

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**A STUDY ON LEADERSHIP STYLE, ORGANIZATIONAL  
COMMITMENT AND JOB PERFORMANCE OF MEDICAL  
SALES REPRESENTATIVES AT MEDLEY  
PHARMACEUTICALS LIMITED**

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**EMBA-16<sup>th</sup> BATCH**

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**ACADEMIC YEAR (2017-2019)**

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“This thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)”

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## ACCEPTANCE

This is to certify that the thesis entitled “**Leadership Style, Organizational Commitment and Job Performance of Medical Sales Representatives at Medley Pharmaceuticals Limited**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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## **ABSTRACT**

This paper aims to study the effect of leadership style on organizational commitment and job performance in Medley Pharmaceuticals Limited through identifying the employees' perception on the leadership style of their leaders, employees' commitment level and job performance. The results of the study indicates that transformational leadership and laissez-faire leadership are influencing factors on organizational commitment of employees. Regarding effect of organizational commitment on job performance, affective commitment and normative commitment are significant and positive effect on job performance of employees. Among the three types of leadership styles, transformational leadership style and laissez-faire leadership style are the most dominant factors on organizational commitment of employees. Among the three types of commitment, affective commitment and normative commitment mainly influence on job performance of employees. Therefore, it is recommended that area sales and marketing managers in Medley Pharmaceuticals Limited should practices transformational leadership style and laissez-faire leadership style in order to improve organizational commitment and job performance of medical sales representatives for the continuous success of the firm.

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# **CHAPTER (1)**

## **INTRODUCTION**

In a dynamic and changeable world of global competition, incorporating an on-going knowledge revolution and rapid change in communications and technologies, organizations face a pressing need to be competitive in an changeable environment. Regardless of their activities, the work environment of both private and public organizations has become more unpredictable due to ever-changing challenges and threats (Kottler, 1982, and Egan, 2005), leadership will develop organizational innovation to survive, compete, grow, and lead, organizations increasingly aspire to become more creative by encouraging employee creativity. Specific leadership behaviors can influence employees' perceptions of their work environment, which, in turn, can inspire their creativity. Leadership is a key factor in the management and control of employees and the organization and, can be viewed as a series of managerial attitudes, behaviors, characteristics and skills, based on individual and organizational values, leadership interests and reliability of employees in different situations (Alkhatani; 2015). According to (Ngambi, 2011). Leadership is a process of influencing subordinate's commitment towards realizing their potential in achieving a value-added, shared vision, with passion and integrity. This influence of leader is that the members of the team cooperate each other in order to achieve the objectives which the leader has set for each member, as well as for the group. The relationships between the leaders and subordinates, as well as the quality of employees' performance, are significantly influenced by the leadership style adopted by the leader.

Leadership style is a important determinant of the success or failure of any organization. A leader influences, directs, and motivates others to perform specific tasks and also inspire his subordinates for efficient performance towards the accomplishment of the stated corporate objectives. Leadership style is instructing behavior and approach of providing direction, implementing plans, and motivating people. Different leadership styles can affect the organizational effectiveness and employee performance.

Organizational commitment is a state in which the employee defines with a particular organization and its goals and wishes to maintain membership in the

organization. To increase organizational commitment, leaders must have the adequate ability to promote employee creativity and innovation, stimulate the subordinates to challenge their own value systems and improve their performance. Organizational commitment is a type strong magnetic force which binds employees with their willingness to remain attached to its organization. If employees have their commitment towards their organization, they will perform their job well and the ultimately performance of the organization will be better. Organizational commitment of employees can improve the organizational competitiveness and employee's job performance.

### **1.1 Rationale of the Study**

Leadership is a key factor for making an organization successful. It is the art or process of influencing people to perform assigned tasks efficiently and competently. Without leadership, function of manager cannot be effective for the organization. Furthermore, the role of leaders in the organizations has changed and the success of any organization relies on the leadership styles practiced by the leaders.

(Mullins, 2000) defined leadership style as 'the way in which the functions of leadership are carried out and the manner that a manager chooses to behave toward employee'. Employees have the tendency enhance the organization's productivity and profitability by utilizing the organizational capital efficiently and effectively. In order to utilize this asset, leadership style is considered being the most important determinant to increase employee commitment. Every organization needs to have competitive advantage to get sustainable growth and profit in the long run. To become a leading organization in the future, employee commitment is key factor that managers have to consider to maintain improved organizational performance and capability. Leadership quality is a critical ability to promote employee commitment. Effective leadership style can enhance employees to be committed their task. It is necessary to understand different types of leadership styles and their effect on organizational commitment and job performance of employees.

Nowaday, as pharmaceuticals industry is growing with more competition in Myanmar, it is crucial for Medley Pharmaceuticals Limited to maintain their committed workforce for the high performance of the organization by effective leadership style. This study is conducted to examine the influence of leadership style on the organizational

commitment and performance of medical sales representatives at Medley Pharmaceuticals Limited. This study is expected to Medley Pharmaceuticals Limited to understand the most effective leadership styles to achieve their organizational goal.

## **1.2 Objectives of the Study**

The objectives of the study are as follows:

- (1) To identify the leadership style influenced on organizational commitment of medical sales representatives in Medley Pharmaceuticals Limited.
- (2) To analyze the effect of organizational commitment on job performance of medical sales representatives in Medley Pharmaceuticals Limited.

## **1.3 Scope and Method of the Study**

This study is focus on medical sales representatives and area sales and marketing managers of Medley Pharmaceuticals Limited in Myanmar. This study use analytical research method with primary and secondary data. Simple random sampling method is used to find out the sample size. Total one hundred and twenty three respondents are selected from total population of one hundred and seventy nine medical sales representatives. The sample size is determined by using Rao soft with confidence level of 95%. Structured questionnaires are used to collect data and information from employees. Secondary data are obtained from text books, relevant survey reports, international research papers, journal articles and websites.

## **1.4 Organization of the Study**

This research paper is structured by five chapters. Chapter (1) is the introduction containing rationale of the study, objectives of the study, scope and method of the study, and organization of the study. Chapter (2) includes theoretical background of leadership style, organizational commitment, and job performance, as well as conceptual framework for this study. Chapter (3) describes profile and leadership practices of Medley Pharmaceuticals Limited. Chapter (4) present the analysis of the effect of leadership style on organizational commitment and job performance in Medley Pharmaceuticals Limited.

Chapter (5) concludes the study with findings and discussions, suggestions and recommendations and needs for further research.

## **CHAPTER (2)**

### **THEORETICAL BACKGRUOND**

This chapter presents the theoretical background of the all applied variables in the study. It contains theory of leadership, leadership styles, organizational commitment and job performance. The conceptual framework of the study is described at the end of the chapter.

#### **2.1 Leadership**

Leadership is a key factor in the management and control of employees and the organization and, can be viewed as a series of managerial attitudes, behaviors, characteristics and skills, based on individual and organizational values, leadership interests and, reliability of employees in different situations (Alkhatani, 2016). Leadership is executed in different styles depending on the leader's personality and the situation at hand. Irwin (2014) suggests that style is the outer face of a leader because it is the most observable way to interact with others. There are various evolutionary models of leadership styles that have been developed, a majority of them lying along a continuum of job centeredness and employee centeredness. Achua and Lussier (2015), define leadership as the influencing process of leaders and followers to achieve organizational objectives through change. They continue to define influence, as the process of a leader communicating ideas, gaining acceptance of them, and motivating followers to support and implement the ideas through change. The essence of leadership is anchored on the ability of a leader to influence how employees respond in an organization. According to Daft (2005), leadership is an influence relationship between leaders and followers who intend real changes and outcomes that reflect their shared purposes.

According to Burns (1978), leadership is identified as the ability to inspire followers to attempt to accomplish goals that represent the values, motivations, wants, needs, aspirations, and expectations of both leaders and followers. Schein (1992) state that leadership is the ability to operate outside of the existing culture to start the necessary change processes. Bryman (1992) tends to emphasize three main components of

leadership: influence, group, and goal. Northouse (2012) extended these leadership components and identifies four main components central to the definition of leadership: (a) leadership is a key process; (b) leadership involves influence; (c) leadership occurs in groups; and (d) leadership involves organizational goals. Leadership is defined with how the leader affects followers, and thus involves influence.

Leadership is vital in any organization. Great leaders are able to inspire their followers to reach their potential and to obtain high levels of personal and professional success. Organizational success is dependent upon the quality and performance of managers. An enterprise without effective leadership is not able to utilize s and resources into their own competitive advantage. Many researchers have found a positive linkage between leadership style and employee commitment. Many organizations put people first because organizations are social systems and the care and feeling of people and their relationships is crucial to the organizations being able to be effective.

Since the early 1800s, researchers have developed different research approaches to analyse the construct of leadership and its relationship with motivating others to greater productivity. The following section focuses on five of the main organizational leadership theories, these theories are the great-man theory, trait theory, behavioral theory, situational theory, and integrative theory.

### **2.1.1 The Great-Man Theory**

In the early nineteenth century, great-man theory was popular and emphasized on great leaders who helped to change and shape world events. Great leaders or heroes are highly influential individuals due to their personal charisma, intelligence, or wisdom, and they utilize this power in a way that have a decisive historical impact. Great Man theory assumes that skillful leaders are born and not made. Therefore, the capacity of the leader is inherent and difficult to make the ability of effective leader. The great-man theory believes that those great leaders possess specific traits or characteristics that enable them to stand out from others, to attract the necessary followers, to set direction, and to be strong leaders in their time. Some critics pointed out the weaknesses of the Great Man Theory by saying that leaders do not have universal traits in common, the application of those traits also happens in several ways, and that different organizations demand different traits and that within an organization different department would demand different traits.



### **2.1.2 Trait Theory**

The trait theory focuses upon personal qualities of leadership. This theory is based on the assumption that leaders can be identified by specific traits or characteristics. Basically, there are three types of trait: first, physical elements, such as height, weight, appearance, and age; second, ability characteristics, such as intelligence, scholarship and knowledge, knowing how to get things done, and fluency of speech; and third, other personality features, such as self-confidence, inter-personal sensitivity, and emotional control (Yukl, 2008). Obviously, over the years, it has been documented that leader traits contribute significantly to the prediction of leader effectiveness, leader emergence, and leader advancement. Realizing the unreliability of trait theory, researchers began to focus on the observable leadership behaviors, an area which came to be known as behavioral leadership theory.

### **2.1.3 Behavioral Theory**

The behavioral theory started in the 1950s, researchers became discouraged with the trait theory and started to pay closer attention to what leaders actually do. Horn-Turpin (2009) and Yukl (2008), they concluded that the major dimensions of leaders' behaviour involved two factors: consideration and initiation. Consideration refers to the extent to which the leader shows consideration to followers, means the leader listens to the members, shows concern for their welfare, is friendly and approachable, expresses appreciation for good work, treats subordinates as equals, increases subordinates' work and maintains their self-esteem, reduces inter-personal conflict, and puts subordinates' suggestions into operation. Initiation refers to task-related behavior, such as initiating activity in the group, organizing it, coordinating tasks, and defining the problem for the group and outlining the way the work is to be done. The initiation of structure includes leadership behavior as planning activities, facilitating goal achievements, providing feedback for the group, maintaining standards and meeting deadlines, deciding in detail what should be done, and how establishing clear channels of communication, organizing work tightly, structuring the work context, providing a clear-cut definition of role responsibility.

#### **2.1.4 Contingency Theory**

This theory was developed in the 1950s and 1960s, it focuses upon the impact of the situation in determining the leader's style. Fiedler's (1967), Leadership performance depends on both the organization and the leader. Fiedler suggested that situational variables have the moderate effect on the relationship between leadership style and effectiveness. Fiedler stated that leadership performance depends as much on the organization as it does on the leader's own capabilities. The contingency approach focus on the importance of contextual factors that might influence the leadership process. The characteristics of followers, the nature of the work that the leader's unit performs, the organization type, and the external environment are all major situational variables.

#### **2.1.5 Integrative Theory**

This theory may offer a meaningful analysis of the practical day-to-day situations that leaders might encounter Yukl (2008). This theory identifies the influence of leaders on the number of situations. Leaders impact the effectiveness of a group or organization by influencing the: (a) interpretation of external events by the members; (b) choice of objectives and strategies to pursue; (c) motivation of members to achieve objectives and goal; (d) mutual trust and cooperation of the members; (e) coordination of work activities; (f) allocation of resources to activities and objectives; (g) development of followers skills and capacities; (h) learning and sharing of new knowledge and idea by members; (i) enlistment of support and cooperation from outsiders; (j) design of formal structure and systems; and (k) share beliefs and values of the members. All the situations are important and necessary that a leader effectively recognizes the situation and employs the appropriate leadership strategies.

### **2.2 Leadership Style**

Leadership style is the manner and approach which provide direction, implementing plans, and motivating people. Leadership behavior is challenging topic for organizational effectiveness. The personal background of the leader such as personality, knowledge, values, and experiences shape their feelings about specific leadership styles. Different environment, situation, and preference of their subordinates, also figure the leaders to practice different leadership styles. There are different leadership styles such as

autocratic, democratic, transactional, transformational, and laissez-faire. This study will focus on three types of leadership styles; Transactional, Transformational, and Laissez-faire.

### **2.2.1 Transactional Leadership**

The transactional leadership is given power to provide certain tasks and reward or punish for employee performance. Burns (1978) noted that transactional leadership refers to one type of leadership that is based on an exchange of relationship between leader and follower. This exchange of relationship may take different economic, political, or psychological forms. Leadership does not bring leaders and followers together to pursue higher purposes. Transactional leadership in its purest form is an exchange of valued things between the leader and follower in order to achieve an outcome. It has always been viewed as the method of getting subordinates to meet job requirements by reinforcing rewards or punishments (Bass, 1985). In other words, if followers do something good then they will be rewarded and if followers do something wrong then they will be punished. Transactional leaders will therefore identify, define and communicate what needs to be done and how the instruction will be carried out (Piccolo & Calquitt, 2006). The transactional dimensions of leadership, as determined by Bass are summarized by the following approaches, namely, management by exception, constructive transaction or contingent reward and the laissez faire style.

### **2.2.2 Transformational Leadership**

Transformational leadership was developed by Bass in 1985 on account of stating behavior and characteristic to provide organizational change and stability while transformational leadership is comprised of idealized influence, individual consideration, intellectual stimulation, and inspirational motivation (Bass, 1990). Transformational leaders try to persuade followers that they are powerful enough to coping with individual needs and personal development which turn out to establish close relationship with employees. Leaders pay feel more special, motivated and encouraged. There is an enhancing effect on the success of the employees. Transformational leadership is also defined for displaying higher to term with team mission and goals and the continuity of the process. Leaders encourage employees to see out of the box what they already have

(Bass, 1990). The transformation leader motivates subordinates to be effective and efficient for the organization. There are four elements of transformational leadership: Individual consideration, Intellectual stimulation, Inspirational motivation and Idealized Influence.

Individualized Consideration – The leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs. The leader gives trusts, empathy and support, keeps transparent communication and places challenges before the followers.

Intellectual Stimulation – The leader challenges assumptions, takes risks and solicits followers' ideas. Leaders stimulate and encourage creativity in their followers. They nurture and develop followers who think independently. For such a leader, learning is a value and unexpected situations and try to learn in all situations..

Inspirational Motivation – The leader imagine a vision that is appealing and inspiring to followers. This type of leaders challenge followers with high standards, communicate clearly about future goals, and provide meaning for the task. Followers need to have a strong sense of purpose if they are to be motivated to provide.

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

### **2.2.3 Laissez-faire Leadership**

The laissez-faire leader do not give regular feedback or supervision because the employees are well experienced and need less supervision to obtain the expected outcome of the organization. This type of leadership style is associated with leaders that do not lead at all, failing in supervising team members, resulting in lack of control and higher costs, bad service or failure to meet deadlines. Laissez-Faire Leaders give group members the freedom to make their own decision in any process as leaders play no leadership role to subordinates (Griffin, 1993). Laissez- Faire Leaders need the less of management authority, leave responsibility to subordinates to make decision, to set goals and plans, and programs by their own within the source of possibility. In other words, laissez faire leaders do not take the responsibility and give complete freedom to subordinates to use

the authority. Laissez-Faire leaders do not provide any control mechanism on the followers, and they are completely free for problem solving and decision making (Vugt et. al., 2004).

### **2.3 Organizational Commitment**

Organizational commitment is identified as psychological state that binds individual to the manager, occupation and organization (Meyer & Allen, 1997). Commitment binds an individual to a course of action of relevance to one or more targets. The study made an important contribution towards defining employee commitment in the form of three bases which are affective, normative, and continuance. Employee commitment is perceived as the strong desire to maintain within the organization, the willingness of employees to exert a strong belief in and acceptance of an organization's goals and values of the organization (Hunt & Morgan, 1994). Employee commitment is a multidimensional structure and it is the relative strength of an employee's identification and participation in a particular organization Mowday (1999).

Employee commitment relates to individual characteristics like age, seniority and education with conditional factors like organizational characteristics, climate and job satisfaction. Employee job satisfaction plays a key role in determine organizational commitment of employee. There is a difference between employee commitment and job satisfaction: employee commitment can be defined as an employee's emotional responses towards his organization whereby job satisfaction is an employee's responses towards any job. Morris and Sherman (1981) indicated that employee commitment is an effective predictor in predicting an employee's performance in workplace and his turnover intention. It is essential for managers and leaders to pay attention to the employee's commitment. Liou (2008) indicates the success of an organization to the employees' commitment and participation. The high organizational commitment improves employee job satisfaction, reduces operating costs and promotes employee performance and efficiency. An individual have similar or different levels of all types of organizational commitment. Those commitments are not mutually exclusive. Highly committed employees are more likely to remain with the organization. Employee commitment is an effective predictor in predicting an employee's performance in workplace and his turnover intention. Thus, it is essential for managers and leaders to focus on the organizational commitment of employee. Meyer and Allen (1991) proposed a framework that was designed to measure three different types of employee commitment, these are affective commitment, normative commitment and continuance commitment.

### **2.3.1 Affective Commitment**

Affective commitment is one specific form of employee commitment, which is the most beneficial in enhancing organizational effectiveness. In fact, affective commitment has been found to be the most consistent and strongest predictor of positive organizational outcomes; and high affective commitment is associated with decreased turnover intentions which contributes higher productivity and competitive advantage for an organization (Deery & Iverson, 1996). Employees with high affective commitment are having a sense of belonging and identification with that increase their job engagement in the organization's activities and they are willing to pursue the organization's goals and willing to stay at the organization (Meyer & Allen, 1991). Furthermore, (Mathieu & Zajac, 1990), there is a relation between affective commitment and absenteeism, performance and turnover. Work related factors such as organizational rewards, supervisor support and procedural justice have demonstrated stronger relationships with affective commitment. Perceived organizational support would also increase affective commitment by fulfilling employee's needs for esteem, approval and affiliation, leading to the incorporation of organizational membership and role status into social identity. Employees in high affective commitment show emotional attachment, identification with and engagement at the work place. Employees with a strong affective commitment remain with the organization because they have strong sense of belonging with the organization and they are less likely to involve in withdrawal behavior and more likely to accept change.

### **2.3.2 Continuance Commitment**

Continuance commitment relates to an employee's evaluation of comparing the costs of leaving the organization and the costs of staying at the organization. Employees are willing to stay at the organization who perceived that the costs of leaving the organization are greater than the costs of staying will remain within the organization. Increases the cost of leaving the organization may increase the development of continuance commitment (Meyer & Allen, 1991). Becker (1960) defined that continuance commitment is a trend to engage in consistent lines of activity based on the individual's assessment of the costs associated with discontinuing the activity. If the employee move to a new job, he has to spend an amount of time to acquire self-investment again. Self-

investment is the amount of valuable resources such as effort, energy, and time that an employee has spent in the organization for its well-being (Allen & Meyer, 1990). If employee is lacking of transferability of job skills and knowledge, the costs of leaving the organization will also increase, because it is difficult for the employee to find an alternative jobs that match (Becker, 1960). Thus, it is summarized that if the available alternative job in the environment is fewer, the employees will show greater continuance commitment to their current employer.

### **2.3.3 Normative Commitment**

Normative commitment identifies employee's sense of obligation towards the organization. Employees remain with the organization because they are very loyal to the organization and they feel they ought to be usually accompanied with high levels of normative commitment. The center of the relationships can be concluded as the beliefs and instrumental beliefs concerning organization-related behaviors results in employee commitment and instrumental motivation, respectively. The principle of exchange develops through the receipt of rewards from the organization that make employees feel a sense of moral obligation to reciprocate with commitment (Scholl, 1981). (Steers 1997) shows that if the employee finds the organization to be more supportive, a higher level of employee commitment will result and the direct effort to induce commitment can produce long-term benefits for the organization.

## **2.4 Job Performance**

Job performance is defined as the value to the organization of the distinct behavioral incidences that an individual performs over a standard interval of time. Job performance is also defined as work performance in terms of quantity and quality expected from each employee (business dictionary). Bates and Holton (1995) identified that performance is a multidimensional construct. Campbell et al (1993) pointed out that the elements of performance are job-specific task proficiency, non-job-specific proficiency, written and communication proficiency, demonstration of effort, maintenance of personal discipline, facilitation of peer and team performance, supervision or leadership and management or administration.

There are differences in personality and cognitive ability, in combination with learning experiences, lead to variability in knowledge, skills, and work habits that effects of personality and cognitive ability on job performance of individuals. Performance is the accomplishment, execution, carrying out and working out of anything ordered or undertaken. This refers to outputs or accomplishment. It also states that performance is about doing the work as well as being about the results achieved. Performance was regarded as simply the outcomes of work; a record of a person's accomplishments. But performance could be seen as behavior\_ the ways in which organizations, teams and individuals get work done. This was argued by Campbell (1990), who defined performance as behavior and stated that it should be distinguished from the outcomes because they can be contaminated by systems factors. A more comprehensive view of performance is achieved if it is defined as embracing both outcomes and behavior. Committed employees give a big contribution to organizations because committed employees perform and behave on achieving organizations' goals. Furthermore, employees who are committed to their organization are happy to be members of organization, believe in and feel valued about the organization and what it stands for, and intend to do the good things for the organization. There are many factors to investigate job performance of employees. In this study, achieving sales target, team work, new customer acquisition and customer retention are key factors to measure employee job performance.

Sales target is a specified amount of sales that a management sets for achieving or exceeding within a specified timeframe (Business dictionary). Sales target is a goal set for salesperson or sale department measured in revenue or units sold for a specific time. Sales target are divided among different sales units such as salespersons, franchisees, distributors, agents, etc. Sales target is the milestone to be achieved by the company or a team. Setting sales targets and getting them right can have a massive impact on the organization.

Teamwork is generally known as the willingness of a group of people to work together to achieve a common goal. Teamwork is cooperation, effectively working together for periods of time. Individual strengths and skills are combined with teamwork is a team. A team is important in order to produce meaningful results for the team members and the organization. A team combines individual strengths and skills with a shared commitment to performance towards the organizational goal. Teamwork is entire



organizational philosophy, a different way of thinking that organization have discovered to make employee really commit to the objectives and to achieve high efficiency and quality if when to produce or provide a good or service (Allen, 1975).

Customer acquisition is the process of bringing new customers or clients to organization. Customer acquisition refers to gaining new consumers. Acquiring new customers includes persuading potential customers to utilize the company's products and/or services. Organizations consider the cost of customer acquisition as a key measure in evaluating how much value customers bring to their businesses. Customer acquisition management refers to the set of systems for managing customer prospects and inquiries that are generated by a variety of marketing techniques. Every organization needs new and loyal customers to succeed. Organizations need to facilitate the acquisition of targeted customers in an effective way.

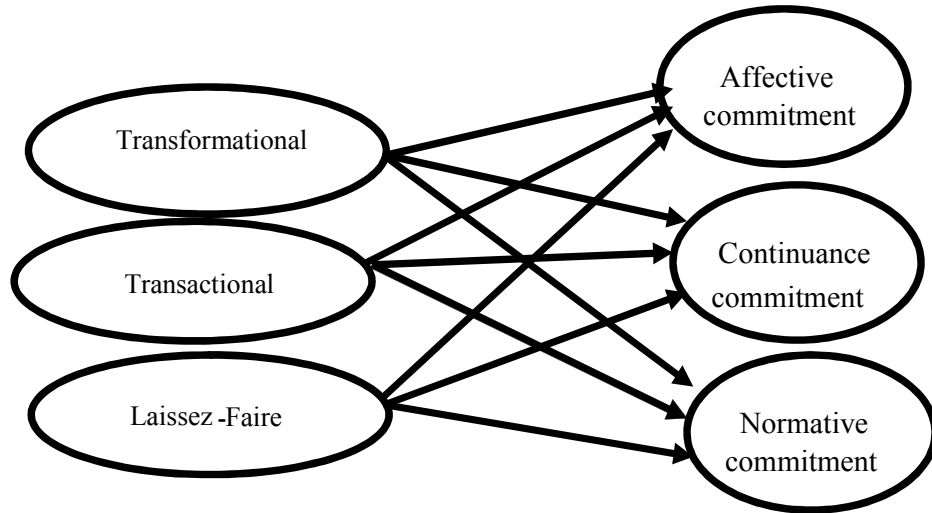
Customer retention refers to the activities and actions organizations make to improve the number of loyal customers. The goal of customer retention is to help organizations to retain as many customers as possible, often through customer loyalty and brand loyalty initiatives. It is important to recognize that customer retention starts with the first contact a customer has with a company and continues throughout the entire lifetime of the relationship. Selling to loyal customers is often a more effective way of growing revenue because companies don't need to attract, educate, and convert new ones ( Molly Galetto, 2015).

## **2.5 Empirical Studies**

By studying the previous research papers, there are a lot of studies that leadership styles could effect on organizational commitment and job performance. Senait Hailu Girma (2016) studied the relationship between perceived leadership styles and organizational commitment: the case of the African Union Commision Headquarters. This study is to analyze the dominant leadership styles, as perceived by the employees, to examine the dominant dimension of organizational commitment of employees and to identify whether there exists a relationship between supervisors' leadership styles and employees' organizational commitment. As shown in Figure (2.1), the conceptual model examines the relationship between the different leadership styles (transformational,

transactional and laissez-faire) and the components of organizational commitment (affective, continuance and normative).

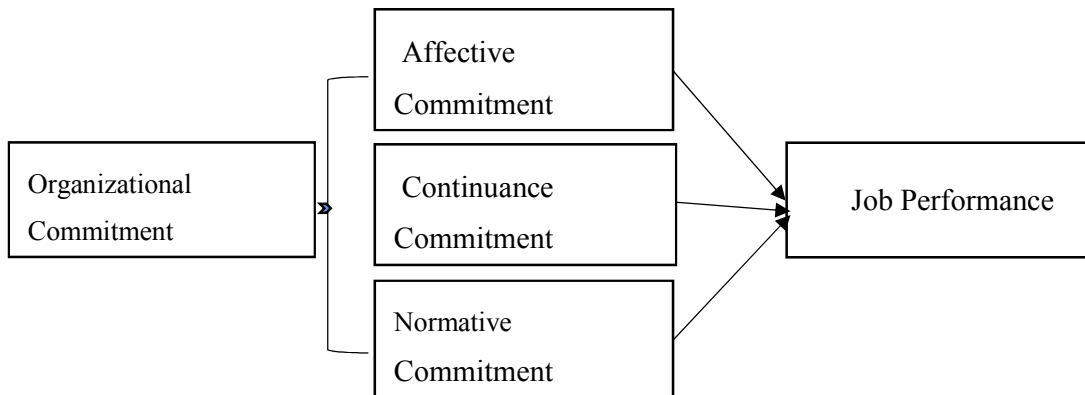
**Figure (2.1) Conceptual Framework of Empirical Study on Leadership Styles and Organizational Commitment**



Source: Saqer (2009) and Girma (2016)

The researchers, Y. Sirin, P. Bilir, T. Karademir (2013) studied the effect of organizational commitment on job performance: the case of the Kahramanmaraş Provincial Directorate of Youth Services and Sports. As shown in Figure (2.2), the conceptual model involves three elements of organizational commitment as independent variables, the job performance of the employees as dependent variables.

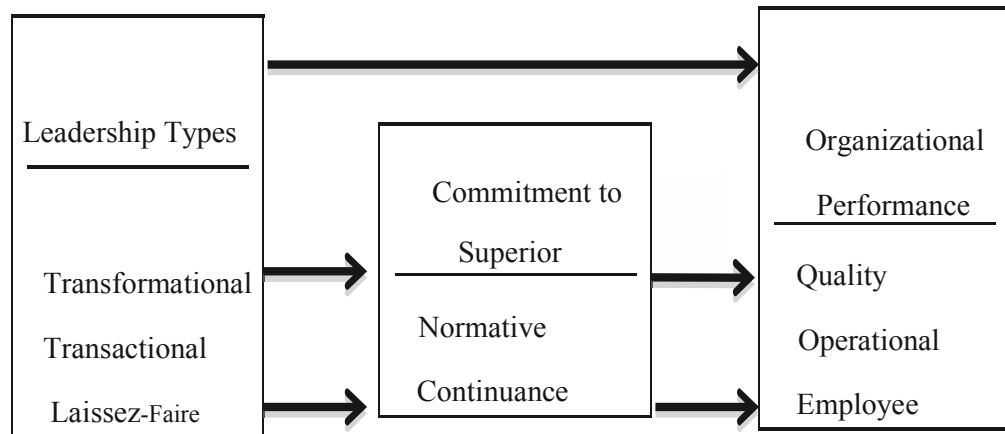
**Figure (2.2) Conceptual Framework of Empirical Study on Organizational Commitment and Job Performance**



Source: Sirin, Bilir, and Karademir (2013)

The researchers Cemal Zehir, Yasin Sehitoglu, Ebru Erdogan (2012) studied the effect of leadership and supervisory commitment to organizational performance. As shown in the Figure (2.3), the researchers find out significant relationship through dependent variables (supervisory commitment and organizational performance), and independent variable as leadership styles in the case of transformational, transactional, and laissez-faire leadership in Turkey. Another goal of the study is to reveal the mediating effect of commitment to superior. The study is based on a survey of 1019 people who work in companies in Turkey and analysis results represented that the mediating effects of leadership types on organizational performance.

**Figure (2.3) Conceptual Framework of Empirical Study on Leadership Styles, Organizational Commitment and Job Performance**



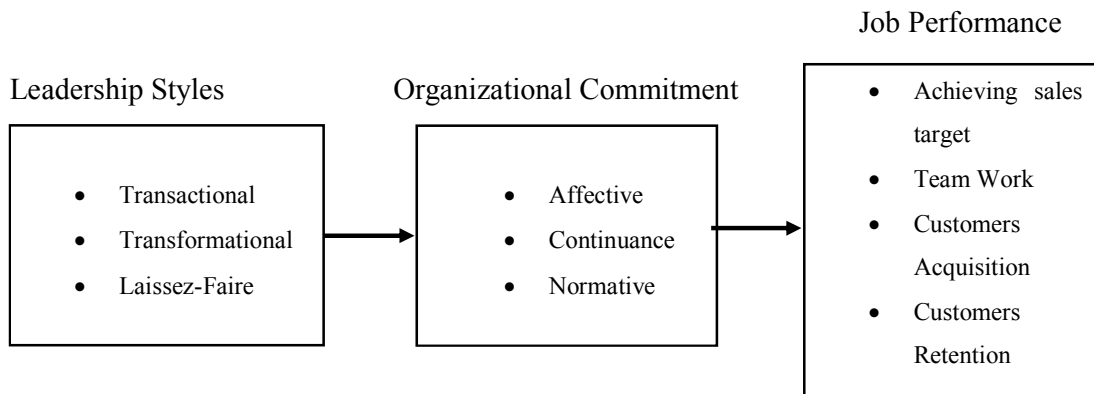
Source: Zehir, Sehitoglu, and Erdogan (2012)

## 2.6 Conceptual Framework of the Study

Based on the relevant theoretical background and finding from empirical studies, the conceptual framework of the study is compiled as shown in Figure (2.4). There are three variables in the conceptual framework and it illustrates the effect of each variable on another variable. The three variables include leadership styles, organizational commitment and job performance.

It analyzes the effect of leadership style on organizational commitment first and then analyzes the impact of organizational commitment on job performance of medical sales representatives at Medley Pharmaceuticals Limited.

**Figure (2.4) Conceptual Framework of the Study**



Source: Own Compilation (2019)

As shown in the framework, leadership style is measured by transactional leadership style, transformational leadership style, and laissez-faire leadership style. Organizational commitment is measured in term of affective commitment, normative commitment, and continuance commitment. And employees' job performance is measured by achieving sales target, team work, customers acquisition, and customers retention of the medical sales representatives at Medley Pharmaceuticals Limited.

## **CHAPTER (3)**

### **PROFILE AND LEADERSHIP PRACTICES OF MEDLEY PHARMACEUTICALS LIMITED**

This chapter introduces the background and profile of Medley Pharmaceuticals Limited. It explains leadership practices of Medley Pharmaceuticals Limited in the later section. Finally, characteristics of the respondents will be followed in the last section of the chapter.

#### **3.1 Background and Profile of Medley Pharmaceuticals Limited**

Medley Pharmaceuticals Limited is a global pharmaceutical company operating since 1969 in Mumbai, India. Since launch, the company consolidated its position with a strong manufacturing and marketing infrastructure in India. A formulation plant with adequate facility was set up at Aurangabad followed by units at Daman and Jammu at 1967. Medley Pharmaceuticals has state of the art facilities maintaining high quality standards at every further stage in manufacturing process with strict adherence to the good manufacturing practices. Medley Pharmaceuticals Limited is a global pharmaceuticals company and business goes to international business with strong presence in pharmaceutical formulations. Medley have more than 3000 employees in local and international, and approximately 2200 employees are working at sales and marketing department, around 700 employees associate in corporate & manufacturing across India & 100 employees in international business. Medley always ranks between top 30 to 40 pharmaceutical companies in India. Medley strongly believes that quality is a continuous process and not an isolated stage in the process.

Medley Pharmaceuticals Limited start its first manufacturing operation in Aurangabad for tablets, capsules and liquid in 1976. Second unit established at Daman for liquid orals in 1992. Third unit at Daman established for tablets and capsules in 1998 which was later dedicated to cephalosporin formulations. Fourth unit of Medley established at Daman in 2000 for large volume liquid orals. Furthermore, in 2002, fifth unit established at Daman for tablets and capsules complying with international regulatory requirements. Medley was attributed as (ISO-9001-2000) company during the

year 2003, by American Quality Assessors. Medley received well deserved accolade "WHO GMP Certificate". WHO approved for manufacturing sites of Medley for 120 products and Regulatory Agency approved for 10 other countries from the rest of the world. Export to 26 countries in South East Asia, Africa, Middle East, Russia and-UK Multipurpose two manufacturing block with capacity to manufacture small, medium and large volume product.

The vision of the company is achieving excellence in the health care business through integrity in medicine, high standard of quality, productivity and motivation. Medley expect to become a truly global pharmaceutical company over the next decade. The products of Medley Pharmaceuticals limited reach 24 countries with significant presence in Asia, Africa, Middle East, Russia and CIS Medley intend to enhance its International business based on its policy of "Medley Commitment to Health Care Through Integrity in Medicines" and quality of products. Medley already has established its business in UK and tied up with partner in USA. Medley is aggressively working on finalizing its business in Brazil. Medley has dynamic team and representative office in Vietnam, Myanmar, Cambodia, Sri Lanka, Kenya, Russia, Kazakhstan Kyrgyzstan and Tajikistan. The dynamic team of Medley focus to promote its specialty formulations and around 514 formulations are registered in 26 countries. International business contributes 18 percent of Medley total sales, but Medley expected to grow substantially in the next three years. Medley would give great effort for the growth and would serve to the world community. Medley believe to participate in this growing opportunity of outsourcing and contract manufacturing.

The technical and physical manufacturing capabilities exist with Medley for the selected APIs and their intermediates. The research quantities for developing products for regulatory submissions will only be offered to countries where such exemption exists during the validity of a patent. Medley has established state of the art Research & Development Centre at Mumbai equipped with the latest ultramodern instruments. The Research & Development Centre have highly experienced team of scientists having post graduate and doctorate degrees in the field of pharmacy and chemistry.

Medley strongly believes in their corporate social responsibility. An essential component of Medley's corporate social responsibility is to care for the community, the society and the environment. Medley try to make a positive contribution to the underprivileged sections of their society by supporting a wide range of socio-economic,

educational and health initiatives. Besides focusing primarily on the welfare of economically and socially deprived sections of society, Medley believe that education is the best chance children can get to grow and develop to their full potential in life. The foundation of Medley works in a harsh way to ensure improvement of general health and sponsor underprivileged students to pursue professional courses. There are 1000 students received scholarship in various professional education disciplines every year. Second objective is to provide affordable healthcare services. Medley firmly believes to continue beyond business & touch every heart and fuel a billion dreams.

### **Medley Pharmaceuticals Limited in Myanmar**

Medley Pharmaceuticals has entered Myanmar Pharmaceuticals market in 2004. As Medley is one of Indian Pharmaceuticals companies, it has been operating as a principle company in Myanmar. Apex Biotech Co., Ltd is taking the role of distributor of Medley's products while Medley is doing its operation for marketing and selling their imported products. Medley started its business with only 5 products in Myanmar and 46 products are available at present. Country manager leads the operation of the company and 267 employees are working as a strong team for the whole country. Head office is located in Yangon and 19 branch offices are situated in Mandalay, Magwe, MyitKyiNa, Taung Gyi, Kalay, Lashio, Monwya, Pakokku, Meikhtila, Naypyitaw, Taungoo, Bago, Pyay, Pathein, Hinthada, Mawlamyine, Dawei, Myeik and Sittwe. Under country manager, there are one national sales and marketing manager, 2 sales and marketing managers, 8 regional sales and marketing managers, 24 area sales and marketing managers and 179 medical sales representatives are working together to achieve the organizational goal. Others employees are working as the general staffs at the offices.

### **3.2 Leadership Practices of Medley Pharmaceuticals Limited**

A management style is an overall method of leadership used by the manager. Medley Pharmaceuticals Limited are running their principle company business with strong sales and marketing team. Indian country manager leads the company and there are 11 second line managers and 24 first line managers are conducting their individual responsibilities to achieve the organizational goal. Those leaders give effective leadership guidelines to medical sales representatives to meet their objective based on the leadership

style they adopt. However, as theorists have pointed out, all leaders may not have common leadership styles and so as the leaders from Medley Pharmaceuticals Limited. Different leaders are practicing different leadership styles to attain their objective.

Transactional leaders believe that they have to make all the decisions and employees must simply follow their directives or instructions. Managers in Medley allow the medical sales representatives to make their ideas for monthly promotional activities but the ideas are forwarded to the managers to make the final decision. According to the nature of pharmaceuticals industry, as a target oriented company, transactional leadership in Medley is a style of leadership in which managers promote compliance by followers through gives and takes. Medical sales representatives in Medley receive incentives based on their achievement of sales target. Transactional leadership is one type of leadership style practicing in Medley Pharmaceuticals Limited.

Transformational leaders persuade their subordinates to be great loyalty and trust. In Medley, managers encourage medical sales representatives to increase their efficiency of individuals and train them to improve the productivity. Managers suggest new ideas to accomplish their task with different perspectives and treat employees as a valued individual. Managers try to follow in their field work and support them to deal with the doctors and other customers and appreciate for their achievements. As a pharmaceuticals company, Medley need to adapt the changing market conditions to keep moving forward. Managers encourage them to adapt every new situations and seek creative ways to respond the dynamic market situation. Therefore, transformational leadership style is also practicing in Medley Pharmaceuticals Limited.

Laissez-faire leaders give the least possible guidance and direction to subordinates. In Medley, managers allow medical sales representatives to decide individually at all the urgent situation which help to overcome the unnecessary delays. In the strongly competitive pharmaceuticals industry, it is important to give immediate respond to the customers for in urgent situation. Managers set team target for the whole team and medical sales representatives divide individual target according to team target by recognizing their potential coverage area and customers. They need to monitor their own performance whether they achieve individual target or not. Individualized target achievement can only make achievement of team target for the organization. Setting own sales target is one of the reason to achieve their team target because medical sales



representatives are dealing each other to attain team effort. Thus, managers are practicing laissez-faire leadership in Medley Pharmaceuticals Limited.

### 3.3 Demographic Characteristics of Respondents

This section describes the demographic characteristics of the respondents such as age, gender, educational level, designation and service year. Table (3.1) presents the demographic data of the respondents.

**Table (3.1) Demographic Characteristics of Respondents**

Sr. No		Particular	No.of Respondents	%
		<b>Total</b>	<b>123</b>	<b>100</b>
1	Age(Year)	25 or younger	32	26.0
		26-35 years	81	65.8
		36-45 years	10	8.2
2	Gender	Female	92	74.8
		Male	31	25.2
3	Marital Status	Married	49	39.8
		Single	74	60.2
4	Educational Level	Lower than Bachelor Degree	21	17.0
		Bachelor Degree	94	76.4
		Master Degree	8	6.6
5	Designations	Senior Medical Sales Representatives	71	57.7
		Medical Sales Representatives	52	42.3
6	Service Year	less than 1 year	16	13.0
		1 to 3 years	26	21.1
		3 to 5 year	47	38.2
		Above 5 Years	34	27.7

Source: Survey Data (2019)

One hundred and twenty three medical sales representatives are selected from out of one hundred and seventy nine of total medical sales representatives in Medley Pharmaceuticals Limited. Sample random sampling method is used to find out the sample size and sample size is determined by using Rao soft with confidence level 95%. All participants were informed that all the surveyed data will be kept confidential and used only for academic paper. It is found that more than 65 percent respondents are between 26 to 35 years old as employees in this age level carry out major tasks of this firm, working in the field, 32 medical sales representative are younger than 25 and only 10 medical sales representatives are between the age of 36 to 45 years old. The majority of respondents are females in Medley. As a pharmaceuticals company, most of medical sales representatives are female. Male medical sales representatives are less dominant in pharmaceuticals companies. More than half of the respondents are single while the rest are married. In terms of educational background, 76.4 percent of respondents are bachelor degree holder, 6.6% of respondents are master degree holder and 17 percent of respondents are under graduates in Medley. Most of medical sales representatives are bachelor degree holder because Medley mostly prefer graduated medical sales representative. As for the service year, more than half of respondents are above 3 year services, 21 percent respondents are between 1 to 3 year service and the rest are less than 1 year service. For the designations of employees, more than 50 percent of respondents are senior medical sales representatives and the rest are medical sales representatives. As the purpose of this survey is to find out the effect of leadership style on organizational commitment and job performance of employees. This particular demographic characteristic can highlight whether the respondents' opinions and judgments on their leaders are likely to be accurate or not. It is found out that most of the total respondents have more than one year and above. As they have leader-follower relationship with their leaders, their judgments on their leaders are likely to be accurate.

## **CHAPTER (4)**

### **ANALYSIS ON THE EFFECT OF LEADERSHIP STYLE ON ORGANIZATIONAL COMMITMENT AND JOB PERFORMANCE IN MEDLEY PHARMACEYICALS LTD**

This chapter presents two main parts. In the first part, analysis on the effect of leadership style on employee commitment is presented. In the second part, analysis on the effect of employee commitment on job performance is described. In this chapter, survey results are presented with frequency; percentage and mean scores based on the findings. Analysis is done using SPSS software and presented using linear regression results.

#### **4.1 Analysis on the Effect of Leadership Style on Organizational Commitment**

In this study, the effect of leadership style on organizational commitment in Medley Pharmaceuticals Limited has been surveyed. All the respondents were asked by 5 points likert scaled questions in order to the find out the effect of leadership style on employee commitment in Medley Pharmaceuticals Limited. The standard deviation, percentage and mean scores of leadership styles and employee commitment are presented in the study based on findings.

##### **4.1.1 Employee Perception on Leadership Style**

Leadership styles such as transactional leadership, transformational leadership and laissez-faire leadership have effect on employee commitment in Medley. In order to find out employee perception on leadership style, structured questionnaire is given to the survey respondents. Each set of statements dedicates to each leadership style of transactional, transformational, and laissez-faire leadership style with 5 statements in each set. Each statement was asked with 5 points scaled questions in which “5” meant “Totally Agree”, “4” meant “Agree”, “3” meant “Neutral”, “2” meant “Disagree”, and “1” meant “Totally Disagree”. The score of each statement were calculated for its mean score and standard deviation. The results are shown in Table (4.1) based on survey findings.

**Table (4.1) Employee Perception on Leadership Style**

Sr. No.	Leadership Style	Mean	Standard Deviation
	Transactional Leadership		
1	Asking for ideas and input on upcoming plans and projects	3.30	1.14
2	Maintaining the final decision making authority	3.08	1.06
3	Compromising through give and take tactics	3.17	1.15
4	Satisfying when subordinates meet agreed-upon standards	3.39	1.24
5	Focusing attention on irregularities, mistakes, exceptions and complaints	3.27	1.33
<b>Overall Mean</b>		3.24	
<b>Transformational Leadership</b>			
1	Voting whenever major decision has to be made	3.64	1.23
2	Doing more than expected to do	3.95	0.87
3	Suggesting new ways of doing things	3.57	1.09
4	Making subordinates feel valued	3.66	1.06
5	Helping subordinates develop	3.63	1.17
<b>Overall Mean</b>		3.69	
<b>Laissez Faire Leadership</b>			
1	Avoiding from goal setting and decision making	3.62	0.92
2	Letting subordinates to set own goals and monitor own performance	3.52	0.99
3	Giving complete freedom to solve problems	3.63	0.98
4	Lacking control, direction, and explanation	3.62	0.91
5	Hesitating to involve the important issues arise.	3.69	0.89
<b>Overall Mean</b>		3.61	

Source: Survey Data (2019)

As shown in Table (4.1), Transactional leadership has the least mean scores 3.24 among the three types of leadership styles. The highest mean score 3.39 was found in the statement of leader is always satisfied when subordinates meet agreed-upon standards. And the least score 3.08 was found in the statement of leader maintain final decision making authority. As the pharmaceuticals industry, it is important to make decision depend on market situation by area medical representatives to attain the market share without figuring the plans for some important and urgent situation.

Transformational leadership style has the highest mean scores 3.69 because the respondents think that their leaders are working with the subordinates to ascertain the desired change in the organization. The highest mean score 3.95 was found in the statement of leader gets subordinates to do more than expected to do, it mean leader can imagine to figure out the effective work force of the subordinates in Medley Pharmaceuticals Limited. Leaders treat medical sales representatives feel valued by allowing to involve in major decision making and appreciating for their achievements. The mean score for every statement is more than 3.5 which is assumed that Medley pharmaceuticals Limited is practicing transformational leadership style.

Laissez-faire leadership style has the second highest score 3.61 among the three types of leadership styles. The highest mean score 3.69 was found in the statement or leader hesitate to involve the important issues arises, it mean leaders in Medley Pharmaceuticals Limited allow subordinates to utilize their own ideas and creation to achieve their own goals that lead to attain the organizational goals. Medical representatives in Medley Pharmaceuticals Limited have chance to set their own plans and goals, to monitor their own performance and to solve the problems without leader's control, direction, and explanation. According to survey result, leaders are also practicing laissez-faire leadership style in Medley Pharmaceuticals Limited.

#### **4.1.2 Organizational Commitment of Employees**

To find out which type of organizational commitment factor is dominant in Medley Pharmaceuticals Limited, respondents were asked to choose the most likely answer from three sets of organizational commitment questionnaire; affective commitment, normative commitment and continuance commitment, with 5 statements in each set. Each statement was asked with 5 points scaled questions in which “5” meant “Totally Agree”, “4” meant “Agree”, “3” meant “Neutral”, “2” meant “ Disagree”, and

“1” meant “Totally Disagree”. The score of each statement were calculated for its mean score and standard deviation. The results are shown in Table (4.2) based on survey findings.

**Table (4.2) Organizational Commitment**

<b>Sr. No</b>	<b>Organizational Commitment</b>	<b>Mean</b>	<b>Standard Deviation</b>
	<b>Affective Commitment</b>		
1	Being happy to spend the rest of career with this organization	4.07	0.81
2	Feeling as this organization are own	3.67	0.80
3	Feeling like “part of a family” at this organization	3.57	0.76
4	Strong sense of belonging to the organization	3.32	0.92
5	Being proud to work at the organization	3.72	1.13
<b>Overall Mean</b>		3.67	
	<b>Continuance Commitment</b>		
1	Staying with the organization is necessary rather than desire	3.46	1.12
2	Being hard to leave from current organization	3.61	0.96
3	Leaving current job will bring personal sacrifice	3.59	1.14
4	Life will be disrupted if they quit the job	3.52	0.93
5	Being afraid to quit job without having another one	3.49	0.92
<b>Overall Mean</b>		3.54	
	<b>Normative Commitment</b>		
1	Not feeling right to leave organization for a better job	3.21	1.15
2	Feeling guilty if they left organization now	3.63	1.01
3	Feeling very loyal to the organization	3.57	0.95
4	Feeling a sense of moral obligation in this organization	3.73	1.30
5	Jumping organizations is not ethical	3.80	0.96
<b>Overall Mean</b>		3.59	

Source: Survey Data (2019)

As depicted in Table (4.2), affective commitment has the highest mean scores 3.67 among three sets of commitment. The highest mean score 4.07 was found in the statement of being happy to spend the rest of career with this organization. It can be said that employees are happily working with their effective workforce to achieve the organizational goal. Overall mean score for affective commitment is more than 3.5 which is assumed that the respondents believe the strong sense of belonging to their organization and medical sales representatives are proud to tell others working at the organization. Those employees believe that their organization has the same goal with them. According to the overall mean score, it is found out that employees have affective commitment in Medley Pharmaceuticals Limited.

Continuance commitment has the least mean scores 3.54 compared to the other two commitment. The highest mean score 3.61 was found in the statement of being hard to leave from current organization. Medical sales representatives fairly feel that they hard to leave their organization right now and too much of their life would be disrupted if they decided to leave their organization. Most of respondents moderately agreed that they are necessity to work at the organization rather than desire and they afraid to quit job without having another one lined up. According to the overall mean scores, employees have continuance commitment the Medley Pharmaceuticals Limited.

According to the results, normative commitment has the second highest mean score 3.59 among three types of organizational commitment. The highest mean score 3.80 was found in the statement of jumping from organization to organization does not seem not ethical to them. It meant that medical sales representatives in Medley Pharmaceuticals Limited were taught to believe in the value of remaining loyal to one organization and they believed that a person must always be loyal to his/her organization. The respondents agreed more on the points that they were and have a sense of moral obligation to remain. However, the least mean score 3.21 was found in the statement that it is not right to leave their current organization if they get another offer for a better job elsewhere. Although loyalty is considered as an important moral obligation to remain at one organization, employees also feel that it is not wrong to take better job offer elsewhere. According to the overall mean score, employees have normative commitment in Medley Pharmaceuticals Limited.

### 4.1.3 Effect of Leadership Style on Organizational Commitment

After finding out employee perception on the leadership style and employee's opinion on their commitment, the effect of leadership style on organizational commitment is analyzed. In this study, linear regression is used to find out the effect of leadership styles on organizational commitment of medical sales representative in Medley Pharmaceuticals Limited. Table (4.3) shows the effect of leadership style on organizational commitment.

As shown in Table (4.3), the specified model could explain some extent about the variation of the employee commitment of Medley Pharmaceuticals Limited since the value of R square is (43.8) percent. The model can explain (42.4) percent about the variance of the independent variable and dependent variable because Adjusted R square is (.424). The value of F test, the overall significance of the model, is highly significant at 1 percent level. This specified model can be said valid.

**Table (4.3) Effect of Leadership Style on Organizational Commitment**

Variable	Unstandardized Coefficients		Beta	t	Sig.
	B	Std. Error			
(Constant)	1.469	.247		5.946	.000
Transactional Leadership	.047	.049	.074	0.961	.339
Transformational Leadership	.349***	.049	.543	7.057	.000
Laissez Faire Leadership	.190***	.049	.272	3.888	.000
R	.662				
R Square	.438				
Adjusted R Square	.424				
Durbin-Watson	1.940				
F Value	30.164***				

Source: Survey Data (2019)

Notes: \*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

Transformational leadership factor variable has the expected positive sign and highly significant coefficient value at 1 percent level. The positive relationship indicates



that the increase in transformational leadership factor leads to more employee commitment of employees in Medley Pharmaceuticals Limited. An increase in transformational leadership factor by 1 unit will also raise the effect on employee commitment by (.349) units.

Laissez Faire leadership factor variable has the expected positive sign and highly significant coefficient value at 1 percent level. The positive relationship indicates that the increase in laissez-faire leadership factor leads to more employee commitment of medical representatives in Medley Pharmaceuticals Ltd. An increase in laissez-faire leader by 1 unit will also raise the effect on employee commitment by (.190) units. The Durbin-Watson is (1.940), which is lower than 2 and therefore it can assume that there is no auto-correlation in the data.

The standardized coefficient (Beta) of transformational leadership factor has the largest value (.543) among three explanatory variables indicating that transformational leadership factors have the greatest contribution to the effect on employee commitment. The overall evaluation reveals that models explain the variation in commitment of the employees well because the estimation produced expected signs with significant coefficients for most variables. The increase of transformational leadership and laissez-faire leadership factors have significant and positive effect on employee commitment.

In summary, the results show that two factors of the transformational leadership factor and laissez-faire leadership factor have significant value to employee commitment. The increase of practicing transformational leadership style and laissez-faire leadership style have the increase of organizational commitment of medical sales representatives in Medley. Managers suggest new ways to achieve the organizational goal and help them to develop themselves. Managers give complete freedom to medical sales representatives for goal setting, decision making and monitoring own performance. By conducting these leadership practices, medical sales representatives are satisfying to spend the rest of career at the organization, being a part of a family of the organization and feeling strong sense of belonging at the organization. Medical sales representatives are being hard to leave from the organization and they feel very loyal to the organization. Increase practices of transformational leadership style and laissez-faire leadership style have positive effects on commitment of employees. Organizational commitment of employees in Medley Pharmaceuticals Limited is effected by transformational leadership and laissez-faire leadership.

## **4.2 Analysis on the Effect of Organizational Commitment on Job Performance**

In this section, the impact of organizational commitment on job performance in Medley Pharmaceuticals Limited is analyzed. The standard deviation, percentage and mean scores of organizational commitment and job performance are presented in the study based on findings.

### **4.2.1 Employee's Job Performance**

Employee commitment such as affective commitment, continuance commitment and normative commitment have impact on employee's job performance. In order to find out employee's job performance, structured questionnaire is given to the survey respondents. The questionnaire includes 12 statements and each statement seeks answer on how far the respondents agree or disagree with the statements. Respondents were asked to choose the most likely answer from four sets of employee job performance questionnaire; achieving sales target, teamwork, customers acquisition, and customers retention with 3 statements in each set. Each statement was asked with 5 points scaled questions in which "5" meant "Totally Agree", "4" meant "Agree", "3" meant "Neutral", "2" meant "Disagree", and "1" meant "Totally Disagree". The score of each statement were calculated for its mean score and standard deviation. The results are shown in Table (4.4) based on survey findings.

As presented in Table (4.4), employee job performance has high mean scores 3.90. According to the overall mean score of each set of job performance, achieving sales target has the highest main score 3.99. The respondents agree that they kept in mind to achieve sales target and they use to maintain high standard of work. Medical sales representative in Medley Pharmaceuticals Limited are willing to maintain their high standard of working by achieving their monthly, quarterly, and yearly sales target.

The mean score of customers acquisition has the second highest mean score 3.97. Respondents agree that they always find the ways to meet new customers and they try to find potential new customers in their coverage area. As a pharmaceuticals company, customer coverage is important for medical sales representatives. They always need to find new customers in their coverage area which help to achieve their sales target in the organization. Increased customers coverage tend to increase employee job performance in Medley Pharmaceuticals Limited.

**Table (4.4) Employee Job Performance**

<b>Sr. No</b>	<b>Job Performance</b>	<b>Mean</b>	<b>Standard Deviation</b>
1.	Achieving their sales target that expected of them.	3.86	0.81
2.	Keeping in their mind to achieve sales target	4.04	0.83
3.	Maintaining high standard of work.	4.07	0.82
<b>Achieving Sale Target</b>		3.99	
4.	Collaborating with the colleagues.	3.88	0.79
5.	Collective intelligence for effective team work.	4.00	0.86
6.	Participating in group discussion.	3.81	0.86
<b>Teamwork Overall Mean</b>		3.90	
7.	Trying to find potential new customers.	3.99	0.88
8.	Customers list are increased month by month.	3.92	0.83
9.	Finding the ways to meet new customers.	4.00	0.93
<b>Customers Acquisition Overall Mean</b>		3.97	
10.	Maintaining good communication with customers.	3.97	1.13
11.	Treating the customers with courtesy and respect.	3.73	1.09
12.	Being loyal customers for the organization.	3.64	0.89
<b>Customers Retention Overall Mean</b>		3.78	
<b>Overall Mean (Job Performance)</b>		<b>3.90</b>	

Source: Survey Data (2019)

Teamwork has the third highest mean score 3.90, most of the respondents believe that they used to perform well to mobilize collective intelligence for effective team work.

They deal each other appropriately with confidential information and manage information and data effectively. Respondents believe that collaborating with the colleagues to carry out their assign tasks. And they believe that participating in group discussion and work meeting are important to achieve the organizational goal.

Customer retention has the least main score 3.78 of four set of job performance. Respondents believe that they used to maintain good communication with the customers. Medical sales representatives in Medley might have adequate communication skills to retain their customers. They believe that customers are treated with courtesy and respect by them. They give good respect to their customers for long term relation. And they believe their customers are loyal customers for the organization. According to the overall mean score, it is found out that medical sales representatives have effective job performance in Medley Pharmaceuticals Limited.

#### **4.2.2 Effect of Organizational Commitment of Employee on Job Performance**

The effect of organizational commitment on employee job performance in Medley Pharmaceuticals Ltd is analyzed, finally. Linear regression model was performed by using SPSS in order to find out the relationship between employee commitment and job performance. Table (4.5) shows the effect of employee commitment on job performance.

According to Table (4.5), the specified model could explain well about the variation of employee job performance of Medley Pharmaceuticals Limited since the value of R square is (62.0) percent. The model can explain (61.1) percent about the variance of the independent variable and dependent variable because adjusted R square is (.611). The value of F test, the overall significance of the model, is highly significant at 1 percent level. This specified model can be said valid.

Affective commitment factor variable has the expected positive sign and highly significant coefficient value at 1 percent level. The positive relationship indicates that the increase in affective commitment factor leads to more employee job performance of medical representatives in Medley Pharmaceuticals Limited. An increase in affective commitment factor by 1 unit will also raise the effect on employee job performance by (.553) units.

#### (4.5) Effect of Employee Commitment on Job Performance

Variable	Unstandardized Coefficients		Beta	t	Sig.
	B	Std. Error			
(Constant)	1.394	.294		4.737	.000
Affective Commitment	.553***	.055	.703	10.029	.000
Continuance Commitment	.037	.059	.036	.627	.532
Normative Commitment	.099**	.049	.142	2.037	.044
R	.788				
R Square	.620				
Adjusted R Square	.611				
Durbin Watson	1.848				
F Value	63.185***				

Source: Survey Data (2019)

Notes: \*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

Normative commitment factor variable has the expected positive sign and highly significant coefficient value at 5 percent level. The positive relationship indicates that the increase in normative commitment factor leads to more employee job performance in Medley Pharmaceuticals Limited. An increase in normative commitment factor by 1 unit also raises the effect on employee job performance by (.099) units.

The standardized coefficient (Beta) of affective commitment factor has the largest value (.703) among three explanatory variables indicating that affective commitment factors have the greatest contribution to the effect on employee job performance when the variance explained by other variables is controlled for. The overall evaluation reveals that models explain the variation in job performance of employees well because the estimation produced expected signs with significant coefficients for most variables.

In summary, the results show that affective commitment and normative commitment of employees have positive significant on job performance of medical sales representatives in Medley Pharmaceuticals Limited. Medical sales representatives feel

that they are a part of the organization and they are proud to work at the organization. They feel very loyal and they are willing to continue at their organization. Thus could lead to achieve their monthly sale target and maintain high standard of work. They actively participate in group discussion and work meeting to accomplish their job. They always find the new customers in the coverage area and maintain good communication with the current customers too. According to the survey finding, the increases of the affective commitment and normative commitment factors have significant and positive effect on employee's job performance in Medley Pharmaceuticals Limited.

## **CHAPTER (5)**

### **CONCLUSION**

This chapter is organized with findings and discussions, suggestions and recommendations from the study of the paper. This chapter also includes the suggestions for the further study needs for Medley Pharmaceuticals Limited.

#### **5.1 Findings and Discussions**

Medley Pharmaceuticals Limited exists in highly competitive market as new pharmaceuticals companies are entering numerously. Every pharmaceuticals company are operating with excellence market strategies to sustain good market share and strong brand by utilizing their effective resources. The single most determinant of organizational success is effective leadership. In these circumstances, leadership effectiveness to persuade and motivate their followers, existence of committed workforce and employees' outstanding job performance has become critical points to consider. This study is made on the effect of leadership style on organizational commitment and job performance of Medley Pharmaceuticals Limited. In this study, 123 employees are taking as sample in the survey questionnaire. Analytical research method and quantitative method are conducted to analyze the data, simple statistical method (mean calculations) and Linear Regression analysis are practiced.

In an evaluation of studies of leadership style, organizational commitment and job performance, there are some evidence exist between leadership style and organizational commitment, and between organizational commitment and job performance. In this study, it is found that Medley Pharmaceuticals Limited is using three leadership styles namely transactional leadership style, transformational leadership style and laissez-faire leadership style. According to the results of the study, the effect of leadership style on organizational commitment, transformational leadership and laissez-faire leadership factors have the effect on commitment of employees in Medley Pharmaceuticals Limited. Increase practices of transformational leadership style and laissez-faire leadership style have positive effects on commitment of employees. To be concluded, it can be assumed

that transformational leadership and laissez-faire leadership are influencing on organizational commitment of employees in Medley Pharmaceuticals Limited.

According to the survey findings, regarding employee commitment, it is found out that employees' affective commitment and normative commitment have positive effect to job performance of medical sales representatives in Medley Pharmaceuticals Limited because employees have their satisfaction by spending the rest of career with the organization, they have a strong sense of belonging to their organization and they take pride to tell others about their organization. According to study of the results, regarding the effect of organizational commitment on job performance, the affective commitment has the more contribution to the effect on employees' job performance. The increases of affective commitment have the positive effects on job performance of employees in Medley Pharmaceuticals Limited. The increase of normative commitment also have the positive effects on employees' job performance. Finally, the results showed that employees have all three types of commitment in Medley Pharmaceuticals Limited but affective commitment and normative commitment are influencing on job performance of employees.

According to the survey findings regarding employee's job performance, it is found out that employees have effective job performance in Medley Pharmaceuticals Limited. Key performance indicators of employees are achieving sales target, maintaining high standard of working, collaborating effectively with colleagues and dealing with information and data, trying to find potential new customers and maintaining good communication with loyal customers effectively to achieve the organizational goal.

It can be concluded that transformational leadership style and laissez-faire leadership style are positively influence on organizational commitment of medical sales representatives and affective commitment and normative commitment are significant and positive effect on job performance of medical sales representatives in Medley Pharmaceuticals Limited.

## **5.2 Suggestions and Recommendations**

Based on the findings mentioned above, it is recommended to continue practicing their transformational leadership and laissez-faire leadership on medical sales representatives in Medley Pharmaceuticals Limited. To improve these two leadership



styles, management of Medley Pharmaceuticals Limited should continue the selection of effective and skillful area sales and marketing managers who can conduct transformational leadership and laissez-faire leadership styles in future and encourage current area sales and marketing managers to maintain and develop practicing these leadership styles effectively. To continue and improve transformational leadership, managers should encourage their employees to be influential in motivating and transforming to be more aware of task outcomes, activating their highest order needs for the benefit of the organization. Sometimes, managers should be able to serve as exemplary role models, articulating business goals and providing the emotional appeal, meaning and challenge to employees in order to get the work done with enthusiasm and commitment. Laissez-faire leadership style should also be practiced continuously to develop high organizational commitment of employees who have strong sense of personal meaning, belongingness and loyalty to the organization. Managers should encourage their medical sales representatives to use their own ideas in getting job done and solving the problems. Leaders should give them complete freedom in decision making and monitoring their own performance. Finally, it is recommended to continue practicing their transformational leadership and laissez-faire leadership on medical sales representatives in Medley Pharmaceuticals Limited.

Regarding to organizational commitment of employees, managers should continue the leadership styles to maintain and improve affective commitment and normative commitment of medical sales representatives. Managers should persuade their employees to have a strong sense of belonging to their organization, create opportunities for their employees to satisfy for spending the rest of career at the organization and encourage them to be part of a family at the organization. Managers should continue and improve normative commitment which have positive effect on employees' job performance. To improve normative commitment, managers should persuade their employees to be loyal to their organization and train their employees the moral concept that it is not appropriate to jump from one organization to another, it is better to remain in one particular organization. Medley should continue their leadership styles to improve organizational commitment of affective commitment and normative commitment which have the positive contribution to the job performance of medical sales representatives.

According to the study, both transformational leadership style and laissez-faire leadership style enhance organizational commitment, especially the affective and the

normative ones in Medley Pharmaceuticals Limited. Therefore, transformational leadership and laissez-faire leadership should be practiced strongly and continuously to develop high effective commitment of employees who have strong sense of belongingness and loyalty to the organization. These two leadership styles should be practiced strongly to develop high normative commitment who have strong sense of moral obligation to remain in the organization. Finally, in Medley Pharmaceuticals Limited, practicing transformational leadership and laissez- faire leadership leads to an increase in organizational commitment of employees in affective commitment and normative commitment which enhance job performance of medical sales representatives.

### **5.3 Needs for Further Research**

This study only focuses to analyze on three types of leadership styles; transactional, transformational, and laissez-faire leadership styles in Medley Pharmaceuticals Limited. It is recommended further researchers to include other leadership styles such as democratic leadership style and autocratic leadership style. This study only focuses on area sales and marketing managers as leaders in Medley Pharmaceuticals Limited. Further researchers can study on the effect of leadership styles of all levels of leaders such as country manager, national sales and marketing managers, regional managers. In addition, it is more fruitful for Medley Pharmaceuticals Limited to do further studies on the other factors such as rewards system, training & development and career planning & development that affect employee commitment and job performance of employees in Medley Pharmaceuticals Limited.

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## **APPENDIX I**

### **Questionnaires**

**Dear Participant,**

I am a student of Yangon University of Economics, Department of Management Studies and conducting this survey as one of the fulfillments for completing my study of Master of Business Administration (EMBA). All your responses would be anonymous. I would like to request you to fill up this questionnaire at your spare time. Thank you so much for your time and kind support.

Sincerely,

Aye Thandar Kyaw

Roll No. 21

EMBA 16<sup>th</sup> Batch

#### **Section (A): Demographic Information**

**1. Age**

Under 25 Years    26-35 Years    36-45 Years

**2. Gender**

Male    Female

**3. Marital Status**

Single    Married

**4. Educational Level**

Bachelor degree    Master degree    Other, please specify;.....

**5. Position**

- Senior Medical Sales Represent       Medical Sales Representatives

**6. How long have you been working with this organization**

- Less than 1 Year     1-3 Years     3-5 Years     Above 5 Years

**Section B:**

**(Leadership Style, Organizational Commitment and Job Performance of Medley Pharmaceuticals Limited)**

**Please indicate the most appropriate response with the scale given below;**

**1=Strongly Disagree, 2=Disagree, 3=Normal, 4=Agree, 5=Strongly Agree**

**Leadership Style**

	<b>Transactional Leadership</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Leader asks for ideas and input on upcoming plans and projects.					
2	Leader tries to include one or more team members in determining what to do and how to do it. However, Leader maintain the final decision making authority.					
3	Leader compromises through give and take tactics.					
4	Leader is always satisfied when other meet agreed-upon standards.					
5	Leader focuses attention on irregularities, mistakes, exceptions and complaints.					
	<b>Transformational Leadership</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
6	Leader and our team members vote whenever major decision has to be made.					
7	Leader gets me to do more than I am normally expected to do.					
8	Leader suggests new ways of doing things					
9	Leader prefers to work others by making them feel valued.					
10	Leader helps other develop themselves.					



	<b>Laissez Faire Leadership</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
11	Leader avoids him/herself from goal setting and decision making.					
12	Leader lets subordinates to set their own goals and monitor own performance					
13	Leader gives subordinates complete freedom to solve problems on their own.					
14	Leader is lacking of control, direction, and explanation.					
15	Leader hesitate to involve the important issues arise.					

### **Organizational Commitment**

	<b>Affective Commitment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
16	I would be very happy to spend the rest of career with this organization.					
17	I really feel as if this organization's problem are my own.					
18	I feel like "part of a family" at this organization.					
19	I feel a strong sense of "belonging" to this organization.					
20	I am proud to tell others that I work at my organization.					
	<b>Continuance commitment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
21	Right now, staying with my organization is a matter of necessity as much as desire.					

22	It would be very hard for me to leave my organization right now, even if I wanted to.					
23	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice, another organization match.					
24	Too much in my life would be disrupted if I decided I wanted to leave my organization now.					
25	I am afraid of what might happen if I quit my job without having another one lined up.					
	<b>Normative Commitment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
26	If I got another offer for a better job elsewhere, I would not feel right to leave my organization.					
27	I would feel guilty if I left my organization now.					
28	I feel very loyal to my organization.					
29	I feel a sense of moral obligation to remain in this organization.					
30	Jumping from organization to organization does not seem ethical to me.					

### Job Performance

	<b>Achieving Sales Target</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
31	I effectively achieve my target that expected of me.					
32	I kept in my mind the results that I had to achieve sales target in my work.					
33	I use to maintain high standard of work.					

	<b>Teamwork</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
34	I am collaborating with my colleagues to carry out our assigned tasks.					
35	I use to perform well to mobilize collective intelligence for effective team work.					
36	I actively participate in group discussion and work meetings.					
	<b>Customers Acquisition</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
37	I always try to find potential new customers in my coverage area.					
38	My customers list are increased month by month.					
39	I always find the way to meet new customers.					
	<b>Customers Retention</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
40	I used to maintain good communication with my customers					
41	Customers are treated with courtesy and respect by me.					
42	My customers are loyal customers for our organization.					

**End of Questionnaires**

**“I do appreciate for your kind support and times”**

**APPENDIX II**  
**Effect of Leadership Styles on Organizational Commitment**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.662 <sup>a</sup>	.438	.424	.30801	.438	30.164	3	116	.000	1.940

a. Predictors: (Constant), LaissezFaireLeadership, TransactionalLeadership, TransformationalLeadership

b. Dependent Variable: OrganizationCommitment

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.585	3	2.862	30.164	.000 <sup>a</sup>
	Residual	11.005	116	.095		
	Total	19.590	119			

a. Predictors: (Constant), LaissezFaireLeadership, TransactionalLeadership, TransformationalLeadership

b. Dependent Variable: OrganizationCommitment

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	1.469	.247		5.946	.000					
TransactionalLeadership	.047	.049	.074	.961	.339	.308	.089	.067	.826	1.211
TransformationalLeadership	.349	.049	.543	7.057	.000	.601	.548	.491	.818	1.222
LaissezFaireLeadership	.190	.049	.272	3.888	.000	.328	.340	.271	.990	1.010

a. Dependent Variable: OrganizationCommitment

## Effect of Organizational Commitment on Job Performance

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.788 <sup>a</sup>	.620	.611	.30826	.620	63.185	3	116	.000	1.848

a. Predictors: (Constant), NormativeCommitment, ContinuanceCommitment, AffectiveCommitment

b. Dependent Variable:  
JobPerformance

### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.013	3	6.004	63.185	.000 <sup>a</sup>
	Residual	11.023	116	.095		
	Total	29.036	119			

a. Predictors: (Constant), NormativeCommitment, ContinuanceCommitment, AffectiveCommitment

b. Dependent Variable: JobPerformance

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.394	.294		4.737	.000					
	AffectiveCommitment	.553	.055	.703	10.029	.000	.778	.681	.574	.666	1.502
	ContinuanceCommitment	.037	.059	.036	.627	.532	-.080	.058	.036	.977	1.023
	NormativeCommitment	.099	.049	.142	2.037	.044	.538	.186	.117	.677	1.476

a. Dependent Variable:  
JobPerformance

