

**Effects of Leadership Styles on Employee's Commitment: The Case of St. Mary's University**

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***Abstract***

*This study aimed at examining the effect of leadership styles on employee's commitment in the context of St. Mary's University. Explanatory research design and quantitative research approach were adopted. Using stratified and simple random sampling techniques, 222 participants were chosen to participate in the study. Data were collected using the Multifaceted Leadership Questionnaire (MLQ) and Employee Commitment Poll Questionnaire (OCQ). Data were subjected to multiple linear regression analysis. The results indicated that transformational and laissez-faire leadership styles have positive and significant relationships with the dimensions of employees' commitment (affective, normative and continuance. However, there is no significant relationship between transactional leadership and dimensions of employee commitment (affective, normative and continuance). Based on the findings of the study, the researchers recommends to St. Mary's University to emphasize more on transformational and laissez-faire leadership behaviors which can help improve the commitments of their employees.*

***Keywords:*** *Employee commitment, lassie-faire leadership, transactional leadership, transformational Leadership, Ethiopia*

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## **1. INTRODUCTION**

### **1.1 Background of the Study**

Employee commitment has become an imperative issue since it is linked with several outcomes. If an employee is committed to his work, he is satisfied, and does not usually appeal to look for other opportunities. He is less likely to leave the organization (Gao & Bai, 2011). Nevertheless, employee commitment is a strong term that is easy to observe but overly critical in real implementation. For any employee, it is not easy to commit to an organization for over years. These days everyone looks for a better opportunity and moves out whenever a better alternative comes in the way. According to Njoroge (2015), there is a need for leaders to embrace an integrative leadership style as it significantly affects employee commitment. To increase employee commitment, leaders should employ both transformational and transactional leadership styles as they are complementary but not contradictory.

According to Bass and Avolio (1997), we discussed the three leadership styles such as transformational, transactional and laissez-faire styles based on the demand of their role and nature of the task which needs to be achieved according to the desired standards). Both styles have their own pros and cons depending on the situations a company is facing at the current moment. Thus, one leader may be exposed to both transformational and transactional approach based on his/her standards. Transformational leaders try to get into the matter themselves and help their subordinates to perform the task in a better way. These leaders follow the concept of conflict solving and encouragement (McElroy, 2001). While transactional leadership is more focused on transactional and gives/takes approach (Bass, 1985), a transactional leader is more focused on process and follows the system in which he/she controls the tasks based on their targets and reward subordinates based on their

performance. Different from the two aforementioned, Laissez-faire leadership is an inactive sort of leadership style. It is a hands-off approach to leadership (Northouse, 2004). The Laissez-faire leader is one who trusts in the opportunity of decision for the workers, disregarding them so they can do as they need. There is no relationship trade between the pioneer and the devotees.

Leadership styles have a significant relationship with employee's commitment. When an employee leaves the organization, a series of recruiting, selecting, and training process would be carried out in getting a new employee. According to Teshome (2011), both transformational and transactional leadership styles have been found to have a significant and positive relationship with employee commitment, the institutions should attempt to maintain these leadership styles within their organizations as a committed employee are most desirable. On the other hand, Yishitila (2014) revealed that leaders were not displaying an ideal level of transformational leadership behaviors, Defense University must prepare and implement leadership development programs to provide knowledge and awareness about transformational leadership behaviors.

## **1.2 Statement of the Problem**

According to the data gathered from the Human Resource Management (HRM) Department of St. Mary's University, there is high employee turnover in which 25% of them left their job in the final year of 2016 (St. Mary's University, 2017). Due to the existence of the above-perceived problem, this study empirically aimed to examine the effect of leadership style on employee commitment at the University. A study by Tsedey (2011) stated that St. Mary's University has a gap that needs to be filled concerning leadership practice. St. Mary's University needs to carry out to have a healthy work environment and to be successful. The University leaders should improve the relationship

between them and their staff members through clear communication and free discussion in a friendly approach. Finally, the researcher observed that there were no studies that specifically focused on investigating the effect of leadership styles on employee commitment at St. Mary's University.

Although, there are several studies that have been conducted globally on the subject matter (see for example, Clayton and Hutchinson, 2001, Nyengane, 2007, Manetje & Martins, 2009, Lumley, 2011), factors applicable in one country many not fit on other countries. In light of this, the researcher initiated to conduct this research to show the cause and effect relationship at St. Mary's University context. On the other hand, the methodology employed by various studies conducted in Ethiopia on the same issues seems inadequate to display the reality on the ground. According to Bekele (2016), most studies directed on the effect of leadership on employee commitment in higher education institutions in Ethiopia were based on descriptive survey design. Therefore, this study aims at filling up the exiting knowledge gap by adopting appropriate research design and analysis method in the context of St. Mary's University. This study has, thus, answer the following research questions:

1. What is the level of employee's commitment as it is perceived by their subordinates at St. Mary's University?
2. What is the effect of transformational leadership on the dimensions of employee's commitment as it is perceived by their subordinates?
3. What is the effect of transactional leadership on the dimensions of employee's commitment as it is perceived by their subordinates?
4. What is the effect of lassie-faire leadership on the dimensions of employee's commitment as it is perceived by their subordinates?

## **2. LITERATURE REVIEW**

### **2.1 The Concept of Leadership Behavior and Types of Leadership Style**

The inceptions of the terms chief, leadership and lead are from the somewhat English Saxon term “lead” which implies a street, away or the course of a boat adrift. To go to head out or to lead or to have done so are the causative structures identified with the action word heavy. The boat's addition in initiative stems from the term shape, which intends to offer shape to something (Karadag, 2015). As of now, the idea of leadership is one of the most well-known territories of study in the field of hierarchical conduct and leadership investigations. Various types of writing show that it has added a noteworthy effect on subordinates' mentalities to work (Leonard, 2013). Leadership is one of the most watched and least comprehended marvels in the advanced association. In this way, it is not amazing that there are a few potential meanings of the initiative. These definitions change extraordinarily because they center on various components of the build (Awan & Mahmood, 2009). Moreover, Kohler (2016) declared that initiative in multicultural associations is a procedure with common impact among administrators and representatives.

There are three different types of leadership styles such as transformational, transactional and *laisse faire*. A full descriptions of them is presented below.

1) **Transformational leadership:** it depends on the possibility of motivation and incitement. A pioneer who is following this style adds that the style propels, empowers, and accommodates. The pioneer considers the representatives to accomplish the aggregate objectives and rouses the workers with thankfulness, group coordination and individual consideration (Masood *et al.*, 2006). A pioneer with this style realizes how to hold its representatives and how to oversee outstanding tasks at hand in an even more well-disposed and agreeable

way. Since this pioneer is increasingly drawn in with the laborers, along these lines, laborers likewise feel good and happy with their work (Allix, 2000). If a laborer is getting the correct supervision in a well-disposed manner, at that point he/she is increasingly connected with the organization's objectives and goals. The earth in an association matters a great deal and is one of the main reasons individuals remain or leave wherever of employment.

**2) Transactional leadership:** Transactional leadership which is otherwise called partner authority requires the foundation of relations between the pioneer and those representatives who work under the leader's supervision. Right now, a pioneer accepts that the efficient routine was constrained the representatives to meet the desire and consequently when they got rewards, they feel progressively spurred towards their work. The essential undertaking of the laborers is to adhere to and comply with the guidelines of their pioneer and buckle down for meeting the ideal objectives (Ghalandari, 2013).

**3) Laissez faire leadership:** it is an aloof sort of initiative style. It is a hands-off way to deal with initiative. The free enterprise pioneer is one who has confidence in the opportunity of decision for the workers, disregarding them so that they can do as they need (Northouse, 2004). Laissez faire leadership style is the place the leaders see that individuals from the gathering are functioning admirably all alone. It is, however, accessible if help is required (Mullins 2005). The initiative credited by the pioneers who abstain from meddling when significant issues emerge and the pioneers were seen as latent and portrayed by maintaining a strategic distance from duty and dynamic, this could likewise be depicted as non-leadership (Ghose, 2014).

## **2.2 The Concept of Employee's Commitment**

As indicated by Allen and Meyer (1990) duty has been conceptualized and estimated in different manners. Basic to all the conceptualizations of duty found in the writing is the relationship with turnover; workers who are firmly dedicated are the individuals who are more averse to leave the association. Employee's commitment is the force and degree of each individual associated with an association and his/her feeling of having a place and feeling of personality towards the association which will at last lead to the advancement of his/her gathering reliance and citizenship behavior.

**Affective Commitment:** Emotional responsibility gauges the degree of connection and friendship that an individual has with the organization. Workers in some cases get sincerely joined to their organization and this can be because of a few reasons, for instance, great inside relations, great climate, inviting condition and friend inspiration (Van Knippenberg & Sleebos, 2006). Workers with this measurement, for the most part, have an uplifting demeanor towards the accomplishment of the organization's objectives as, there is to remain in the organization that did not depend on financial components (Powell & Meyer, 2004).

**Normative Commitment:** This sort of representative stays faithful to the organization as they might suspect their organization is furnishing them with advantages and addressing their requirements, so they ought to be faithful to their organization in any capacity. It shows that this kind of representative remains in the association regardless of whether they are not happy with their occupations or regardless of whether they improve openings they will adhere to their organization (Gellatly *et al.*, 2006). Subsequently, this measurement

interfaces the social and good obligations of people with their organization's objectives (Powell & Meyer, 2004).

**Continuance Commitment:** This hypothesis portrays that if the employees are given better open doors, they may leave the organization for their advantages and we think about them as their need. This measurement is progressively identified with the dangers and expenses related when one leaves an association. This measurement quantifies the necessities of the employees for which they are remaining in an association. A worker probably will not leave the firm because of the examination, pay, clinical and other monetary advantages or not so distant future advancement. Along these lines, they remained in the firm since they need those advantages (Powell & Meyer, 2004). This measurement discloses to us that the employees are staying because they don't have better other options and substitutes for the present place of employment and that they have an elevated level of interests (as far as time, endeavors, future additions) at their present place of employment (Meyer *et al.*, 2004).

### 2.3 Empirical Literature Review

Transformational leadership practices were found to significantly affect instructor's responsibility (Amoroso, 2002). The aftereffects of an Iranian examination by Aboodi *et al.* (2013) indicated a positive connection between worker responsibility of medicinal services staff and the transformational conduct of their leaders. Different past investigations spread various parts of leadership and its relationship with organizational commitment. Interestingly, the analyst found a negative relationship between leadership style and organizational commitment. Awan and Mahmood (2009) in the investigation results on the relationship among initiative style, hierarchical culture and organizational commitment in the College library show that laissez-reasonable



leadership style does not influence hierarchical responsibility. A few scientists found that the components of leadership style (transformational, value-based, and laissez-reasonable) have a positive relationship with organizational commitment. For example, Ponnu and Tennakoon (2009) demonstrated that moral initiative conduct positively affects representatives' organizational commitment. Thus, some explored the representatives' view of leadership style among pioneers and its effect on hierarchical responsibility and afterward found that leadership style assumes a significant job in the workers' organizational commitment. Garg and Ramjee (2013) infer that the leadership style of leaders can prompt a higher proportion of organizational commitment.

Fasola *et al.* (2013) investigated the connection between transformational and transactional leadership styles and examined their measurements on the organizational commitment utilizing multifaceted leadership poll (MLQ) and hierarchical responsibility survey (OCQ). The discoveries of the examination indicated a positive connection between Transformational, transactional leadership and leadership responsibility. The achievement of an association relies upon the nature of leadership it has embraced. A reasonable leadership style to a specific setting is a vital instrument to infer and animate adherents towards objective accomplishment (Lussier and Achua, 2011) which inevitably subject to employees' commitment. This supposition animates further evaluations of administration styles applied by chiefs in their everyday exercises. Leadership and adequacy can primary determinant of the impact of the initiative on associations' dedication. An association that has not a decent initiative style, the representatives cannot be focused on their errands and lessen the profitability of the association. Because of this explanation, various types of writing could attest initiative styles' certain relationship on employee's worker duty (Karadag, 2015).

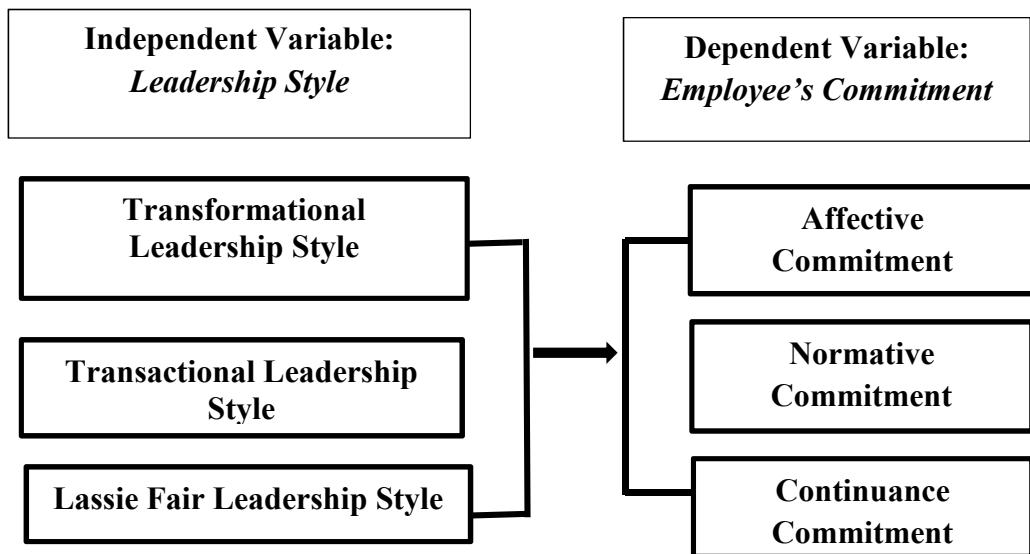
A connection between commitment and leadership style has been accounted for in the worker and the board writing. A few investigations found a positive connection between the two factors. For example, Ponnu and Tennakoon (2009) demonstrated that moral initiative conduct positively affects employee commitment and worker trust in pioneers. Along these lines, it is basic to know how a specific leadership style influences the structure and levels of employees' commitment. To come into that end, it is vital to build up at the start of the predominant prevailing initiative style portraying a specific association (Bass, 1999). For that reason, the full scope of leadership styles (transformational, transactional and lassie faire), known to affect employee commitment (Awan & Mahmood, 2009) have been thought of.

Transformational pioneers have an extraordinary capacity to impact worker responsibility by advancing the qualities which are identified with the objective achievement, by stressing the connection between the representative's endeavors and objective accomplishment and by making a more noteworthy level of individual duty on part of both followers. As pioneers, they work for the accomplishment of extreme regular vision, strategic objectives of the association. Wiza & Hlanganipai (2014), and Bupinjnieno & Škudieno (2008) in their investigation additionally affirms that transformational leadership has a positive relationship with full of feeling and continuance commitment however unique for that of regulating duty.

## **2.4 Conceptual Framework of the Study**

This conceptual framework tried to show the effect of all the aforementioned variables. It illustrated a clear picture of the variables used in the study, their effects, impact, and changes. It helped the reader understand the concept in a short and precise figure. This conceptual framework is showing the crux of the whole study and making the subject clearer. This model would help in

providing a greater understanding of the mechanisms by which antecedents of leadership style are linked to employee commitment. In line with these theoretical reviews, the model is developed based on Bass's (1996) Revised Full Range Leadership Model. It is of paramount importance, therefore, that Ethiopian Leaders make every effort to understand the context in Ethiopia before adopting any kind of leadership style. Understanding the situation and the needs of various stakeholders to decide when and how to use transformational, transactional, and lassie-faire leadership will ultimately determine how effective the leader was in his/her leadership role. The following model of leadership style (see Figure 1) would be tested in the current study. It is in this context, that the effect of leadership style on employee commitment (affective, normative and continuance commitment) of the employee in St. Mary's University would be investigated.



**Figure 1:** Conceptual Framework of Leadership Styles and Employee's Commitment

**Source:** Adopted from Bass (1996)

### 3. RESEARCH METHODOLOGY

#### 3.1 Research Design and Approaches

The study adopted descriptive and explanatory research designs. The researchers preferred descriptive research as it is convenient for description of the variables such as leadership styles and dimensions of employee's commitment. Explanatory research design was chosen as it is convenient for an explanation of cause and effect relationship between the dependent and independent variables. In addition, this research adopted quantitative research approach using a structured questionnaire as a data collection and regression analysis as a data analysis tools.

#### 3.2 Target Population and Sample Size

The target population of this study were employees of both academic and supportive staff of St. Mary's University working at the Head office and main campus located in Mexico square. It has a total of 497 employees. Out of the total population, 222 employees were selected using stratified (Academic and support staff as criteria of stratification) simple random sampling procedures. The samples were selected using simple random sampling; i.e the researchers picked the name of employee blindfolded and questionnaire were distributed to the randomly selected employee. Then the sample size of each stratum is calculated proportionately as shown in Table 1. Sample size is determined following Yamane (1967) with 5% precision level. The formula and the sample size determined is presented below:

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{497}{1 + 497(0.05)^2} = 222$$

Where:  $n$ = sample size;  $N$ = total number of an employee of St. Mary University working at Head Office and main campus; and  $e$ = level of precision, which was set at 5%.

**Table 1: Population and Sample Size of St. Mary's University**

Category	Target Population(N)	Sample size	Proportion size
Academic staff	183	82	37%
Supportive staff	314	140	63%
Total	<b>497</b>	<b>222</b>	<b>100%</b>

**Source:** St. Mary's University Human Resource Department (2017)

### **3.3 Data Collection Tools and Procedures**

Primary data were collected using a well-designed self-administration questionnaire which is designed on an ordinal scale of measurement. Based on the context of St. Mary University, 27 items (3 items of each leadership sub-scales) were selected by excluding the least relevant to this study. The excluded items are more related to cost, efficiency, and outcomes. The items were measured using a 5-point Likert scale marked as 0= Not at all, 1=Once in a while, 2=Sometimes, 3= fairly often and 4= frequently, if not always. A high score shows the high viability of leadership style perception while low score suggests low adequacy perception in the scale.

The Allen & Meyer's (1990) OCQ was adopted to measure employee's commitment for this study. The OCQ consisted of three dimensions such as affective, continuance and normative commitment. It is a self-scoring questionnaire and the responses to each of the 12 items (4 items for each dimensions) were rated using a 5-point Likert scale labeled as 1 = strongly

disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree.

### 3.4 Methods of Data Analysis

Descriptive statistics such as frequency, percentages, mean and standard deviation of leadership style and employee commitment were used. To ascertain the presence of statistically significant relationship between leadership style dimensions (transformational, transactional, and lassie-faire leadership behavior) and employee commitment (affective, continuance and normative commitment), the Pearson Product Moment Correlation Coefficient was used.

In a bid to identify the effect of independent or predictor variables (transformational, transactional, and lassie-faire leadership behavior) on the dependent variable (affective, continuance and normative commitment) multiple linear regression was adopted. The model specification of multiple regression is presented as:  $Y_i = \alpha + \beta_i X_i + e$ . The left-hand variable  $Y_i$  denotes the dependent variable (i.e, employee commitment measured as affective, continuance and normative commitment).  $\alpha$  is the intercept term and,  $\beta_i$ s represent the coefficients of all  $X_i$ s ( the independent variables). Empirically the multiple linear regression model is specified as follows:

$$\text{Affective Commitment (AC)} = \alpha + \beta_1 \text{TRL} + \beta_2 \text{TRAL} + \beta_3 \text{LZL} + e$$

$$\text{Continuance Commitment (CC)} = \alpha + \beta_1 \text{TRL} + \beta_2 \text{TRAL} + \beta_3 \text{LZL} + e$$

$$\text{Normative commitment (NC)} = \alpha + \beta_1 \text{TRL} + \beta_2 \text{TRAL} + \beta_3 \text{LZL} + e$$

TRL is Transformational Leadership style

TRAL is Transactional Leadership

LZL is Lassie faire leadership Style

e is the error term

### 3.5 Validity and Reliability

It is important to make sure that the instrument that we adopted to measure a particular concept is indeed accurately measuring the variable. Therefore, the content validity for this study was addressed through the review of the literature and by adapting instruments used in previous studies (Hair, 2007). To confirm the reliability of the instruments, we computed the Cronbach's alpha ( $\alpha$ ) using data from 30 participants. The reliability test results are presented in Table 2.

**Table 2: Reliability Test Statistical Result for Leadership Style and Employee's Commitments Items**

Variables	Cronbach's Alpha
Idealized Influence (Attribute)	0.873
Idealized Influence (Behavior)	0.821
Inspirational Motivation	0.901
Intellectual Stimulation	0.897
Individual Consideration	0.700
Transformational Leadership	0.994
Contingent Reward	0.882
Management by Exception Active	0.799
Management by Exception Passive	0.934
Transactional Leadership	0.800
Laissez Faire Leadership	0.749
Affective commitment	.936
Continuance Commitment	.944
Normative Commitment	.945

**Source:** Authors' analysis result (2017)

As can be seen in Table 2, the independent variables scored from excellent to acceptable alphas. Bass and Avolio (2004) collected and analyzed data from

2,154 individuals to test the reliability of the MLQ instrument. They discovered reliabilities for all the items in a range between 0.74 and 0.94. Our reliability test results are also consistent with Bass and Avolio (2004). Similarly, Meyer *et al.* (2002) performed a meta-analysis of OCQ and checked for the reliability of the items. Their test result showed a mean value of 0.82 for affective, 0.73 for continuance and 0.76 for normative commitment. Our test results for employee's commitment dimensions fall above the results of Meyer *et al.* (2002).

#### **4. RESULTS AND DISCUSSION**

##### **4.1 Descriptive Statistics for Employees Perception on Leadership Styles and Employee's Commitment**

The mean score for the transformational leadership (2.8) was less than what Bass and Avolio (1997) considered acceptable (greater or equal to 3) adequate for effective transformational leadership. From the result presented in table 3, we can argue that leaders were not displaying adequately the ideal levels of transformational leadership behavior. More specifically, This transformational leadership behavior includes instilling pride, inspiring a shared vision, talking optimistically, and encouraging creativity, placing much importance in coaching or training, being a role model for their followers, articulating visions, building commitment and loyalty, increasing motivation and encouraging creative ideas at St. Mary's University (Table 3).

Bass and Avolio (1997) also suggested a mean score of 2 for effective transactional leadership. The mean scores obtained for transactional leadership in this study was 1.92. The overall transactional leadership style at St. Mary's University fall under the range of Bass and Avolio's (1997) suggestion. This indicates that employees perceived their leaders as doing standards, expectations and recognizing accomplishments. Leaders clarify objectives and



exchange rewards for performance. They also inspire a degree of involvement, loyalty, commitment from subordinates. The employees also perceived as leaders specify the standards for compliance or ineffective performance to monitor deviances, mistakes, and errors than taking corrective action quickly.

**Table 3: Mean and Standard Deviation of Leadership Styles and Employee's Commitment Dimensions**

<b>Leadership Styles and dimensions of employee commitment</b>	<b>Grand Mean</b>	<b>Std. Dev.</b>
Transformational Leadership	2.28	0.80
Transactional Leadership Style	1.92	0.77
Lassie-faire leadership Style	1.86	0.84
Affective commitment	2.70	0.87
Normative commitment	2.72	0.61
Continuance commitment	3.36	1.19

**Source:** Authors' survey result (2017)

Bass and Avolio (1997) also suggested a mean score for lassie-faire leadership, ranges from 1 to 0. The mean score obtained for lassie-faire leadership in this study was 1.86. Based on this result, employees at St. Mary's University considered that their leaders were using their authority to decide and accept responsibilities. It sounds logical since each position in St. Mary's University has clear duties, responsibilities, and accountability.

The mean scores for employee's commitment dimensions to their organization is presented in Table 3. The grand mean scores for affective, continuance and normative commitment were 2.7, 3.35 and 2.72 respectively. This means that respondents have an average commitment levels for all the dimensions. Allen & Meyer (1990) did not present any figures about the required or ideal mean

values for affective, continuance, and normative commitment. Instead, they studied to identify the positive and negative relationship between the different types of employee commitment and the outcomes, as well as the pattern for those findings, and their level of influence. The ideal example is the most elevated scores for affective commitment, trailed by normative commitment, at that point continuance commitment. However, the results of this study reflect that the mean scores are not consistent with the abovementioned outcomes that continuance commitment has the highest mean followed by normative commitment, and affective commitment has the least mean. A possible explanation for the low level of affective commitment and high level of continuance commitment could be the unsatisfied economic needs of the respondents. Employees with unsatisfied economic needs do not pursue emotional attachment to their organization, and thus they will have lower affective commitment. The result obtained for the least desired type of commitment, which is continuance commitment, is higher than the desired level. The possible reasons might be an employee with high levels of continuance commitment stay with the organization because the costs of leaving the organization are too high or there are no other job prospects available in the market.

The mean score of normative commitment is 2.72 and it is only slightly higher than the mean score of affective commitment and lower than continuance commitment. According to Demerouti *et al.* (2001) in a collective society, such kind of personal sacrifices to maintain interpersonal relations and to abide by group norms are common. The reason to stay with their organizations, for an employee is a sense of obligation to their organizations and colleagues. Such an employee feels that s/he owes it to the employer to stay out of a perceived

obligation. Generally, the main reason for the employee to stay with their organization is continuance commitment followed by normative commitment.

#### 4.1 Results of Inferential Analysis

##### 1) Results from Pearson Correlation Analysis

Pearson correlation analysis was conducted to examine the relationship between leadership styles and employee commitment. McDanail and Gates (2006) presented ranges to describe the magnitude of relationship as:  $\pm 1$  perfect,  $\pm 0.8$  to  $\pm 0.9$  very strong,  $\pm 0.5$  to  $\pm 0.8$  strong,  $\pm 0.3$  to  $\pm 0.5$  moderate,  $\pm 0.1$  to  $\pm 0.3$  modest, and  $0$  to  $\pm 0.1$  weak. These findings show modest to strong positive relationship between transformational leadership and laissez-faire leadership styles and the dimensions of commitment at St. Mary's University. The result showed that there is no significant relationship between transactional leadership and the dimensions of commitment (Table 4). Jackson (2013) also found that there is a moderate positive correlation between transformational leadership variable and normative commitment.

**Table 4: Pearson Correlation statistics**

Variables	Normative	Affective	Continuance	Remark
Transformational Leadership	0.44***	.358***	.339***	Moderate
Transactional Leadership	-0.058	-0.045	0.054	Insignificant
Laissez-Faire Leadership	0.514***	0.231***	0.329***	Modest to strong

\*\*\*Correlation is significant at  $p < 0.01$  level

**Source:** Authors' analysis result

Chandna and Krishnan (2009) and Aghashahi *et al.* (2013) identified positive and significant relationship between transformational leadership styles and affective commitment in the context of the service industry. The positive and

significant correlation between transformational leadership and continuance commitment at St. Mary's University is also in conformity with Wu (2006). The findings of Saeed (2013) that transactional leadership is not a good predictor of normative commitment is also in conformity with the results from St. Mary's University. Similarly, the insignificant correlation between transactional leadership and affective commitment is in agreement with Nyengane (2007). Further, a study conducted by Teshome (2011) in higher education institutions of Ethiopian reported that there is no statistically significant correlation between transactional leadership behaviors and affective commitment. Our findings revealed a statistically weak and insignificant correlation between transactional leadership and continuance commitment which is also inconformity with Teshome (2011). The findings from St. Mary's University that there is a statistically strong positive and significant correlation between laissez-faire leadership style and normative commitment is supported by Cemaloglu *et al.* (2012). Similarly, a statistically modest positive and significant correlation was found between laissez-faire leadership style and affective commitment. Finally, our findings of a statistically moderate significant correlation between laissez-faire leadership style and continuance commitment is consistent with Alqudah (2011).

## **2) Results of Multiple Linear Regression Analysis**

Multiple linear regression analysis was employed to examine the effect of leadership styles (transformational, transactional and lassie faire) on the dimensions of employee's commitment (such as affective, normative and continuance). Before interpreting the coefficient, the overall model fit in terms of F-statistic and multicollinearity diagnostic tests are discussed below. The multiple linear regression models have no problems of multicollinearity. The F statistics results showed that the models are significant at  $p < 0.01$ . (Table 5).

**Table 5: Multicollinearity Statistics**

Variables	Collinearity Statistics for Model 1: <b>Affection</b>		Collinearity Statistics for Model 2: <b>Normative</b>		Collinearity Statistics for Model 3: <b>Continuance</b>	
	Tolerance	VIF	Tolerance	VIF	Tolerance	VIF
Transformational leadership	0.938	1.066	.938	1.066	0.938	1.066
Transactional Leadership	0.994	1.006	.994	1.006	0.994	1.006
Lassie-faire Leadership	0.940	1.064	.940	1.064	0.940	1.064

**Source:** Authors’ analysis result

**Table 6: Estimation Results of Multiple Linear Regression Model**

Independent Variables	Model 1 (Dependent Variable: Affective Commitment)		Model 2 (Dependent Variable: Normative Commitment)		Model 3 (Dependent Variable: Continuance Commitment)	
	Standardized Coefficients	t value	Standardized Coefficients	t value	Standardized Coefficients	t value
Transformational leadership	0.33	4.59 <sup>***</sup>	0.34	5.59 <sup>***</sup>	0.27 <sup>***</sup>	3.908
Transactional Leadership	-0.06	-0.86	-0.06	-1.063	0.05	.702
Lassie-faire Leadership	0.15	2.14 <sup>**</sup>	0.43	7.10 <sup>***</sup>	0.27 <sup>***</sup>	3.818
Adjusted R <sup>2</sup>	0.15		0.36		0.18	
F Statistics	10.93 <sup>***</sup>		35.96 <sup>***</sup>		13.35	

<sup>\*\*\*</sup>Significant at p<0.01

**Source:** Authors’ analysis result

### **Model 1: The Effect of Leadership Styles on Affective commitment**

As presented in Table 6, transformational leadership is moving affective commitment of employees in a positive way. The standardized coefficients show that change in transformational leadership by one unit can affect affective commitment by 0.33, which is significant at  $p < 0.01$  (Table 6). This is in agreement with Chandna and Krishnan (2009) who found that transformational leadership has a positive effect on follower's affective commitment. Similarly, lassie-faire leadership style is found to have positive and significant ( $p < 0.01$ ) impact on the affective commitment employees at St. Mary's University. The standardized coefficient of lassie-faire leadership indicates that change in lassie-faire leadership by one unit can affect affective commitment by 0.15. However, transactional leadership is found to have insignificant effect on the affective commitment employees at St. Mary's University (Table 6).

### **Model 2: The Effect of Leadership Styles on Normative commitment**

According to the estimation results of Model 2 (see Table 6), transformational leadership affected normative commitment of employees at St. Mary's University significantly ( $p < 0.01$ ) in a positive way. As the standardized coefficient of transformational leadership change by one unit, normative commitment of employees change by 0.34. This outcome is consistent with Ramachandran and Krishnan (2009) who argued that transformational leadership to have a positive effect on follower's normative commitment. Similarly, lassie-faire leadership is found to have significant ( $p < 0.01$ ) positive effect on the normative commitment of employees at St. Mary's University. As the standardized coefficient of lassie-faire leadership change by one unit normative commitment of employees improve by 0.43. However, similar to the case of affective commitment, transactional leadership style is found to have no

significant impact on the normative commitment of employees at St. Mary's University (Table 6).

### **Model 3: The Effect of Leadership Styles on Continuance commitment**

As presented in Table 6 transformational leadership has positive and significant ( $p < 0.01$ ) effect on continuance commitment at St. Mary's University. As the standardized coefficient of transformational leadership change by one unit, continuance commitment by changes by 0.27. Similarly, laissez-faire leadership style has positive and significant ( $p < 0.01$ ) effect on employees' continuance commitment at St. Mary's University. As the standardized coefficient of laissez-faire leadership change by one unit, continuance commitment improves by 0.27. In this case too, transactional commitment is found to have no significant impact on employees' continuance commitment at St. Mary's University. This result is in agreement with a Turkish study by Cemaloglu *et al.* (2012), teachers' affective commitment is positively correlated with principals using laissez-faire leadership styles.

## **5. CONCLUSION AND RECOMMENDATIONS**

The main objective of the study was to investigate the effect of various leadership styles and various employee commitment styles at the St. Mary's University in Addis Ababa, Ethiopia. Transactional leadership behaviors have a negative effect on affective, normative and continuance commitment in the context of St. Mary's University. The findings also revealed that laissez-faire leadership behavior has a positive and significant effect on affective, normative and continuance commitment. Except for transactional leadership behavior, the overall findings from this study suggested that transformational and laissez-faire leadership behaviors do play important roles in determining levels of affective commitment, continuance commitment and normative commitment in the context of St. Mary's University.

Therefore, for effective employee commitment, adopting a transformational leadership style was commendable. The leaders should consider capable of inspiring and motivating employees towards organizational goals and participate employees in the decision-making process and provide employees rewarded for their achievement. Supervisors who are in senior leadership roles should have their vision and development plans for team members, working groups and organizations. They should propel urge adherents to challenge themselves, move out of safe place and investigate the undiscovered potential themselves, move out of their comfort zone and explore the untapped potential.

What is more, the University should take into account the increasing affective commitment behavior of employees, such as emotional attachment with their organization by inspiring them to have a sense of ownership and to have a desire to provide support for the change by encouraging them. Similarly, the University should better consider possibilities, ways to stay employees long with an investment of time. And reduce turnover in the University by increasing salary, facilitate the working environment comfortable and improving a good leadership style. Finally, the organization should strictly concentrate on normative commitment behaviors which are feeling of obligation, maintain loyalty on employees' perception. And the University has invested heavily in employees' attitudes.

The leaders should be good coaches as well, showing the direction to follow, mainly by walking the talk and setting an example. Sympathy and passionate knowledge additionally establish the framework for a viable pioneer adherent relationship. By being change specialists and visionaries and being able to manage multifaceted nature, equivocalness, and vulnerability, they practice a colossal measure of willing control on the presentation of their followers. According to the finding of the study, transactional leadership is an



insignificant leadership style, having a negatively and immaterial effect on employee commitment, and undesirable result with attachment to supervisor and internalization of supervisor's values. To be effective, a transactional leadership style should be employed with the least extent and specific situations when needed. Since the employees have felt less extent of continuance commitment, St. Mary's University should offer employees' rewards like paying university schooling, increasing their payments and other benefits to boost up employee' commitment and work performance. As a result, their goals will be achieved effectively and efficiently. Besides, the top management must be more interested in the conditional reward because it is important for the organization. The University can set certain training programs to develop leadership skills especially for managers who have a big span of control. In any event, tutoring programs and meetings by official mentors help senior pioneers sharpen their abilities. Professionals and trainers can use the results from the current study to develop leadership development training interventions, based on University and individual needs. The University leadership culture should be such that employees are encouraged to get involved in decision making, strategic thinking, and futuristic planning.

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