questioning the leader's assumptions when necessary (Elkins & T, 2003; Sundi, 2013). This fosters a culture of innovation and challenges outdated thinking that may hinder problem-solving (Elkins

& T, 2003; Sundi, 2013). Research by Anjali and Anand (2015) suggests that intellectual stimulation contributes to employee commitment, which in turn translates to an organization's ability to achieve both short- and long-term goals. Leaders high in intellectual stimulation challenge existing paradigms, encouraging employees to think differently about problems and embrace creative solutions through metaphors and analogies (Stone et al., 2004). They continuously seek new knowledge and actively promote the generation and cultivation of fresh ideas from all organizational members to address challenges (Bass, 2006). This leadership style goes beyond simply challenging the status quo; it actively sparks creativity among followers and pushes them to explore new approaches (Cherry, 2020).

Leaders who exhibit intellectual stimulation challenge followers to think critically and solve problems creatively (Bass & Avolio, 2004). They encourage open communication and collaboration in decision-making (House & Shamir, 1993). This style shares similarities with coaching and mentoring approaches, as it builds both technical skills and character (House & Shamir, 1993). Effective leaders with this characteristic can navigate complexities and develop a shared understanding of challenges with their followers.

4. Individualized Consideration

Individualized consideration, a cornerstone of transformational leadership, emphasizes coaching and mentoring to help employees reach their full potential (McCleskey, 2014). Leaders high in this dimension prioritize meaningful interactions with followers, fostering strong two-way communication through active listening and delegation (Shadraonis, 2013). This personalized approach focuses on individual growth and development, with the leader acting as a mentor who provides guidance, independence, and support (Shadraonis, 2013). Leaders practicing individualized consideration establish standardized work patterns that encourage goal achievement while empowering employees through delegation (Shadraonis, 2013).

This leadership style fosters an open and supportive environment where employees feel comfortable sharing ideas and thoughts (Cherry, 2020). Leaders actively encourage participation and recognize the contributions of each follower (Cherry, 2020). This creates a sense of trust and psychological safety, allowing followers to thrive both personally and ethically (McCleskey,

2014). Transformational leaders value their followers as individuals and invest in their development (Bass, 1985). They demonstrate genuine care, provide coaching, and tailor their leadership style to meet the specific needs of each follower (House & Shamir, 1993). This personalized approach fosters trust and open communication within the team.

2.1.3.3 Laissez-faire

Laissez-faire leadership, characterized by a lack of intervention or involvement, is a distinct concept from passive management-by-exception (Bass & Riggio, 2006). Unlike the latter's focus on addressing problems that arise, laissez-faire leaders are entirely absent or avoid taking any corrective action (Northouse, 2013). Laissez-faire leadership stands out as a detrimental leadership style characterized by a complete lack of involvement, development opportunities, and responsibility. While some managers might exhibit these behaviours occasionally, organizations that prioritize effectiveness will strive to create a leadership culture that fosters motivation, growth, and clear direction for their employees. In this practice leaders fail to provide feedback, support, or opportunities for follower development (Bass, 1990).

Laissez-faire leadership also known as “hands-off approach” reflects a shirking of responsibility, with laissez-faire leaders often described as inactive, indifferent, and unconcerned with their followers' needs (Bass, 1990). While some managers may exhibit laissez-faire behaviours (Bateh & Heyliger, 2014), it is uncommon to find entire organizations operating under this style due to its ineffectiveness (Bass, 1990).

2.1.4 The Concept of Organizational commitment

Organizational commitment is a central concept in the field of organizational behavior, reflecting an employee's dedication to their assigned tasks, workplace, and an organization's mission, vision, and objectives (Lee et al., 2020). Research suggests a strong correlation between high employee satisfaction and organizational commitment (Lee, 2005). This makes organizational commitment a highly appealing area of study due to its close links with employee turnover, absenteeism, and overall organizational performance (Lee, 2005). Employees with high organizational commitment

contribute to increased organizational efficiency, leading to improved performance, productivity, and overall organizational success (Zaim et al., 2020).

While various definitions of commitment exist, the one proposed by Porter et al. (1974) is particularly prominent in current research, especially in non-Western contexts (Yousef, 2000). This definition characterizes organizational commitment through three key elements: identification with organizational goals, willingness to exert effort towards achieving them, and a strong desire to remain with the organization. The multifaceted nature of commitment suggests it can be viewed from both attitudinal and behavioral perspectives. Mowday et al. (1982) even propose these aspects may represent stages within a single, overarching process. Mowday (1998) emphasizes organizational commitment as a critical factor fostering an employee's attachment to their organization. Employees who display organizational citizenship behaviors are considered highly committed, demonstrating dedication and effort to achieve organizational goals (Admassie, 2018). This increased desire to contribute translates into higher levels of commitment, ultimately leading to improved performance and productivity (Admassie, 2018).

Meyer and Allen (1991, 1997) proposed a three-factor model to categorize the various definitions of organizational commitment. They identified three common themes: affective commitment, which reflects an employee's emotional attachment to the organization; normative commitment, based on a sense of obligation to stay; and continuance commitment, driven by the perceived costs of leaving (Meyer & Allen, 1991, 1997). This categorization scheme (affective, normative, continuance) has become widely adopted in organizational commitment research.

2.1.5 The Three Component Model of Organizational commitment

Organizational commitment is viewed as a psychological state that ties employees to their organization (Meyer and Allen, 1997). Meyer and Allen (1991, 1997) proposed a three-component model to classify the various ways commitment is conceptualized. The first component, affective commitment, reflects an emotional connection to the organization. Normative commitment captures the sense of obligation an employee feels to stay with the organization. Finally, continuance commitment arises from the perceived costs associated with leaving the organization, such as lost benefits or retraining. An employee's overall commitment can be a combination of all

three factors (Meyer & Allen, 1991, 1997). This three-component model provides a valuable framework for understanding the multifaceted nature of organizational commitment.

2.1.5.1 Affective commitment

Affective commitment, a core dimension of organizational commitment, represents an employee's emotional attachment to their organization (Allen & Meyer, 1990). This attachment goes beyond simply wanting a job; it signifies a desire to remain due to a sense of belonging and enjoyment (English et al., 2010; Allen & Meyer, 1990). Highly committed employees identify with the organization's goals and are more motivated to contribute to their achievement (Darolia et al., 2010). Their decision to stay stems from a genuine desire to be part of the organization, not merely a calculation of costs associated with leaving (Allen & Meyer, 1990).

Research has consistently shown a positive correlation between affective commitment and various beneficial outcomes for both employees and the organization. Studies by Powell & Meyer (2004) and Meyer et al. (2002) demonstrate that affective commitment is linked to reduced withdrawal behaviours like turnover and absenteeism, as well as lower levels of stress and work-family conflict. Furthermore, affective commitment has been shown to have a strong positive relationship with job performance and organizational citizenship behaviours (Meyer et al., 2002; Colquitt et al., 2010). Employees high in affective commitment are typically more engaged, willing to go the extra mile, and contribute positively to the organization's success (Colquitt et al., 2010). In essence, affective commitment fosters a positive work environment where employees feel valued and motivated to excel.

2.1.5.2 Normative commitment

Normative commitment, another facet of organizational commitment, arises from a sense of obligation that compels employees to remain with the organization (Allen & Meyer, 1990). Meyer and Herscovitch (2001) define it as "the mind-set that one has an obligation to pursue a course of action of relevance to a target" (p. 316). This obligation can manifest in two ways: a moral duty or a feeling of indebtedness (Meyer & Parfyonova, 2010). Employees high in normative commitment

feel it's the "right" or "moral" thing to stay with the organization (Colquitt et al., 2010; Meyer & Allen, 1991). Their loyalty stems from a sense of "ought" rather than personal desire.

Employees high in normative commitment feel a strong sense of "ought," believing it's the "right" or "moral" thing to remain with the organization (Colquitt et al., 2010; Meyer & Allen, 1991). This sense of obligation can be fostered by the perception of loyalty expectations from the organization (Allen & Meyer, 1990). Employees may feel obligated to reciprocate for investments made in their training and development, creating a sense of indebtedness (Allen & Meyer, 1990). Organizations can strategically cultivate normative commitment through various means. One approach involves creating a sense of indebtedness, such as by providing significant training opportunities (Colquitt et al., 2010). Another strategy involves fostering a strong organizational culture that emphasizes values like loyalty and commitment. Additionally, engaging in charitable activities that foster a sense of pride and positive association with the organization can strengthen employees' sense of obligation (Colquitt et al., 2010). In essence, normative commitment is driven by a feeling of moral or reciprocal duty, leading employees to prioritize the organization's needs over their own personal desires when considering departure.

2.1.5.3 Continuance commitment

A third dimension of organizational commitment, continuance commitment, stems from a rational cost-benefit analysis (Allen & Meyer, 1990). Employees high in continuance commitment stay with the organization not necessarily because they want to, but because they perceive they need to (Meyer & Allen, 1991). This perception of need arises from the potential costs associated with leaving. These costs can be tangible, such as losing seniority-based benefits or accumulated pension contributions, or intangible, such as a lack of attractive alternative job opportunities (Allen & Meyer, 1990; Becker, 1960; Powell & Meyer, 2004).

The concept of "side-bets" is central to continuance commitment (Meyer & Allen, 1984). These side-bets represent the value employees have invested in the organization over time, such as time, effort, or job-specific skills. Losing these investments creates a significant barrier to leaving the organization. Research by Powell & Meyer (2004) identified seven key side-bets influencing continuance commitment, including factors like concerns about maintaining a positive

professional image, the social pressure to remain with the organization due to expectations of others, and a lack of readily available alternative employment options. The more side-bets an employee accumulates, the greater the perceived cost of leaving becomes, ultimately strengthening their continuance commitment (Mathieu & Zajac, 1990; Powell & Meyer, 2004).

In essence, continuance commitment is driven by a pragmatic calculation. Employees weigh the potential downsides of leaving, such as losing their investments in the organization or facing limited job prospects elsewhere, against the potential upsides of seeking new opportunities (Colquitt et al., 2010). Since it is driven by external factors rather than intrinsic motivation, employees high in continuance commitment may simply be compliant rather than truly committed (Cooper, 2003).

2.2 Empirical Review of Leadership Style and Employee Commitment

Many empirical studies have revealed that leadership styles have influence on employee commitment while results from some other studies disagreed with this fact. While the influence of leadership styles on employee commitment is a well-researched area, findings are somewhat mixed (e.g., Den Hartog & Belschak, 2012). Some studies report a positive and significant relationship between leadership styles and employee commitment, suggesting that specific leadership behaviours can foster a more committed workforce. However, other studies have yielded inconclusive results.

Several studies have explored the positive relationship between leadership styles and employee commitment. Rehman et al. (2012) in Pakistan's educational sector, reported a positive correlation between both transformational and transactional leadership styles and all three dimensions of organizational commitment (affective, continuance, and normative). This suggests that leaders who communicate a clear vision, motivate employees, and value their contributions can cultivate a more committed workforce (Rehman et al., 2012).

Findings of a study conducted on the effects of leadership style on organizational commitment at Wolaita and Dawro Zone Transport Private Limited Companies, (Alemayehu & Batisa, 2020), suggest that transformational leadership style has a significant positive effect on normative

commitment but not on continuous commitment. They notified that transformational leadership style has further effect on organizational commitment. (Akinida & Irbo, 2020), conducted the same study in the University of Madda Walabu and found a significant positive relationship between transformational leadership style behavior and organizational commitment. (Qadir & Yeşiltaş, 2020), while investigating the same issue found a positive relationship between transformational leadership styles. These findings collectively suggest that leadership styles that emphasize communication, motivation, and employee involvement can contribute to a more committed and higher-performing workforce.

Alemayehu & Batisa, 2020), also found a significant positive relationship between transactional leadership style and both continuance and normative commitment. (Nigussie, 2019), also found a significant positive relationship between transaction leadership behavior and organizational commitment. (Akinida & Irbo, 2020), found a weak, but positive relationship between transactional leadership style with continuance commitment and normative style, however they found no relationship for transactional leadership style with affective commitment. (Admassie, 2018), found a significantly positive relationship between transactional leadership style and organizational commitment at Betezatha General Hospital and Girum General Hospital.

Akinida & Irbo, 2020), in their study conducted at the University of Madda Walabu, found a significant and positive correlation between laissez-faire leadership style and continuance commitment, but found a significant and negative relationship between laissez-faire leadership style and affective commitment. (Admassie, 2018), found a significant negative relationship between laissez-faire leadership style and organizational commitment.

Supporting the link between leadership styles and employee commitment, Omidifar's (2013) study in Iran found a significant positive relationship between the two. This association stemmed from leaders creating an "enabling environment" where teachers felt empowered to contribute their full potential and value to educational goals. Similarly, studies by Anyaoku et al. (2015) and Ekpe et al. (2017) in Nigerian universities reported positive influences of leadership styles on employee commitment, further solidifying this connection.

Further research highlights the complexity of the relationship between leadership styles and employee commitment. Awan et al. (2014) in Pakistan found no significant association between laissez-faire leadership styles and employee commitment in university libraries. Similarly, Al-Ansi et al. (2015) reported a non-significant relationship between transformational and transactional leadership and commitment, attributing this to a lack of communication and problem-solving by leaders. These findings suggest that ineffective leadership, regardless of style, can negatively impact commitment. However, Dikko et al. (2017) in their study of Nigerian universities, reported positive effects of both transformational and transactional leadership styles on employee commitment. They argue that leadership behaviors that demonstrate respect, encouragement, and attention to followers contribute to achieving organizational goals and fostering commitment. This perspective aligns with exchanges, did not significantly impact employee commitment in Nigerian banks. This suggests that transactional leadership, when not coupled with other motivating factors, may be insufficient to cultivate a committed workforce. In conclusion, the effectiveness of leadership styles in influencing employee commitment appears to be contingent on the specific behaviors exhibited by leaders, with transformational leadership often yielding more positive outcomes.

2.3 Conceptual Framework

The conceptual framework of this study is organized according to the objectives of the study. As shown in figure 2 below, the conceptual framework depicts the independent and the dependent variables of the study.

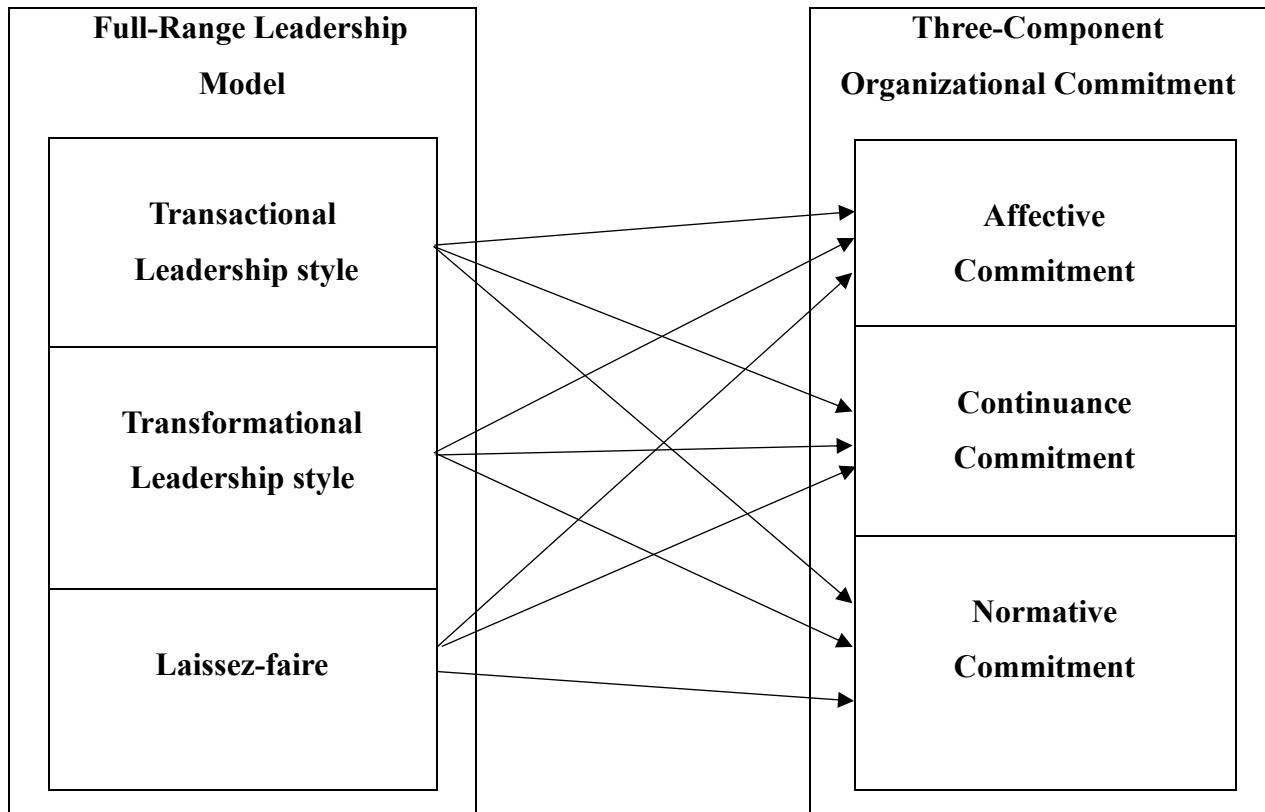


Figure 2.1- Conceptual framework

Full Range Leadership Model (Bass & Avolio) categorized leadership styles into three distinct levels (transformational, transactional, and laissez-faire) and they are the independent variables of this study. The dependent variables of this study are the three components of organizational commitment (affective, normative and continuance). Bass & Avolio in their study proposed that transformational leadership leads to higher organizational commitment by inspiring and motivating employees. Transactional leadership can also have a positive effect, while laissez-faire leadership is typically associated with lower commitment. Previous studies on the relationship between the two variables revealed a correlation between the variables. Based on the previous studies, this study proposes that there is a direct and positive relationship between leadership styles (transformational leadership styles, transactional leadership styles and laissez-faire leadership styles) and the three organizational commitment dimensions (affective commitment, continuous commitment, and normative commitment) among employees working in commercial bank of Ethiopia.

2.4 Research Hypothesis

Informed by a comprehensive review of empirical data and the proposed conceptual framework, this study's hypotheses are as follows:

Hypothesis 1: transactional leadership style has a positive impact on affective commitment.

Hypothesis 2: transactional leadership style has a positive impact on normative commitment.

Hypothesis 3: transactional leadership style has a positive impact on continuance commitment.

Hypothesis 4: Transformational leadership style has a positive impact on affective commitment.

Hypothesis 5: Transformational leadership style has a positive impact on normative commitment.

Hypothesis 6: Transformational leadership style has a positive impact on continuance commitment.

Hypothesis 7: Laissez-Faire leadership style has a positive impact on affective commitment.

Hypothesis 8: Laissez-Faire Leadership style has a positive impact on normative commitment.

Hypothesis 9: Laissez-Faire Leadership style has a positive impact on continuance commitment.

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This chapter of the study delves into details of how the research was conducted. It provides a roadmap for the study's methodology, outlining the chosen research approach and design. It explores how participants were selected and data was collected. Additionally, the chapter discusses crucial aspects like ensuring the reliability and validity of the findings, along with ethical considerations that were addressed throughout the research process.

3.1 Research Design

The research method chosen should be based on the purpose of the study and must align with the study's goal of examining the connections between leadership styles and employee commitment. To achieve this, a quantitative research design was employed. This approach focuses on collecting and analysing numerical data from a specific sample. In this case, the study will investigate the effect of the three leadership styles (independent variables): transactional, transformational, and laissez-faire, on the three dimensions of organizational commitment (dependent variables): affective, continuance, and normative commitment. The data was collected from employees working in 27 selected branches of the Commercial Bank of Ethiopia. This quantitative approach allows us to test hypotheses and draw statistically significant conclusions how the leadership styles influence organizational commitment of employees within the bank.

3.2 Research Approach

To explore the relationships between leadership styles and organizational commitment, this study employed a quantitative research approach. This method utilizes structured questionnaires with Likert scale items to collect data and draw statistical conclusions about the proposed connections within the conceptual framework.

3.3 Sampling method and procedures

3.3.1 Target Population

Target population is the group of people from which to conduct research and draw conclusion from (Barnsbee, 2018). For this study, the target population are the employees of Commercial Bank of Ethiopia from 27 branches in the district of Nifas Silk Lafto. According the number of employees working in the target branches of the bank, for this study the target population amounts to 905. Hence, the sampling frame is 905. Target participants will include employees from various roles, departments, and experience levels within the bank.

The choice of target population was made based on ease of access and existing connections were considered to streamline data collection and engage participants effectively.

3.3.2 Sample Size Determination

Sampling is choosing a subset from the target population of interest (Turner, 2020). To determine the sample size, one must take note of the nature of the population (if it is heterogeneous or homogenous), the nature of the study (whether it is quantitative or qualitative), and the availability of resources such as finance, and time (Kothari, 2004). Accordingly, the study had a sample size of 270, which was computed from target population of 905 employees that worked in the different target branches of Commercial bank of Ethiopia. To determine sample size, the following formula proposed by Kothari (2004) was used:

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

Where: n = sample size,

N = target population,

e = Standard error (set at 5%)

Where: $N=905$ and $e=5\%$

Hence, $n=270$

Therefore, the study conducted in Commercial Bank of Ethiopia had a sample size of 270 employees excluding security guards and cleaners of the bank.

3.3.3 Sample selection

To obtain valid conclusion from results of a study, one must choose a sample that is representative of the target population. There are two ways of sampling methods: probability sampling and non-probability sampling. Probability sampling method uses random selection and helps make statistical inferences about the general population. Non-probability sampling methods includes a non-random selection that usually dependent on convenience and other issues, it is easier to collect data using this method (McCombes, 2021). For this study, probability sampling method is selected because the nature of the study is quantitative and requires statistical inferences to draw results.

For this study, to ensure representativeness of the data and accessibility of different perspectives, data was collected by using the multistage Sampling. In the first stage, cluster sampling was used. In this type of sampling groups (clusters) are randomly selected from the population, and then all members within those clusters are included in the sample and useful for geographically dispersed populations. There is a total of 27 branches of CBE in the specific district intended to be studied. Each branch was considered as separate clusters. In the second stage simple random sampling is selected. Simple random sample is a sample that is selected randomly from the population with every individual of the population having equal chance of being selected. Furthermore, this method has high internal and external validity since it involves randomization (Thomas, 2021). For this reason, simple random sampling technique is used to ensure equal chance to members of the cluster. Distributing equal number of questionnaire (10 questionnaires per each cluster) was the technique used to help ensure representativeness of the data and accessibility of different perspectives.

3.4 Source of Data and Data Collection Methods

2.4.1 Data collection methods

Data collection is the process of gathering information in a well-mannered and planned way, and to draw results after analyzing it. Data is divided into two: primary and secondary data. Primary

data is collected at first hand, and it involves both qualitative and quantitative methods. While secondary data involves gathering data from different sources such as articles, books, and journals (Upadhyay, 2021). This study uses both, primary and secondary data collection. For the primary study, the researcher used a questionnaire to conduct the study. For the secondary data collection, the researcher went through some articles, journals, and books.

The primary data was collected through survey questionnaire by using the drop and pick method to ensure high response rate. The researcher chose questionnaire because it is a standardized means through which respondents get the same questions within the same format. Furthermore, questionnaires can provide a quantitative description of the respondent's experience, attitude, and opinion.

This study uses a quantitative approach that involves a close-ended questionnaire as a measurement instrument. Close-ended questionnaires are easy instruments to use when addressing large group of people simultaneously. The researcher used demographic questions that only fits the objective of the study. The researcher chose this instrument because it is less costly and consumes less time. The specific questionnaires used in this study are two, MLQ (multifactor leadership questionnaire) (Avolio and Bass, 1995) for the leadership styles and TCM (Three-Component Model of commitment survey) (Meyer, Allen & Smith 1993) for organizational commitment.

2.4.2 Data Collection Instruments

A survey data collection approach was utilized to collect the primary data, with questionnaires involving, structured items. The survey questionnaire included validated scales. The first section consists of 5 items used to describe the demographic nature (gender, age, education, position and experience level) of the respondents. To measure leadership styles, Multifactor Leadership Questionnaire (MLQ) (Avolio and Bass, 1995) was used. Found on the second section of the questionnaire, The MLQ questions consists of 36 items. The questionnaire had 5-point Likert scale items to measure leadership styles of managers/supervisors as perceived by the employees. The 5-point Likert scale allows participants to indicate how frequently the items fits their answers on a scale ranging from “not at all” to “frequently, if not always”. and 7-point Likert scale items to

measure organizational commitment of employees. To measure organizational commitment of employees the revised version of Three-Component Model (TCM) of commitment survey (Meyer, Allen & Smith 1993), was used. Found on the third section of the questionnaire, TCM used 18 items to describe organizational commitment of the employees. The TCM section involving of 7-point Likert scale allows participants to indicate their agreement or disagreement with statements on a scale ranging from “strongly disagree” to “strongly agree”.

2.4.3 Measurement

All measures utilized in this study were adapted from existing standard questionnaires and tailored to suit the specific context of the current research. The questionnaires used were: Multifactor Leadership Questionnaire (MLQ) (Avolio and Bass, 1995) to measure Leadership styles and Three-Component Model (TCM) of commitment survey (Meyer, Allen & Smith 1993), to measure Organizational commitment of employees. These questionnaires have been found effective in measuring the assigned variables in many previous researches. Hence, making it potentially effective to utilize for this study.

3.5 Reliability and Validity

This study prioritized the accuracy and consistency of its measurements. Reliability refers to whether a measure consistently captures the same variable. If repeated measurements with the same method under similar conditions yield similar results, the measure is considered reliable (Middleton, 2019). Validity, on the other hand, focuses on how well a measure reflects the intended concept. To ensure both aspects, the study conducted pilot testing and refined our questionnaire. Items from the Multifactor Leadership Questionnaire (MLQ) that didn't align well with the study's context were removed. Subsequently, during the main study, the study used SPSS 27.0 to assess reliability and validity. Internal consistency, a key aspect of reliability, was evaluated using Cronbach's alpha. Acceptable values for Cronbach's alpha typically range from 0.70 to 0.95. The analysis yielded strong internal consistency for all variables, with all constructs exceeding a Cronbach's alpha of 0.70. More specifically, the leadership style questions (36 items) demonstrated a reliability of 0.82 (Cronbach's alpha), while the organizational commitment items had a

reliability of 0.78 (Cronbach's alpha). These results indicate that the questionnaire consistently measured the intended concepts, strengthening the research findings' trustworthiness.

3.6 Data Analysis

This study employed regression analysis, a statistical technique, to explore the relationships between leadership styles and organizational commitment. SPSS 27.0, a statistical software program, was used to conduct this analysis on the quantitative data collected. To examine how changes in one independent variable influence another dependent variable regression analysis was employed. Within the regression analysis, the study utilized various tests, including model summary analysis, ANOVA (Analysis of Variance), and regression coefficient tests, to identify significant correlations and patterns between the variables.

3.7 Data Quality Assurance

Informed consent forms were provided to participants, outlining the study's purpose, data collection procedures, and confidentiality measures. Rigorous data collection protocols were followed to ensure accuracy and reliability of the data, with regular checks for data completeness and consistency.

3.8 Ethical Considerations

In this study, ethical considerations include obtaining informed consent from participants, ensuring confidentiality of collected data, and adhering to ethical guidelines throughout the research process.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

This chapter looks at the data from the study in more detail. It does two main things to analyse the data: describes it and uses regression analysis. The chapter shows the results of this analysis in tables. It also explains what the tables mean in clear words, so that its clear what the numbers are showing.

4.1 Reliability analysis

Reliability test makes sure the results of the study are trustworthy. A method called Cronbach's Alpha was used with SPSS. This method is common in social science research to see if the tools are consistent. A score above 0.7 usually means the tools are reliable (like Wright & Bonett 2014).

Cronbach's Alpha	N of Items
.821	36

Table 1- Reliability Aanalysis (Leadership Styles). *Source: Own Survey (2024)*

Cronbach's Alpha	N of Items
.776	18

Table 2- Reliability Analysis (Organizational Commitment). *Source: Own Survey (2024)*

The tables on (table 1 and 2) show that the tools used in this study, both Leadership styles items and Organizational commitment items, got a good score on this test, indicating that we can trust the results more.

4.2 Response Rate of Respondents

	Total Distributed Questionnaire	Returned Questionnaire	Not Returned Questionnaire	Response Rate in Percentage
Total	275	221	54	80.36%

Table 3- Response Rate. *Source: Own Survey (2024)*

Table 3 illustrates the returned and unreturned surveys distributed. A response rate of 50% is considered adequate, 60% is good, and 70% or more is excellent (Pallant 2005). Hence as indicated in table 2, 275 questionnaires were distributed among 27 branches of commercial bank of Ethiopia found in the Nifas silk Lafto district and 221 of them were returned, which makes up 80.36% (acceptable rate) of the total questionnaire distributed.

4.3 Gender distribution of Respondents

Gender	Frequency	Percent	Cumulative Percent
Male	166	75.1	75.1
Female	55	24.9	100
Total	221	100.0	

Table 4- Gender. *Source: Own Survey (2024)*

Table 4 shows gender of employees that responded the questionnaire. It was composed of number of female respondents 55 (24.9%) and number of male respondents 166 (75.1%).

4.4 Age distribution of Respondents

Age Bracket	Frequency	Percent	Cumulative Percent
Below 30 Years	101	45.7	45.7
31- 40 Years	95	43	88.7
41- 50 Years	23	10.4	99.1
Above 50 Years	2	0.9	100
Total	221	100.00	

Table 5- Age. *Source: Own Survey (2024)*

The above distribution on table 5 provides insights into the age demographics of employees across the twenty-seven selected branches. Among the respondents, as indicated on table, largest portion of respondents, 101 individuals, constituting 45.7% of the total, were below 30 years old and 95 individuals (43% of total respondents) fell within the age bracket of 31 to 40 years. In the age range of 41 to 50 years, there were 23 respondents, making up 10.4% of the total. Additionally, 2 respondents, representing 0.9%, were above 50 years old.

4.5 Educational background of respondents

Education Level	Frequency	Percent	Cumulative Percent
Diploma	4	1.8	1.8
Bachelor's degree	134	60.6	62.4
Post graduate	73	33.0	95.5
Other	10	4.5	100
Total	221	100.0	

Table 6- Educational Background. *Source: Own Survey (2024)*

Table 6 shows that among the respondents, 4 individuals (1.8% of the total) possessed a diploma. The majority of respondents, constituting 60.6%, held a Bachelor's degree. A significant proportion, accounting for 33.3%, possessed a Post graduate degree. This distribution provides insights into the educational backgrounds of employees across the selected branches.

4.6 Work positions of respondents

Working position	Frequency	Percent	Cumulative Percent
Management	51	23.1	23.1
Auditor	42	19.0	42.1

Teller/clerk	95	43.0	85.1
Other	33	14.9	100
Total	221	100.0	

Table 7- Work Positions. *Source: Own Survey (2024)*

Table 7 illustrates that among the respondents, 51 individuals (23.1% of the total) worked in management position. 42 individuals (19% of the total respondents) were auditors. The majority proportion, accounting for 43.3%, worked a tellers/clerks. 33 of the respondents, constituting of 14.9% of the total, worked in other positions. This distribution provides insights into the working positions of the respondents working commercial bank of Ethiopia.

4.7 Respondents experience in the organization

Experience in this Company	Frequency	Percent	Cumulative Percent
Below 4 years	92	41.6	41.6
5-10 years	100	45.2	86.9
11-15 Years	18	8.1	95
Above 15 Years	11	5	100
Total	221	100.0	

Table 8- Work Experience. *Source: Own Survey (2024)*

The total years of experience across the 27 branches highlights a diverse range of professional backgrounds. A significant proportion of respondents (45.2%) possess over 5-10 years of experience, indicating a substantial presence of seasoned professionals within the workforce. Additionally, there is a notable distribution across other experience brackets, with 41.6% reporting below 4 years of experience. 8.1% of the respondents show 11-15 years of experience followed by 5% possessing experiences of above 15 years. This distribution underscores the diverse expertise among employees, contributing to a multifaceted experience in the banking sector.

4.8 Linear regression tests

The analysis in this research relied on regression analysis to explore the connections between leadership styles and employee commitment. This involved examining several key outputs. The first, a model summary, assessed how well the model explains the variation in employee commitment scores. An ANOVA table then evaluated the overall significance of the model, looking at the variance explained by the leadership styles compared to unexplained variance. Finally, regression coefficients provided details on the specific influence of each leadership style (transactional, transformational, and laissez-faire) on the different types of commitment (affective, continuance, and normative).

4.8.1 Test of multicollinearity

Multicollinearity describes a situation where independent variables are excessively correlated. This research investigated this potential issue using the VIF (Variance Inflation Factor) test. The test results revealed a positive outcome and the same for all the three tested model. The highest VIF score was just 1.729, which falls well below the concerning value of 10. This indicates an absence of multicollinearity among the explanatory variables in the model. In simpler terms, the leadership styles included in the analysis have unique explanatory power in relation to employee commitment, and their effects are not inflated due to excessive correlation with each other.

Variables	Collinearity Statistics	
	Tolerance	VIF
Transactional LS	0.578	1.729
Transformational LS	0.651	1.536
Laissez-faire	0.608	1.645

Table 9- Multicollinearity Test. Source: Own Survey (2024)

4.8.2 Test of Heteroscedasticity and Linearity

To test for homoscedasticity and linearity, a Scatter plot was used. The scatter plot compares the normalized residuals (ZRESID) to the standardized expected (ZPRED) values. The data graph is depicted in Figures below.

To evaluate if the residuals in regression analysis are random, we simply check if they are randomly distributed around zero throughout the whole range of fitted values. When the residuals are centred on zero, it means that the model's predictions are on average correct rather than systematically excessively high or low. Furthermore, regression assumes that the residuals have a normal distribution and that the degree of scattering is constant across all fitted values (Pallant, 2007). Figure 4.1, 4.2, 4.3 depict how each data for every model is uniformly and randomly distributed around zero. It does not appear to funnel out, and there is no discernible curvature. It does not have an obvious pattern, there are points equally distributed above and below zero on the X axis, and to the left and right of zero on the Y axis. This is indicative of the fact that the conditions necessary for linearity and homoscedasticity have been fulfilled.

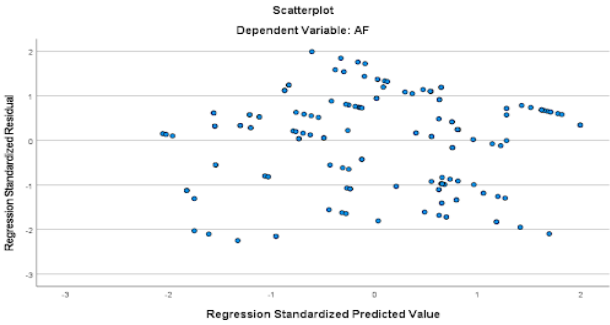


Figure 4. 1 Scatter Plot of ZPRESID and the ZPRED values of the Data (Dependent Variable: AF)

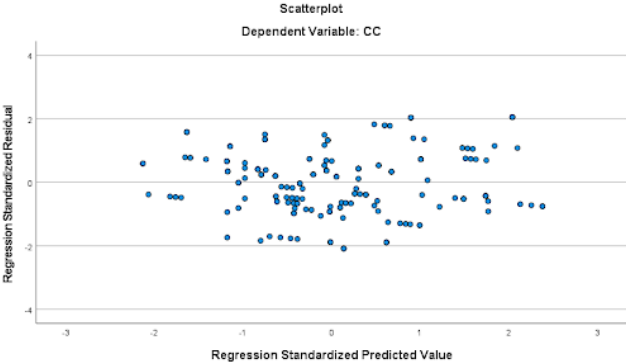


Figure 4. 2 Scatter Plot of ZPRESID and the ZPRED values of the Data (Dependent Variable: CC)

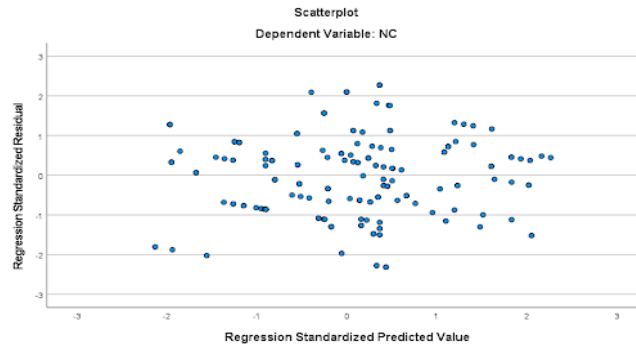


Figure 4.3 Scatter Plot of ZPRESID and the ZPRED values of the Data (Dependent Variable: NC)

4.8.3 Normality test

One of the most important statistical procedures is the normal distribution. A normal distribution with a mean of zero and a standard deviation of one is referred to as a standard normal distribution (Garson, 2012). Multiple regression analysis demands that the variables in the sample be naturally distributed. Assume that the histogram was bell-shaped and that the residuals were usually spread around its mean of zero. As seen in Figure 4.4, 4.5 and 4.6, residuals were normally spread around their mean of zero for each model of the study, indicating that the results were normally distributed and conformed to the normal distribution assumption. Since the figures validated the data's normality assumption, it follows that the inferences drawn regarding population parameters from survey statistics are likely to be correct.

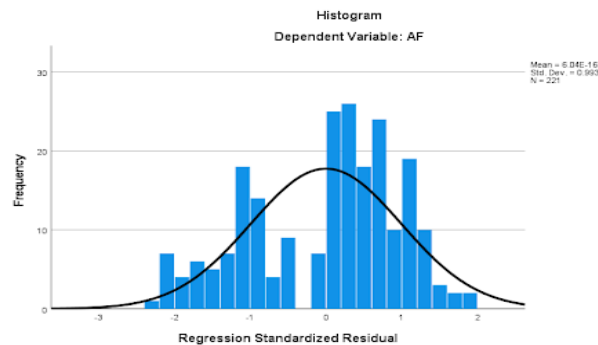


Figure 4.4 the Normality Test, Histogram of (Dependent Variable: AF)

Source: Own Survey (2024)

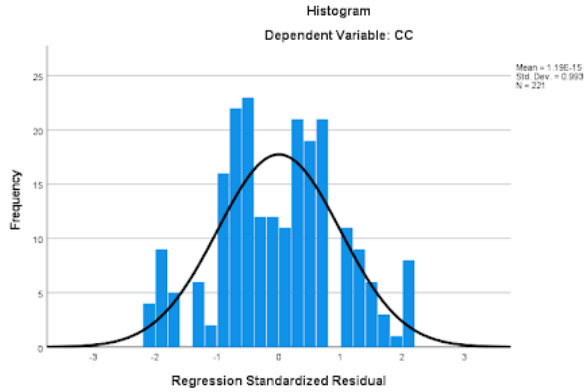


Figure 4.5 the Normality Test, Histogram of (Dependent Variable: CC)
Source: Own Survey (2024)

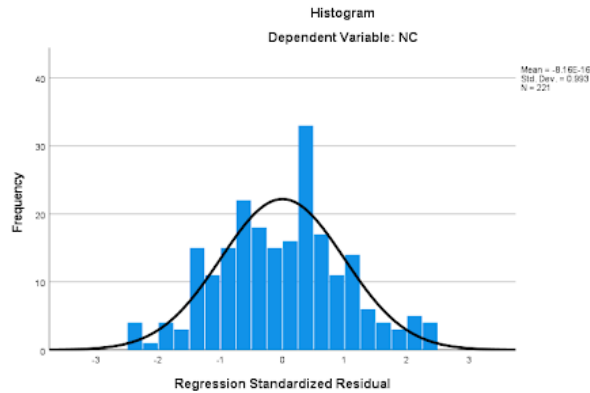


Figure 4.6 the Normality Test, Histogram (Dependent Variable: NC)
Source: Own Survey (2024)

4.8.4 Normal P P-Plot

The normal probability plot is a graphical tool that may be used to determine whether or not a data set is normally distributed (Chambers et al., 1983). It aids us in examining the probability plot and determining how closely the data points match the fitted distribution line. The points fall closely along the straight line if the provided theoretical distribution is a good fit. The data is displayed in comparison to a theoretical normal distribution, with the dots forming an almost straight line. Deviations from this straight line denote a departure from normality. Furthermore, the normal likelihood plots were used to verify the normality statement for each model of the study, as seen in figure 4.7, 4.8 and 4.9.

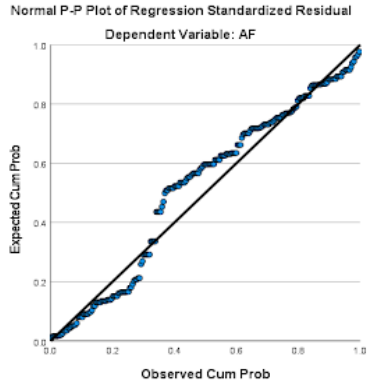


Figure 4.7 Normal P P-Plot. (Dependent Variable: AF)

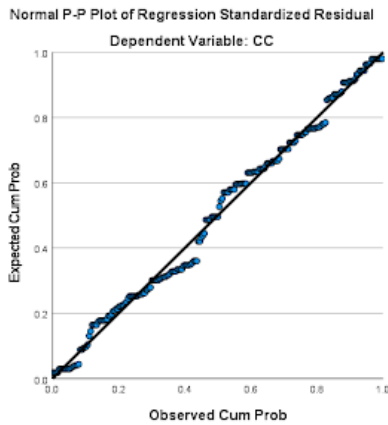


Figure 4.8 Normal P P-Plot. (Dependent Variable: CC)

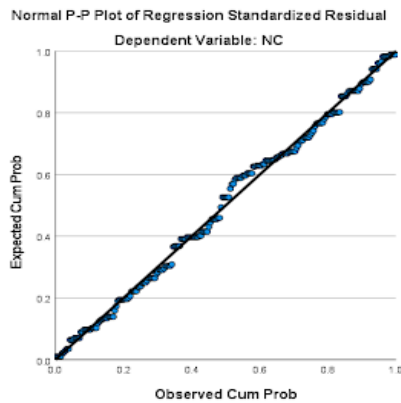


Figure 4.9 Normal P P-Plot. (Dependent Variable: NC)

The preceding graphics clearly indicate that the normal probability plot has a significantly linear structure. There are very minor differences between the line fit and the probability plot points of every model. For these data, the normal distribution looks to be a viable model. The probability

plots display a significantly linear trend. As a result, the residuals' normal probability plots indicate that the error terms are indeed normally distributed.

4.8.5 Regression analysis

Linear regression was used to establish the correlation between the independent variables (transactional leadership styles, transformational leadership styles and Laissez-faire) and the dependent variable (Affective commitment) among the employees of commercial bank of Ethiopia. The analysis applied the Statistical Package for Social Sciences (SPSS) version 27 to compute the measurements of the multiple regressions for the study. The goal of this analysis is to know the level to which organizational commitment is affected by the independent variables by considering R square value, beta coefficient and P-value for the significant of the relation.

4.8.5.1 Effect of predictor variables (TSFL, TSCL and LF) and dependent variable (AF)

4.8.5.1.1 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.465 ^a	.217	.206	1.15557	.217	19.988	3	217	<.001

a. Predictors: (Constant), LF, TSFL, TSCL
b. Dependent Variable: AF

Table 10- Model Summary (Affective Commitment). *Source: Own Survey (2024)*

The findings on the model summary indicate that the model is statistically significant with an F Change value of 19.99 ($p < 0.001$) (which means (p) is less than 0.05). Hence, concluded that the predictor variables (transactional leadership styles, transformational leadership styles and Laissez-faire) explain significantly the variance in the dependent variable (Affective commitment). The model's multiple correlation coefficient (R) value, which measures how much of the dependent variable is predicted by the independent variable, shows that there is a moderate positive relationship ($R = 0.465$) between the independent variables (transactional leadership styles,

transformational leadership styles and Laissez-faire) and the dependent variable (Affective commitment) among employees of commercial bank of Ethiopia. The coefficient of determination R-Square ($R^2= 0.217$) shows the explanatory power of all independent variables. Hence, the three predictors jointly determine (explain) 21.7% of the variance in affective commitment whereas 78.3% of the affective commitment was determined by other variables. The standard error of the estimate is 1.16, measures the average distance between the observed values and the predicted values of the dependent variable.

4.8.5.1.2 Analysis of Variance (ANOVA)

The study further sought to establish the goodness of fit of the regression model using ANOVA statistics. results of the study are as shown in the table below.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	80.072	3	26.691	19.988	<.001 ^b
	Residual	289.769	217	1.335		
	Total	369.842	220			

a. Dependent Variable: AF

b. Predictors: (Constant), LF, TSFL, TSCL

Table 11- ANOVA Table (Affective Commitment) Source: Own Survey (2024)

The analysis of variance (ANOVA) examined the differences in affective commitment (AF) scores across the three leadership styles (Transformational, Transactional, Laissez-Faire). The regression value indicated on the table shows the predicted value by the model and residual shows the unpredicted value. The results show a statistically significant effect of leadership style on affective commitment. The regression model showed statistical significance with F- statistic value of 19.989 and significance level (p) of < 0.001. Hence, the model is perfect for predicting affective commitment among employees of commercial bank of Ethiopia. Therefore, from the results, it can be concluded that 80.072 regression sum of square (variance in the dependent variable) was predicted (explained) by the model and 289.769 residual sum of square shows the unpredicted or unexplained value of the variance in the dependent variable of the model.

4.8.5.1.3 Regression coefficient

The column under “coefficient (B)” represent the values of unstandardized regression coefficients for transformational leadership, transactional leadership, and laissez-faire leadership, respectively. A positive coefficient indicates that as the leadership style score increases, the predicted affective commitment score also increases. A negative coefficient indicates that as the leadership style score increases, the predicted affective commitment score decreases. The strength of this relationship can be judged by the magnitude of each value. The column under “Std. Error” represent the values of standard errors of the coefficients. A smaller standard error indicates a more precise estimate of the true coefficient. The column under t-value are the t-statistics used to assess the significance of each individual coefficient. The values under “sig.” column are the p-values associated with the t-statistics. A p-value less than 0.05 indicates that the coefficient is statistically significant. This means there is a statistically significant relationship between the independent and dependent variables in the model.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.738	.604		2.876	.004
	TSCL	.230	.190	.096	1.210	.228
	TSFL	.847	.161	.391	5.251	<.001
	LF	-.186	.127	-.113	-1.461	.146

a. Dependent Variable: AF

Table 12- Coefficients Table (Affective Commitment) Source: Own Survey (2024)

The coefficient table presented results of affective commitment as dependent variable and transactional leadership styles, transformational leadership styles and Laissez-faire as explanatory variables.

The constant term in the regression equation for affective commitment is 1.738. This represents the baseline expected value of affective commitment of employees when the three predictors, are zero. The standard error associated with the model is 0.604, indicating the precision of this estimate. The model is statistically significant with t-value of 2.876 and a p-value of less than 0.004.

According to the coefficient table shown above, transformational leadership style was the statistically significant factor for affective commitment with a coefficient of 0.847. This indicates that for every one-unit increase in transformational leadership, an employee’s affective commitment in the organization is expected to increase by 0.847 units. The coefficient is highly significant ($t = 5.251, p < .001$) with standard error of 0.161, suggesting that transformational leadership practice positively influences employee’s affective commitment in the organization of CBE. The standardized coefficient (Beta) of 0.161 suggests the weak effect size, showing the strength of the relationship relative to other predictors in the model.

On the contrary, transactional leadership styles ($t = 1.210, p < .228$) and Laissez-faire ($t = -1.461, p < .146$) are not statistically significant to predict affective commitment of employees in commercial bank of Ethiopia.

4.8.5.2 Effect of predictor variables (TSFL, TSCL and LF) and dependent variable (CC)

4.8.5.2.1 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.257 ^a	.066	.053	1.04117	.066	5.098	3	217	.002

a. Predictors: (Constant), LF, TSFL, TSCL
b. Dependent Variable: CC

Table 13- Model Summary (Continuance Commitment) Source: Own Survey (2024)

The findings on the model summary indicate that the model is statistically significant with an F Change value of 5.098 ($p < 0.002$). Hence, concluded that the predictor variables (transactional leadership styles, transformational leadership styles and Laissez-faire) explain significantly the variance in the dependent variable (continuance commitment). According to the table, the R value, shows that there is a positive moderate relationship ($R = 0.257$) between the independent variables (transactional leadership styles, transformational leadership styles and Laissez-faire) and the

dependent variable (continuance commitment) among employees of commercial bank of Ethiopia. The R-Square ($R^2= 0.066$) shows that the three predictors jointly determine (explain) 6.6% of the variance in continuance commitment whereas 93.4% of the continuance commitment was determined by other variables. The standard error of the estimate is 1.0412.

4.8.5.2.2 Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.579	3	5.526	5.098	.002 ^b
	Residual	235.234	217	1.084		
	Total	251.812	220			

a. Dependent Variable: CC

b. Predictors: (Constant), LF, TSFL, TSCL

Table 14- ANOVA Table (Continuance Commitment) *Source: Own Survey (2024)*

In the table where the analysis of variance (ANOVA) was conducted to examine the differences in continuance commitment scores across the three leadership styles (Transformational, Transactional, Laissez-Faire). The results show a statistically significant effect of the three leadership styles on continuance commitment with F- statistic value of 5.098 and significance level of 2%. Therefore, from the result, it can be concluded that 16.579 regression sum of square was predicted (explained) by the model and 235.234 residual sum of square shows the unpredicted or unexplained value from the regression model.

4.8.5.2.3 Regression coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.445	.544		4.491	<.001
	TSCL	-.194	.171	-.098	-1.136	.257
	TSFL	.344	.145	.193	2.370	.019
	LF	.408	.115	.300	3.560	<.001

a. Dependent Variable: CC

Table 15- Coefficients Table (Continuance Commitment) *Source: Own Survey (2024)*

The coefficient table presented results of continuance commitment as dependent variable and transactional, transformational and Laissez-faire leadership styles as explanatory variables.

The constant term in the regression equation for continuance commitment is 2.445. This represents the baseline expected value of continuance commitment of employees when the three predictors, are zero. The standard error associated with the model is 0.544, indicating the precision of this estimate. The model is statistically significant with t-value of 4.491 and a p-value of less than 0.001.

According to the coefficient table shown above, transformational leadership and Laissez-faire were statistically significant factor for continuance commitment with a coefficient of 0.344 and 0.408 respectively. Indicating that for every one-unit increase in transformational leadership, an employee’s continuance commitment in the organization is expected to increase by 0.344 units. The coefficient is significant ($t = 2.370, p < .019$) with standard error of 0.145, suggesting that transformational leadership practice positively influences employee’s continuance commitment among employees in the organization of CBE. Additionally, for every one-unit increase in Laissez-faire, an employee’s continuance commitment in the organization is expected to increase by 0.408 units. The coefficient is significant ($t = 3.560, p < .001$) with standard error of 0.115, suggesting that Laissez-faire leadership practice positively influences employee’s continuance commitment among employees in the organization of CBE. On the contrary, transactional leadership styles ($t = -1.136, p < .257$) was not statistically significant for continuance commitment of employees in commercial bank of Ethiopia.

4.8.5.3 Effect of predictor variables (TSFL, TSCL and LF) and dependent variable (NC)

4.8.5.3.1 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.360 ^a	.129	.117	1.05955	.129	10.750	3	217	<.001

a. Predictors: (Constant), LF, TSFL, TSCL
b. Dependent Variable: NC

Table 16- Model Summary (Normative Commitment) Source: Own Survey (2024)

The results in the model summary indicate that the model is statistically significant with an F Change value of 10.750 ($p < 0.001$). Hence, concluded that the predictor variables (transactional leadership styles, transformational leadership styles and Laissez-faire) explain significantly the variance in the dependent variable (normative commitment). According to the table, the R value, shows that there is a moderate positive relationship ($R = 0.360$) between the independent variables (transactional leadership styles, transformational leadership styles and Laissez-faire) and the dependent variable (normative commitment) among employees of commercial bank of Ethiopia. The R-Square ($R^2 = 0.129$) shows that the three predictors jointly determine (explain) approximately 13% of the variance in normative commitment whereas 87% of the normative commitment was determined by other variables that were not included in the study. The standard error of the estimate is approximately 1.06.

4.8.5.3.2 Analysis of Variance (ANOVA)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.206	3	12.069	10.750	<.001 ^b
	Residual	243.615	217	1.123		
	Total	279.821	220			

a. Dependent Variable: NC

b. Predictors: (Constant), LF, TSFL, TSCL

Table 17- ANOVA Table (Normative Commitment) Source: Own Survey (2024)

In the table where the analysis of variance (ANOVA) was conducted to examine the differences in normative commitment scores across the three leadership styles (Transformational, Transactional, Laissez-Faire). The results show a statistically significant effect of the three leadership styles on normative commitment with F- statistic value of 10.750 and significance (<.001). Therefore, from the result, it can be concluded that 36.206 regression sum of square was predicted (explained) by the model and 243.615 residual sum of square shows the unpredicted or unexplained value from the regression model.

4.8.5.3.3 Regression coefficient

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.117	.554		3.821	<.001
	TSCL	-.505	.174	-.242	-2.902	.004
	TSFL	.773	.148	.410	5.228	<.001
	LF	.515	.117	.358	4.412	<.001

a. Dependent Variable: NC

Table 18- Coefficients Table (Normative Commitment) Source: Own Survey (2024)

The coefficient table presented results of normative commitment as dependent variable and transactional leadership styles, transformational leadership styles and Laissez-faire as explanatory variables.

The constant term in the regression equation for normative commitment is 2.117. This represents the baseline expected value of normative commitment of employees when the three predictors, transactional leadership styles, transformational leadership styles and Laissez-faire, are zero. The standard error associated with the model is 0.554, indicating the precision of this estimate.

As it is shown in the above table, all the three predictors were statistically significant factors for normative commitment. Transactional leadership is statistically significant factor for normative commitment with a coefficient of -0.505. This indicates that, for every one-unit increase in Transactional leadership, an employee's normative commitment in the organization is expected to decrease by 0.505 units. The coefficient is significant ($t = -2.902$, $p < .004$) with standard error of 0.174, suggesting that Transactional leadership practice negatively influences normative commitment of employees in CBE. The standardized coefficient (Beta) of 0.-242, showing the strength of the relationship being very weak relative to other predictors in the model.

transformational leadership is statistically significant factor for normative commitment with a coefficient of 0.773. This indicates that, for every one-unit increase in transformational leadership, an employee's normative commitment in the organization is expected to increase by 0.773 units. The coefficient is significant ($t = 5.228$, $p < .001$) with standard error of 0.148, suggesting that transformational leadership practice positively influences normative commitment of employees in CBE. The standardized coefficient (Beta) of 0.410 suggests the strong effect size, showing the strength of the relationship relative to other predictors in the model.

Laissez-faire leadership is statistically significant factor for normative commitment with a coefficient of 0.515. This indicates that, for every one-unit increase in Laissez-faire leadership, an employee's normative commitment in the organization is expected to increase by 0.515 units. The coefficient is significant ($t = 4.414$, $p < .001$) with standard error of 0.117, suggesting that Laissez-faire leadership practice positively influences normative commitment of employees in CBE. The standardized coefficient (Beta) of 0.358 suggests the strong effect size, showing the strength of the relationship relative to other predictors in the model.

4.9 Hypothesis Test

The research investigated the effect of leadership styles on organizational commitment among employees of commercial bank of Ethiopia. In this research nine hypotheses were formulated:

H1: Transactional leadership style has a positive impact on affective commitment.

The regression result shows that transactional leadership style have a positive but statistically insignificant effect on affective commitment of employees working in commercial bank of Ethiopia ($\beta = 0.230$, $p < .228$). If the predictor variable (transactional leadership) increases by one-unit, on average affective commitment will be improved by 23% but this is not relevant enough to conclude that it has a positive relationship with the dependent variable (affective commitment). Hence, making the hypothesis rejected. This result matches with Abba et al. (2016) and Al-Ansi et al. (2015) who reported a non-significant relationship between transactional leadership and the three dimensions of organizational commitment. Additionally, this result is similar with Akinda & Irbo (2020), finding of no significant relationship between transactional leadership styles and affective commitment.

H2: Transactional leadership style has a positive impact on normative commitment.

The regression result shows that transactional leadership style have a negative and statistically significant effect on normative commitment of employees working in commercial bank of Ethiopia ($\beta = -0.505$, $p < .004$). If the predictor variable (transactional leadership) decreases by one-unit, on average normative commitment will decrease by 50%. Hence, making the hypothesis accepted but with a different direction. This result is unlikely to other studies and the reasons to the deviation might be attributed to cultural differences, unmeasured factors within the study, or even potential response bias from participants.

H3: Transactional leadership style has a positive impact on continuance commitment.

The regression result shows that transactional leadership style have a negative and statistically insignificant effect on continuance commitment of employees working in commercial bank of Ethiopia ($\beta = -.194$, $p < .257$). If the predictor variable (transactional leadership) increases by one-

unit, on average continuance commitment will be decrease by 19%. But this is not statistically relevant enough to conclude that it has a negative relationship with the dependent variable (continuance commitment). It also contradicts with the hypothesis making it rejected. This result matches with Abba et al. (2016) and Al-Ansi et al. (2015) who reported a non-significant relationship between transactional leadership and the three dimensions of organizational commitment.

H4: Transformational leadership style has a positive impact on affective commitment.

The regression result shows that transformational leadership style have a positive and statistically significant effect on affective commitment ($\beta = .847$, $p < .001$). This indicates that for every one-unit increase in transformational leadership, an employee's affective commitment is expected to increase by 84.7%. This provides strong evidence to accept the hypothesis that effective use of transformational leadership style has a positive impact on affective commitment. This result is in line with most studies including Rehman et al. (2012) which reported a positive relationship between both transformational and transactional leadership styles and all three dimensions of organizational commitment (affective, continuance, and normative). This result is also similar with Qadir & Yesiltas (2020) as their study reported a positive relationship between transformational leadership style and affective commitment. Additionally, Akinda & Irbo (2020), Alemu (2019), Teshome (2011), Abasilim et al. (2019) and Daud (2019) - also found a positive relationship between the transformational leadership styles and all organizational commitment dimensions.

H5: Transformational leadership style has a positive impact on normative commitment.

The regression result shows that transformational leadership style have a positive and statistically significant effect on normative commitment ($\beta = .773$, $p < .001$). This indicates that for every one-unit increase in transformational leadership, an employee's normative commitment is expected to increase by 77.3%. This provides strong evidence to support and accept the hypothesis that effective use of transformational leadership style has a positive impact on normative commitment. This result is in line with most studies including Rehman et al. (2012) which reported a positive correlation between both transformational and transactional leadership styles and all three dimensions of organizational commitment (affective, continuance, and normative). Similarly, the

result is similar with Alemayehu & Batisa (2020), that reported a positive relationship between transformational leadership style and normative commitment. Other studies conducted - Akinda & Irbo (2020), Alemu (2019), Teshome (2011), Abasilim et al. (2019) and Daud (2019) - also found a positive relationship between the transformational leadership styles and all organizational commitment dimensions.

H6: Transformational leadership style has a positive impact on continuance commitment.

The regression result shows that transformational leadership style have a positive and statistically significant effect on continuance commitment ($\beta = .344$, $p < .019$). This indicates that for every one-unit increase in transformational leadership, an employee's continuance commitment is expected to increase by 34.4%. This provides strong evidence to support and accept the hypothesis that effective use of transformational leadership style has a positive impact on continuance commitment. This result is in line with most studies including Rehman et al. (2012) which reported a positive correlation between both transformational and transactional leadership styles and all three dimensions of organizational commitment (affective, continuance, and normative). This result was also similar with - Akinda & Irbo (2020), Alemu (2019), Teshome (2011), Abasilim et al. (2019) and Daud (2019) – all of who found that there is a positive relationship between the transformational leadership styles and all organizational commitment dimensions.

H7: Laissez-faire leadership style has a positive impact on affective commitment.

The regression result shows that Laissez-faire have a negative and statistically insignificant effect on affective commitment of employees working in commercial bank of Ethiopia ($\beta = -.186$, $p < .146$). If the predictor variable (laissez-faire) increases by one-unit, on average affective commitment decreases by 18.6%. But this is not statistically relevant enough to conclude that it has a negative relationship with the dependent variable (affective commitment). Hence, making the hypothesis false and rejected. This result matches Awan et al. (2014) who reported a non-significant relationship between laissez-faire and the three dimensions of organizational commitment.

H8: Laissez-faire leadership style has a positive impact on normative commitment.

The regression result shows that laissez-faire have a positive and statistically significant effect on normative commitment ($\beta = .515, p < .001$). This indicates that for every one-unit increase in laissez-faire, an employee's normative commitment is expected to increase by 77.3%. This provides strong evidence to accept the hypothesis that effective use of laissez-faire has a positive impact on normative commitment. This result contradicts with previous findings and the reasons to the deviation might be attributed to cultural differences, unmeasured factors within the study, or even potential response bias from participants.

H9: Laissez-faire leadership style has a positive impact on continuance commitment.

The regression result shows that Laissez-Faire have a positive and statistically significant effect on continuance commitment ($\beta = .408, p < .001$). This indicates that for every one-unit increase in laissez-faire, an employee's continuance commitment is expected to increase by 40.8%. This provides strong evidence to accept the hypothesis that effective use of laissez-faire has a positive impact on continuance commitment. This result Aligns with the findings of Akinida & Irbo (2020) who also found a significant positive relationship between laissez-faire leadership style and continuance commitment.

Hypothesis	Path coefficient (β)	P Values	Status
H1	0.230	0.228	Rejected
H2	-0.505	0.004	Accepted but with different direction
H3	-.194	0.257	Rejected
H4	.847	0.001	Accepted
H5	.773	0.001	Accepted
H6	.344	0.019	Accepted
H7	-.186	0.146	Rejected
H8	.515	0.001	Accepted

H9	.408	0.001	Accepted
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Table 19- Summary of Hypothesis

4.10 Results and Discussions

The findings highlight the importance of leadership style in shaping employee commitment and set direction of their relationship. This section delves into the impacts of and relationships between the three leadership styles explored (transformational, transactional, and laissez-faire) and the three dimensions of employee commitment (affective, continuance, and normative). The discussion analyses these relationships according to the study's findings and previous researches.

Transformational leadership displayed a strong positive influence on all three commitment dimensions, aligning with research by Rehman et al. (2012), Akinda & Irbo (2020), Alemu (2019), Teshome (2011), Abasilim et al. (2019) and Daud (2019). This suggests that leaders who inspire, motivate, and value employee contributions can cultivate a highly committed workforce. These findings further support the notion that leadership styles emphasizing communication, motivation, and employee involvement are essential for fostering a more dedicated and productive team.

Transactional leadership, on the other hand, presented mixed results. Contrary to our initial hypotheses on transactional leadership's impact on organizational commitment, it had insignificant positive impact on affective or continuance commitment, aligning with Al-Ansi et al. (2015) who found no significant relationship between transactional leadership and any commitment dimension. It also falls in line with Akinda & Irbo (2020) finding no significant relationship between transactional leadership styles and affective commitment. Transactional leadership exhibited a significant negative effect on normative commitment, which differs from previous researches on the area. This discrepancy could be due to factors like cultural differences, unmeasured factors within the study, or even potential response bias from participants.

Laissez-faire leadership yielded unexpected results as well. The results showed that laissez-faire have a negative and statistically insignificant effect on affective commitment. This result matched with Awan et al. (2014) who reported a non-significant relationship between laissez-faire and the three dimensions of organizational commitment. Additionally, the findings showed a

positive impact on continuance which aligns with the findings of Akinida & Irbo (2020) who also found a significant positive relationship between laissez-faire leadership style and continuance commitment. and normative commitment. Finally, the study found that laissez-faire has a positive and statistically significant effect on normative commitment contradicting with previous findings and the reasons to the deviation might be attributed to cultural differences, unmeasured factors within the study, or even potential response bias from participants.

4.11 Limitations

Despite the insights gained, this study is not without limitations. The research focused solely on perceptions within the commercial bank of Ethiopia, limiting generalizability to other industries or regions. Secondly, the study utilized a cross-sectional design, which captures data at a single point in time. This limits the ability to establish causality or capture changes in perceptions over time. Moreover, Laissez-faire leadership's unexpected positive results call for additional studies considering cultural contexts and potential measurement limitations and results on transactional leadership's influence also warrants further investigation. Addressing these limitations in future research endeavors could provide a more nuanced understanding of how leadership styles impact employee commitment.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

Introduction

This chapter provides an overview of the key findings from the study, drawing conclusions based on the analysis and offering recommendations for practice and future research.

5.1 Summary of Findings

The main findings are discussed and summarized below based on the analysis results discussed in chapter four. The major findings are as follows:

- From the demographic analysis interpretation, it can be inferred that most employees are male (75.1%) and female employees hold (24.9%), which is a low percentage. Moreover, it was found that most employees (45.7%) are younger in age being below 30 years, relative to 43% of employees in the age range of 31- 40 years. Nearly half (45.2%) of employees have 5-10 years of experience, suggesting a strong core of seasoned professionals. There's also a significant group (41.6%) with less than 4 years of experience, indicating a balance with new hires. The remaining employees are spread across more senior experience levels, with 8.1% having 11-15 years and 5% with over 15 years of experience. This diversity in experience contributes to a well-rounded expertise within the bank. Furthermore, most of the employees hold a bachelor's degree (60.6%) and a significant number holds a master's degree (33%). The largest group (43.3%) consists of tellers/clerks, followed by management (23.1%) and auditors (19%). The remaining (14.9%) respondents hold other positions within the bank.
- From the regression analysis, findings on effect of the independent variables on the dependent variables indicated that: Transformational leadership had a significant positive effect on all the three dependent variables, showing a strong positive effect on affective ($\beta = .847, p < .001$) and normative commitment ($\beta = .773, p < .001$) and a moderately positive effect on continuance commitment ($\beta = .344, p < .019$). Transactional leadership showed a mixed result. It showed a positive but statistically insignificant positive effect on employee affective commitment ($\beta = 0.230, p < .228$), a strong negative and statistically significant effect on normative commitment ($\beta = -0.505, p < .004$) and a negative but statistically insignificant effect on continuance commitment ($\beta = -.194, p < .257$). Finally, the results on the effect of laissez-faire on the three organizational commitment levels also showed mixed result with statistically insignificant negative effect on affective commitment ($\beta = -.186, p < .146$), a strongly positive and statistically significant effect on normative commitment ($\beta = .515, p < .001$) and a moderately positive and statistically significant effect on continuance commitment ($\beta = .408, p < .001$).

5.2 Conclusions

This study examined the effect of leadership styles on employee commitment within the commercial bank of Ethiopia. The three leadership styles investigated were transformational, transactional, and laissez-faire leadership. Employee commitment was measured across three dimensions: affective commitment (emotional attachment to the organization), continuance commitment (feeling stuck due to lack of options), and normative commitment (feeling a sense of obligation to stay).

Transformational leadership, characterized by inspiring and motivating employees, had a strong positive effect on all commitment dimensions. This aligns with previous research suggesting such leadership fosters a highly committed workforce.

Transactional leadership, where leaders focus on rewards and punishments, yielded mixed results. It didn't significantly impact emotional attachment or feeling stuck, but showed a negative effect on feeling obligated. This difference from past studies suggests potential context-specific factors in Ethiopian banks, like poor communication or problem-solving skills among transactional leaders.

Laissez-faire leadership, where leaders are less involved, also yielded unexpected results. Most research suggests it has little or negative impact on commitment, but in this study, it had a positive effect on feeling stuck and obligated. Cultural differences or other unmeasured factors might explain this deviation. Further research is needed to explore these possibilities.

5.3 Recommendations

5.3.1 Managerial Implications Based on Leadership Styles and Employee Commitment

This study's findings offer valuable insights for managers in the commercial bank of Ethiopia that are seeking to cultivate a more committed workforce. The study provided key takeaways and recommendations for leadership practices:

- **Embrace transformational leadership:** The research strongly supports the positive influence of transformational leadership on all dimensions of employee commitment (affective, continuance, and normative). Managers who aspire to foster a highly engaged team should strive to embody the core principles of transformational leadership. This includes:
Visionary Inspiration: a manager looking to put out the best of their employees and raise their commitment to the organization must clearly communicate the organization's vision and goals, inspire employees to see the bigger picture and how their contributions make a difference.
Motivational Influence: managers should go beyond basic rewards and punishments. Motivate employees by fostering a culture of challenge, growth, and recognition. Celebrate successes and acknowledge individual and team achievements.
Intellectual Stimulation: Encourage creativity and innovation. Provide opportunities for employees to learn, develop new skills, and contribute their ideas.
Individualized Consideration: demonstrating genuine care and concern for your employees' well-being and professional development could be one of the key factors for a manager looking forward to put out an enthusiastic and affective employee. Other ways to do these could also be to provide opportunities for mentorship and personalized support. By adopting transformational practices, managers can create a work environment that fosters a strong emotional attachment to the organization (affective commitment), reduces feelings of being stuck due to a lack of options (continuance commitment), and strengthens the sense of obligation to stay due to moral or ethical reasons (normative commitment).
- **Re-evaluate transactional leadership:** The study's findings regarding transactional leadership were mixed. While it did not significantly impact affective or continuance commitment, it significantly showed a negative effect on normative commitment. This suggests that a purely transactional approach, focused solely on rewards and punishments, might be detrimental to fostering a sense of obligation within the Ethiopian banking context. Managers who rely heavily on transactional leadership should consider incorporating additional elements like: Invest in building strong, trusting relationships with your team members (relationship Building), Set clear and achievable goals and expectations for employee performance, Provide timely and constructive feedback to help employees understand their strengths and areas for improvement (constructive Feedback)

and Communication and Problem-Solving; Maintain open communication channels and actively listen to employee concerns. Develop strong problem-solving skills to address challenges collaboratively. By integrating these elements, managers can move beyond a purely transactional approach and create a more positive and engaging work environment.

- Consider the cultural context: Another implication of the study is for a manager to consider the cultural context. The Ethiopian workplace culture might influence how employees respond to leadership styles. While transformational leadership appears universally effective, managers should be mindful of potential cultural nuances. Further research exploring cultural influences on leadership styles and employee commitment within the Ethiopian banking sector is recommended. In the meantime, managers can observe and Adapt the contextual culture. Hence, visionary managers should pay close attention to how employees respond to different leadership styles and adapt their approach accordingly. Gathering feedback regularly and accepting solicit feedback from employees to understand their needs and preferences could also be the key to influencing a positive organizational commitment of employees. By remaining sensitive to the cultural context and actively seeking feedback, managers can ensure their leadership style resonates with their team and fosters a strong sense of commitment.

5.4 Recommendations for future research

In this section, areas future researchers should delve deeper into are discussed. Investigate the cultural context: Explore the reasons behind the unexpected positive effects of laissez-faire leadership on commitment in this study. Cultural factors or other contextual variables not considered here might influence this relationship. Comparative studies across different cultures could be conducted to shed light on these potential influences.

Mechanisms of transformational leadership: Conduct in-depth studies into the specific mechanisms by which transformational leadership fosters employee commitment. This could involve qualitative research methods such as interviews or focus groups to gain a richer understanding of the processes by which transformational leaders inspire and motivate their teams, leading to higher levels of commitment.

Transactional leadership adaptations: Examine the potential limitations of transactional leadership styles in the banking industry and explore how these styles could be adapted to promote higher levels of employee commitment. Leadership training programs could be designed to equip transactional leaders with skills in communication, motivation, and employee development, potentially leading to more positive effects on commitment.

This research provides valuable insights into the complex relationship between leadership styles and employee commitment within the Ethiopian banking sector. By building on these findings and addressing the recommendations outlined above, future research can contribute to a more comprehensive understanding of how leadership styles can be leveraged to cultivate a more engaged and productive workforce across diverse organizational contexts.

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APPENDIX

Questionnaire



RESEARCH QUESTIONNAIRE

Addis Ababa University College of Business and Economics Department of Management

Research Title: The Effect of Leadership Styles on Organizational Commitment: A study on Employees of Commercial Bank of Ethiopia”

Dear Respondent,

My name is Elham Muhidin and I am conducting this research for my Master's thesis in International Business at Addis Ababa University. The goal of this survey is to understand how leadership styles affect organizational commitment of employees.

The information you provide will be used solely for this research project and will be kept confidential. Your honest responses are greatly appreciated.

If you have any questions or require further information please feel free to contact me anytime with the phone numbers or email address provided below.

Phone No.: 0919233438

Email: elhammuhidin1@gmail.com

Please note: There is no need to include your name in this survey. THANK YOU in advance for participating.

Sincerely,

Elham Muhidin

SECTION:1

Please provide the following demographic information for analysis purpose. Place an 'X' on the square that suits your answer.

Gender:

Male Female

Age:

less than 30 31-40 40-50 above 50

Education:

Diploma Bachelor's degree Post graduate Other

Position:

Management Auditor Teller/clerk Other

Experience/ tenure:

Under 4 years 5-10 years 11-15 years 15+ years

SECTION: 2

This questionnaire is to describe the leadership style of your supervisor/manager as you perceive him/her. Please answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.** Please answer this questionnaire anonymously.

Thirty-six descriptive statements are listed on the following pages. Judge how frequently each statement fits your supervisor. The word “others” may mean your peers, clients, direct reports, supervisors, and/or all of these individuals.

Use the following rating scale:

Not at all =0, Once in a while =1, Sometimes =2, Fairly often =3, Frequently =4,

My supervisor/ manager...

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

14.	Specifies the importance of having a strong sense of purpose					
15.	Spends time teaching and coaching					
16.	Makes clear what one can expect to receive when performance goals are achieved					
17.	Shows that he/she is a firm believer in "If it ain't broke, don't fix it."					
18.	Goes beyond self-interest for the good of the group					
19.	Treats me as an individual rather than just as a member of a group					
20.	Demonstrates that problems must become chronic before taking action					
21.	Acts in ways that builds my respect					
22.	Concentrates his/her full attention on dealing with mistakes, complaints, and failures					
23.	Considers the moral & ethical consequences of decisions					
24.	Keeps track of all mistakes					
25.	Displays a sense of power and confidence					
26.	Articulates a compelling vision of the future					
27.	Directs my attention toward failures to meet standards					
28.	Avoids making decisions.					
29.	Considers me as having different needs, abilities, and aspirations from others					
30.	Gets me to look at problems from many different angles					
31.	Helps me to develop my strengths					
32.	Suggests new ways of looking at how to complete assignments					
33.	Delays responding to urgent questions					

34.	Emphasizes the importance of having a collective sense of mission					
35.	Expresses satisfaction when I meet expectations					
36.	Works with me in a satisfactory way					

SECTION: 3

Listed in this section of the questionnaire is a series of eighteen descriptive statements that represent feelings that individuals might have about the company or organization for which they work. With respect to your own feelings about the particular organization for which you are now working, please answer all items on this answer sheet.

please indicate the degree of your agreement or disagreement with each statement from 1 to 7 by using the following rating scale:

**1 = strongly disagree, 2 = disagree, 3 = slightly disagree,
4 = undecided, 5 = slightly agree, 6 = agree, 7 = strongly agree**

		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
1.	I would be very happy to spend the rest of my career with this organization.							
2.	I really feel as if this organization's problems are my own.							
3.	I do not feel a strong sense of "belonging" to my organization. (R)							
4.	I do not feel "emotionally attached" to this organization. (R)							
5.	I do not feel like "part of the family" at my organization. (R)							

6.	This organization has a great deal of personal meaning for me.							
7.	Right now, staying with my organization is a matter of necessity as much as desire.							
8.	It would be very hard for me to leave my organization right now, even if I wanted to.							
9.	Too much of my life would be disrupted if I decided I wanted to leave my organization now							
10.	I feel that I have too few options to consider leaving this organization.							
11.	If I had not already put so much of myself into this organization, I might consider working elsewhere.							
12.	One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.							
13.	I do not feel any obligation to remain with my current employer. (R)							
14.	Even if it were to my advantage, I do not feel it would be right to leave my organization now.							
15.	I would feel guilty if I left my organization now.							
16.	This organization deserves my loyalty.							
17.	I would not leave my organization right now because I have a sense of obligation to the people in it.							
18.	I owe a great deal to my organization.							

THANK YOU for your participation!