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**LEADERSHIP STYLES AND ORGANIZATIONAL
COMMITMENT OF MYMT COMPANY LIMITED**

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DEPARTMENT OF MANAGEMENT STUDIES
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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 Styles and Organizational Commitment of MYMT Company Limited**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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ABSTRACT

This research aims to study and analyze the effect of different leadership styles on the employees' commitment to the organization and in turn identify the effect of employees' commitment to the organization on the resultant performance of the employees at MYMT Co., Ltd. This study is conducted on 101 employees out of the total staff 140 from Yangon office and Mandalay office of MYMT Co., Ltd. From the findings of the study, it is evident that transformational style has significantly positive effect on all three types of employees' commitment to the organization. Normative commitment is also found to have some level of significance on the performance. Based on the findings, this study recommends that the leaders of this organization need to use more of transformational style in developing and shaping the company's future on a long term as transformational style of leadership has significant effects on all types of organizational commitment by employees. The leaders at MYMT company should stick to practicing the transformational leadership style which can have the affective commitment and normative commitment increased, which in turn improve the employee performance leading to high productivity and profitability of the organization.

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LIST OF ABBREVIATIONS

MYMT	Ma Yin Minn Thein Company Limited.
MD	Managing Director.
SPSS	Statistical Package for the Social Science

CHAPTER 1

INTRODUCTION

Competitive landscape of 21st century is made more turbulent than before by rapid technological change, entry of global players and changing consumer demands. Furthermore environment factors are also changing fast with big impacts on almost all industries. Fast moving environment and disruptive technological changes favor organizations that quickly convert individual capabilities into actionable collective intellect. By having the collective intellect an organization can possess the dynamic capabilities which will produce the competitive advantage over its competitors.

The success of any business depend largely on the performance of employees of the organization. This employee's performance give rise to employee's output and productivity which in turn will deliver the competitive advantage for the organization. By managing the employees properly and strategically an organization will have the best chance to increase its profits and to meet the goals set by the organization. Improving employee satisfaction and consequent high performance require an effective leadership style which is highly essential. Followers will extend their support willingly to achieve the goals and objectives set by the leaders if their behavior is influenced by an effective leader in such a way to lead them in the desired direction (Roy, 2016). However, organizational commitment of employees also depends on the kind of relationship they have with their leaders or with their immediate supervisors. Commitment of employees to their organizations is also termed as employee's organizational commitment and the extent and depth of commitment can be influenced by the leadership styles. Employee commitment is born from their satisfaction, motivation, sense of belonging to the organization, and their willingness to make personal sacrifices for the organization, their loyalty to the organization which are in turn influenced by the leadership styles and behavior of the leaders/owners of the organization. Leadership issues are vital for the organizational success (Kumar and Kaptan, 2007).

Economic stagnation in the private sector in Myanmar has been in existence for a couple of years. People are always looking for greener pastures to diminish the

hardships encountered with poor wages and working conditions. This has resulted in high staff turnover rates, high attrition among employees, high staff maintenance costs and low productivity leading to huge economic losses for majority of the private businesses in Myanmar. Compounding to the afore mentioned facts, influx of Foreign Direct Investments (FDIs), and more setting up of foreign companies have caused significant changes in the labor market in Myanmar where demand for skilled workers, experienced workers and those with technical qualifications have exploded tremendously. Especially such demands come from the foreign business entities with highly attractive compensation packages which have created immense difficulties for small and medium sized Myanmar private companies in areas where human resources planning and management are concerned. Myanmar private companies which cannot overcome these human resources problems are left with unskilled or inexperienced work force resulting in low organizational performance with economic losses.

Leadership qualities of the business owner play a pivotal element in the delivery of high quality organizational performance which actually is the result of employee's performance. Therefore it is advocated that human aspect of organizational success should neither be taken lightly nor ignored. This paper explores the effect of different styles and practices of leadership have on the performance of an organization through the commitment displayed by the employees at one privately owned local pharmaceutical products distribution company in Myanmar chosen for this study.

The purpose of this paper is to determine whether the exercise of different leadership styles have influence on the employee's organizational commitment which in turn has resulted in organizational performance contributed by the employees. Bass's (1985), Bass and Avolio's (1991) Full Range Leadership Model (transformational, transactional and laissez-faire), three Component Model of Commitment of Meyer and Allen (1991) is used for conceptual framework of this paper while Laissez-faire style of leadership is discussed for its ineffectiveness and absence of leadership (Yulk, 2010) and organizational performance is measured for the result.

1.1 Rationale of the study

Much work has not been conducted with respect to Small and Medium-sized Enterprises, especially very little research related to the subject has been done in the private pharmaceutical products distribution settings in Myanmar. With the fast changing business landscape along with the technological changes, businesses are encountering tougher competition in the market. It is of utmost importance to have competitive advantage and dynamic capabilities in the business organizations to be able to survive and thrive in the industry with excellence in employees' performance.

Dynamic capabilities are obtained mainly from the human resources of the organization, hence not just having the numbers but the quality of the employee bespeaks the competitive edge. Quality of the people alone does not suffice for an organization to succeed. Quality, efficiency and performance of employees in integrative effort will give the organization to have the competitive edge over others for a short term as well as can give rise to a long term sustainability of an organization. When these qualities, efficiencies and skills are integrated with the commitment of the employees for the business, organizations can benefit a lot from excellent performance of the employees.

Good performance of organizations and employees are the result of positive influence through effective leadership (Charlton, 2000). Considerable number of studies have been made in the past both theoretical as well as empirical on the effects of different leadership styles on organizational performance. A wide range of studies were conducted with the emphasis made on employee satisfaction and employee engagement which in turn cause the improvement or positive effect on the performance of employees. Also there are a number of studies which explored the influence of leadership styles on various levels and extent of commitment by the employees towards the organization's goals and objectives. Organizational commitment is not only related to positive organizational outcomes but also is influenced by the leadership styles. Thus good and effective leadership styles will give rise to higher and better employees' performance through strong employee commitment for the organization.

While keeping this current trend in the world's businesses and the markets in mind, it is of importance to review the present situation and status of the companies

operating in Myanmar market in respect with the leadership styles being exercised by the leaders in the organizations in order to find out whether the performance levels of the employees are influenced by the leadership styles through the commitment of the employees. For this paper, research area is confined to one local company in the pharmaceutical industry with the intention to study how different leadership styles has influence on the employee commitment leading to employee performance which gives rise to the competitiveness in this tough industry.

Myanmar's pharmaceutical market is estimated to be worth about US\$600 million and is expected to grow to \$1 billion in the next five years (Myanmar, 2019). In this industry, major players are multinational pharmaceuticals and medical devices companies and a number of private local pharmaceutical companies having strong financials, strong structures, good systems with effective strategies and strong network of partners. Facing tough and fierce competition, most of the small and medium local pharmaceutical companies are striving to achieve their goals by taking necessary actions to have employee commitment and improved employee performance with the hope to be competitive in the industry where power of finance and technologies prevail.

One local company named MYMT Co. Ltd. is chosen for this study to explore the impact and influence of different leadership styles on employee commitment and improved employee performance which has led to good business results within the past five years after years of struggle even for meeting the financial breakeven point. Since most of the local companies in Myanmar are facing the human resources problems resulting from high employee turnover and poor performance, it is a must for MYMT company to keep the skilled and efficient employees with the company for the future sake of the organization though the company is doing well for the present. Therefore, this study is conducted to further understand the effect of different styles of leadership on commitment made by the employees and in turn how their commitment contributes for the better performance of the organization.

This study paper covers the leadership styles exercised mainly by the owner who is the managing director and also other leaders at various levels of the organization which have influenced the employee's commitment and caused

improved employee performance, by conducting an analytical research from primary sources as well as from secondary sources including international literature reviews.

1.2 Objectives of the Study

Main objectives behind this study are:

1. To examine the effect of leadership styles on organizational commitment in MYMT company
2. To analyze the effect of organizational commitment on employee performance in MYMT company

1.3 Scope and Method of the Study

The survey focuses only on the MYMT Co. Ltd., which has offices in Yangon and Mandalay. Sample size chosen for this study is (101) out of (140) staff. Primary data is collected from their employees in Yangon and Mandalay by using questionnaire structured in accordance with Bass and Avolio's (2004) for Multifactor Leadership Questionnaire (MLQ 5X) model, and by using Revised Version (Meyer, Allen, & Smith, 1993) for the Organizational Commitment which are followed by Koopman's Individual Work Performance Questionnaire (IWPQ) 1.0.

Secondary data are collected from previous works on similar studies made by other researchers, from relevant websites and academic publications. Multiple Linear Regression method is applied for data analysis.

This study is limited only to the employees of MYMT Company Limited in Yangon and Mandalay area only. Different leadership styles studied are according to the Bass's Full Range Leadership Model. Three Components Model of Employees' Organizational Commitment is explored with the intention to investigate the employee performance.

1.4 Organization of the study

This study is organized with five chapters. Chapter one includes the introduction which consists of rationale of the study, objectives of the study, scope and method of the study, and organization of the study. Chapter two is the theoretical background on leadership styles, different types of commitment made by the employees, positive as well as negative effects of different leadership styles on the extent of employee commitment, factors or the situations which contribute towards the employee commitment, how the extent of employee commitment produces the level or degree of employee performance, and the means to measure the improvement in some indicators of the employee performance which has provided the competitiveness for the organization under the study. Chapter three presents the impact of different leadership styles on employee commitment which in turn has improved the employee performance. Profile of respondents, education level, knowledge and their perception towards the leadership styles and their level of commitment are included. Chapter four is the analysis made on the effect of different styles of leadership on the commitment made and its consequence the level of performance contributed by the employees. Chapter five is the conclusion of the findings, recommendations and suggestions, and needs for the further research of the impact of different leadership styles on employee commitment and the employee performance as a consequence.

CHAPTER 2

THEORETICAL BACKGROUND

In this chapter, relevant literature and previous works of different authors are studied to provide the overview of the secondary data in constructing the conceptual framework for this paper. First part contains the review of the theories on leadership, leadership styles, employee commitment to the organization and employee performance. Second part reviews the previous empirical studies and findings on leadership, leadership styles, organizational commitment and employee performance. The last part is the conceptual framework for this study.

2.1 Leadership

This section discusses on the importance of the role of leadership in pursuing the success of the organization and achieving its goals and objectives. This section begins by defining leadership; then different styles of leadership is explored with the intention to find the relationship with the organizational commitment of the employees. It is assumed that leadership is a solution to the problem of collective effort—the problem of bringing people together and combining their efforts to promote success and survival. This assumption has three implications. First, leadership involves influencing individuals to contribute to the good of the group with willingness. Second, leadership requires coordinating and guiding the group to achieve its goals. Finally, goals vary by organization, but most organizations are in competition with other organizations for scarce resources and to have competitive advantage, and this provides the appropriate context for understanding the performance of employees. (Kaiser, Hogan, & Craig, 2008)

Leadership is also one of the factors that can change, shape and improve the performance, outcome and its success dramatically. Making key decisions for such as mergers and acquisitions, organization development, sourcing and allocating resources, converting these critical resources into competitive products and services, and the final delivery of the value created to various stakeholders are the

responsibilities of the leader (Avolio, 1999). Leadership is defined in many ways by various authors. Since leadership topic raises a lot of interest from the researchers in various fields quite a wide range of explanations on and definitions of leadership can be found extensively.

According to Burns (1978), leadership is defined as the way followers are induced to take action for achieving the set goals which are tied to the values, motivations, needs and wants, the aspirations and expectations of both leaders and followers. The essence of leadership lies in the way they see and act on their own values and motivations as well as that of the followers". Leadership is a process of social influence where one person is able to gather the resources, aid and support of others in accomplishing the common task, explained by Chemers (1997). Since leadership issues are crucial for the organizations to be successful it is not extraordinary to find a huge number of literature focused on the leadership issues extensively made by previous authors and researchers (Kumar, 2007).

An effective leader can persuade, convince, influence and lead the followers in the chosen direction with desired commitment from the employees in achieving the goals and objectives. Organizational performance which is usually brought by the employee's performance and this employee's performance in turn is influenced by the employee's commitment to the organization resulting from their job satisfaction and positive engagement in the workplace. Leadership is a widely researched and discussed topic. According to McDermott, Kidney, & Flood (2013), Leadership effectiveness in the eyes of followers is closely tied to the leader being driven, able to inspire, and prioritize needs, which in turn produces a sense of safety and calm for followers (Gandolfi & Stone, 2018).

Leadership Styles

Leadership style is considered by many researchers as an important factor in influencing the employee's organizational commitment and the resultant employee's performance (Wu, 2009). Different leadership styles may affect organizational effectiveness or performance (Yang, 2008). Review of readily available literatures demonstrate that extensive research works have been conducted on different effects and relationships between leadership styles and employee's organizational commitment, between leadership behaviors and its effect on employee's job

satisfaction, productivity and organizational commitment, between leadership style and quality of work-life, effect of leadership styles on performance of the organization and on employee turnover rate. Innumerable research works have been made in the field of leadership in relation to different issues, different consequences and different impacts on the organizational performance.

This study is made on the effect of different leadership styles on employee's organizational commitment by confining the study on different leadership styles to Bass's (1985) Full Range Leadership Model which is composed of three different leadership styles:

- 1) Laissez-faire Leadership Style
- 2) Transactional Leadership Style
- 3) Transformational Leadership Style

1) Laissez faire Leadership

Among the three leadership styles, Laissez faire leadership style is the least liked one when compared to others. Most of the people think this leadership style has no leadership at all. Although the number of leadership styles are mentioned usually as three, in Bass's full range leadership model, Laissez faire leadership style is included under the Transactional Leadership style and stated as the most passive and least effective of leadership behaviors (Judge, 2015), causing main two styles left for further discussions and research. Laissez faire leadership style is also defined as passive indifference about the tasks and subordinates whereby ignoring the problems as well as the subordinates (Yukl G. A., 2013).

Since Laissez- Fair leadership style does not get involved in the work of the team it is suitable only when the subordinates are expert and well-motivated specialists, such as Scientists or professionals in their respective fields. In this style it is noted by the researchers that the leaders don't want to interfere in decision making process for ordinary cases and by allowing or by giving them power to get their personal decisions about the work. Subordinates have the freedom to choose their way of working for which they are responsible for the outcomes from their decision and actions.

Laissez-faire , an inactive form of leadership characterized by a reluctance to become actively involved and a view that the best leadership is to disassociate from the action (Rudd, 2007 Vol 34). Northouse (2006) stated that Laissez-faire leadership is the lack of leadership or a hands off approach to influence its followers. Laissez-faire leadership was also explored by van Eeden, Cilliers, & van Deventer, (2008) and was described as a leadership style where the leader avoids active participation and taking responsibility with goal setting, clarifying the expected objectives and actions, and giving the directions for the priorities. The self-efficacy, which is a belief of a person as being capable of accomplishing a given task all by himself as explained by Bandura (1997), of the follower is heavily relied upon.

Similar conclusions were made on the laissez-faire leadership style by other authors too. This Laissez-faire leadership is extremely passive and inactive one, resulting in the expectant self-empowerment of the follower (Hartog et al., 1997). And it was defined by a group of authors as a leadership style where frequent absence and the lack of involvement in critical decision-making are utilized as a mean in driving the follower to self-management (Harper, 2012).

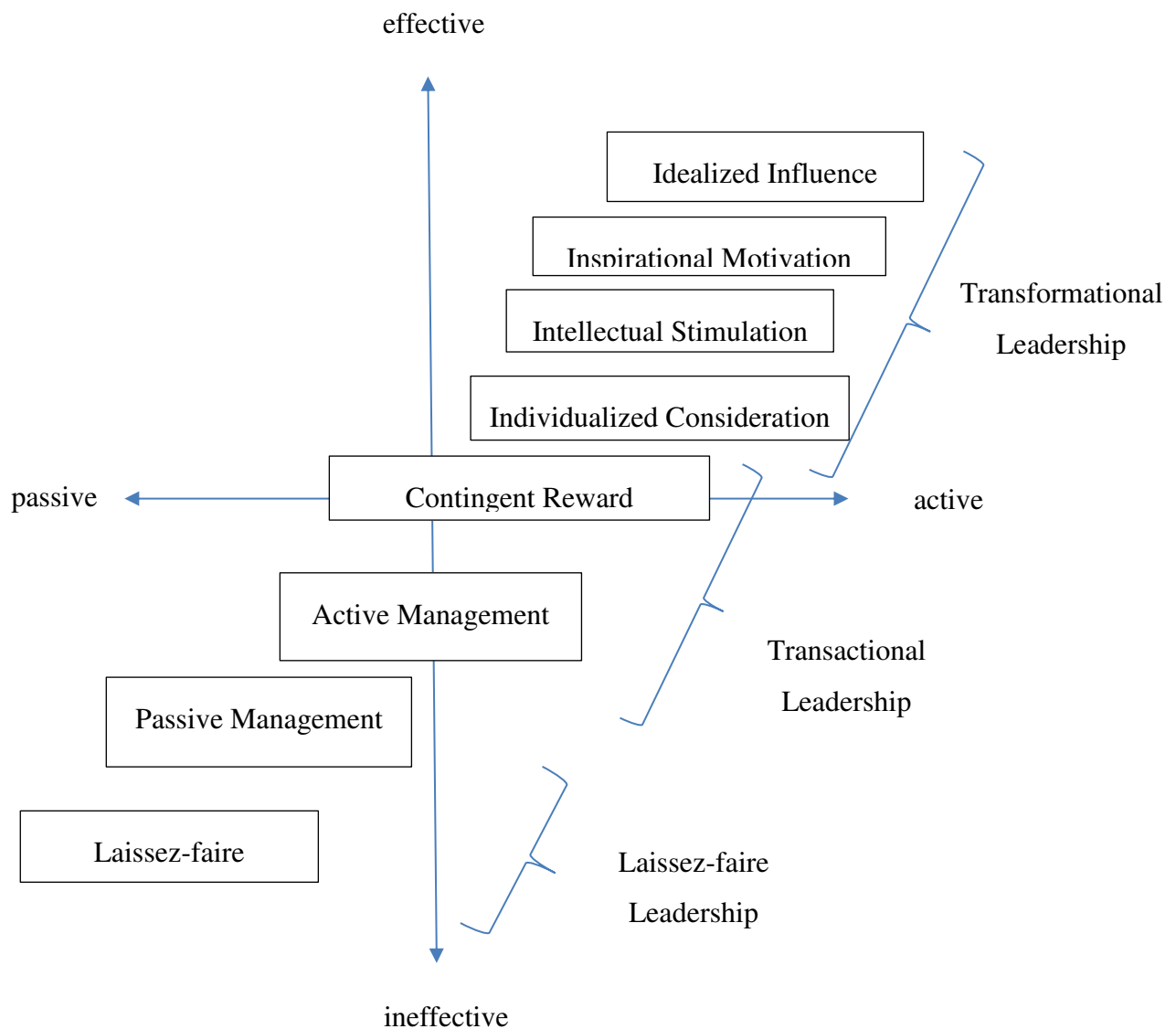
2.) Transactional Leadership

As the name implies, this leadership style calls for transactions between leaders and their followers. This leadership style is defined differently in different textbooks and also known as managerial leadership which focuses on supervisory role, performance of both organization and team. In this leadership style, the compliance of the followers is promoted by giving rewards and punishments (Odumeru & Ifeanyi, 2013). To satisfy the curiosity about further explanations on Transactional Leadership, the search was made more wider and a number of previous works of different authors were studied. Therefore more and more articles on Transactional leadership were discovered and findings from works of some authors are compiled and presented as follow.

Transactional leadership is also described as a style of leadership that focuses on the transactions between leaders and their followers (Bass B. , 1990). In this leadership style an exchange process involving the leader and followers is the instrumental tool. This exchange process or the transaction may result in follower

compliance with leader requests but is not likely to generate enthusiasm and instill commitment to task objectives (Whittington, 2004). The primary influence process for transactional leadership is probably instrumental in keeping compliance with the desired goals and targets of leaders (Yukl G. , 2013).

Fig: 2.1 Full Range of Leadership Model



Source: The full range leadership model (adapted from Bass and Avolio, 1991)

Transactional Leadership style is made up of 3 key dimensions or components, namely

1. Contingent Reward,
2. Management-by-Exception (passive) and
3. Management-by-Exception (active).

Contingent Reward is the reward system or the instrument by which the leader and followers exchange specific rewards for outcomes or results of the goals and objectives which are agreed upon by both the leader and followers in advance. Depending on the result, the achievements of goals and objectives are rewarded or while failure to do so is punished.

Another component of Transactional Leadership style, Management-by-Exception (active) comes into play when a leader makes corrective or constructive criticisms or uses negative reinforcement. With this leadership style, followers are closely monitored so that their mistakes or errors can be pointed out. Then the leaders who exercise Management-by-Exception with “active” behaviors will take corrective measures drastically if deviations from the set standards are discovered. Rules are enforced by these leaders to avoid making mistakes (Jones D. W., 2007). Passive Management by exception, whereby leaders fail to intervene until problems become serious (Bass B. , 1997). This leadership style is regarded as a form of Laissez-faire leadership style. Richard L. Daft, in his book, characteristics of a transactional leader were well described.

Transactional leaders usually give clarification to their subordinates regarding the roles to be played by the subordinates and the requirements of the subordinates to perform the tasks. Initiation, development and setting of the structure for communication and relationship is usually made by the leaders who are of transactional in nature. They provide appropriate rewards which should commensurate with the needs of their subordinates. With their ability to satisfy the social needs of the subordinates, productivity is expected to be improved. Transactional leaders are good at managing as they usually are hard-working, open minded, unbiased and keep their countenance. They take pride in keeping a smooth and efficient operations. They know that apart from performance other aspects of managerial matters like planning, preparing, setting time lines, scheduling and

budgeting. They usually have a sense of belonging and commitment to the organization, hence they usually conform their practices and behaviors to the organizational norms and values.” (Daft, 2014)

In this leadership style, needs of the followers and the extent and depth of assigned task are not adjusted. Objectives laid down by the leaders are made clear to the followers and it is also stated clearly that the rewards will be awarded if the goals and objectives are met by the followers. Emotional reactions and personal whims and fancies are not given room in this leadership style, unlike in situational and transformational leadership styles. Limited and negative rewards such as “do it or else”, threatening of losing jobs if the jobs assigned are not accomplished well or if the jobs assigned do not meet the expectations of the management can be applied in this leadership style. This leadership style works well when short-term results are required within a short period. Providing a bonus for sales teams to meet the sales targets set specially for holiday seasons or special events, giving the staff extra vacation time or vacation trips if they achieve the short-term goals are good examples of transactions exercised in this leadership style. This Transactional approach ensures the jobs to get done especially for short-term goals and targets. Although this leadership style ensures the jobs to get done, it lacks the effect to instill sense of belonging and loyalty in the minds of the followers and to boost their job satisfaction, which factors would be necessary if a company crisis were encountered. (Travis, 2014).

The company under this study has employed sales staff to promote their pharmaceutical products to medical professionals as well as to the drug stores. In this industry, usually sales rewards are given out to the sales staff when they achieve the agreed sales targets. This practice reflects the concept of transactional leadership style. That’s one of the reasons behind this study for this company. Up to this stage, Laissez-faire and Transactional Leadership styles have been studied from the previous studies made by different authors to have insights and guidance for the direction of this study. Bass’s Full Range Leadership Model is composed of three different leadership styles, therefore one leadership style called Transformational Leadership style is left to study for this paper.

3) **Transformational Leadership**

It is said that in the Transformational leadership style, followers are motivated to do more than their original intentions and often perform even more than they thought it is possible for them to do. With this kind of rise in motivation, leaders usually set more challenging targets or goals and typically expect the followers to achieve higher level of performances. Transformational leaders also tend to have more committed and satisfied followers. Moreover, transformational leaders empower followers and pay attention to their individual needs and personal development, helping followers to develop their own leadership potential (Bass & Riggio, 2006). Followers' perception of transactional leadership style is an exchange of reward or compensation for a desired behavior. Their personal feelings towards the organization was not given a place for evaluation or for a worth. Follower's sense of self-worth is considered and promoted in Transformational Leadership style to have employee's true commitment and involvement in the effort at hand. Transformational leadership, however, raises leadership to the next level by inspiring followers to commit to a shared vision and goals for an organization or unit, challenging them to be innovative problem solvers, and developing followers' leadership capacity via coaching, mentoring, and provision of both challenge and support (Bass & Riggio, 2006).

Charisma is regarded as one of the behavioral traits of transformational leadership style. Transformational leaders are similar to charismatic leaders, but they are distinguished by their special ability to bring about innovation and change by recognizing followers' needs and concerns, providing meaning, challenging people to look at old problems in new ways, and acting as role models for the new values and behaviors. (Daft, 2014).

Judge and Piccolo (2004) also stated that Transformational leadership style has been the most influential leadership theory of the last two decades (Yahaya & Ebrahim, 2015). In Kouzes and Posner's transformational leadership model developed from their over 20years' research, suggested that leadership is not a position, but a collection of practices and behaviors which serve as guidance for leaders to accomplish their achievements or to get extraordinary things done (Kouzes and Posner,1995).

According to Bass (1985, 1998 a), transformational leaders motivate and make the employees inspired of their leaders to perform highly to achieve extraordinary results of the goals and objectives set by the company. While helping and guiding the employees to achieve the goals and objectives, leaders also guide, train and coach the employees to develop their own capabilities and capacity to have leadership skills. During the course of action, needs, wants and expectations of each employee is fulfilled in alignment with the objectives and goals of the company to have a shared vision. From many evidences it demonstrates that transformational leadership can make the employees inspired and motivated as well as equipped with improved capabilities and competencies to excel in their performances more than expected. This improved capabilities of employees give the employees' satisfaction to higher levels which can contribute to their commitment to the group and organization.

Thus it can be said that leaders who practice transformational style create levels of deep connection and stronger levels of commitment, performance, and morality between the leader and employees. Stone et al., (2004) stated that in transformational leadership style, appreciation and recognizing the value of subordinates are regarded as important actions of the leaders. Leaders applying the transformational leadership style are more concerned about emotions, progress and development of employees while intrinsic motivation and values are also taken into consideration. This cause the followers or the employees to have trust, admiration, loyalty, and respect towards the transformational leaders (Yulk, 2010).

Transformational leadership was conceptualized by Bass and Avolio (2004) and contains four behavioral components.

1. Idealized influence.
2. Inspirational motivation.
3. Intellectual stimulation.
4. Individualized consideration.

Idealized influence (II) is mentioned by Bass (1985) and Gill (2006) that Charisma is considered as one of the behavioral traits of Transformational leadership style. Idealized influence, which is a component of transformational leadership style

is related to charisma (Yahaya & Ebrahim, 2015). According to Bass et al (2003), followers' needs are considered over the needs of the leader by the idealized influence leaders. Therefore, transformational leaders are admired by the followers and are wanted to be identified with them by the followers. Northouse (2007) argued that charismatic leaders attract subordinates by displaying the high moral standards and by their ethical conduct. By providing a clear vision, purposeful objectives, by motivating, by arousing emotional attachments, by sharing the consequences of the results, they also possess the persuasive power to influence others and to create a bond with the subordinates and employees. In this way, admiration and emulation of their leaders by the followers is developed by itself (Bass et al., 2003).

Owen et al.,(2004) explained that inspirational motivation (IM) is based on the behavior exhibited and conducts exercised by the leaders in motivating people, stimulating and generating enthusiasm while modeling their behavior to be an appropriate one. Inspirational leaders are those who stimulate enthusiasm among subordinates for the work of the group and say things to build their confidence in their ability to successfully perform assignments and attain group objectives (Yulk & Van Fleet,1982). Inspirational motivation gets the followers to have high expectations, to develop team spirit and encourages them to achieve more than they would have achieved if their own self-interest is in place (Northouse, 2007).

Intellectual Stimulation (IS) is described by Bass (1985) that in transformational leadership, leaders arouse subordinates to come up with challenging ideas against their own thoughts and beliefs and then to have creative ways for solving the problems. Intellectual Stimulation is behavior that influences followers to view problems from a new perspective and look for more creative solutions. Intellectual stimulation can be used to increase creative ideas that will enhance the leader's reputation (e.g., the leader may claim credit for them) (Yukl G. , 2013). Intellectual Stimulation causes the boost in creativity in followers that the leader stimulates by encouraging an independent and innovative way of thinking), idealized influence (exemplary behaviour of the leader that generates respect and trust and makes followers proud of their group and organization), and individualized consideration (perception that the leader genuinely cares for followers and their well-being) (Nicola Paoluccia, 2018).

The element of transformational leadership that usually best distinguishes authentic from inauthentic leaders (Pseudo-Transformational Leaders) is individualized consideration (IC). The authentic transformational leader is truly concerned with the desires and needs of followers and cares about their individual development. Followers are treated as ends not just means (Bass & Steidlmeier, 1999). Transformational leaders demonstrate individualized consideration by showing an active concern for followers' physical safety and health. Individualized consideration at all levels also enhances commitment. Followers feel their personal career needs are being met. Additionally, the coaching and mentoring provided them by their leader provides them with a sense of increased competence to carry out orders. Through individualized consideration, transformational leaders provide followers with useful support. Such leader behavior also pays attention to individual needs of the followers, for instance by offering them sound advice (Sahib, 2018). Individualized consideration component under the transformational leadership style can play an important role in making the followers committed than ever before by instilling the emotional element in the relationship between the leaders and the followers.

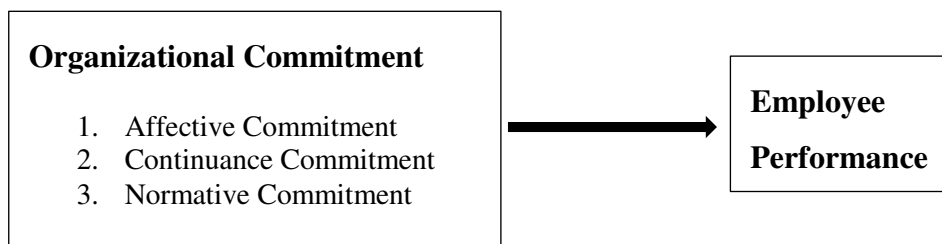
2.2 Organizational Commitment

Employees' commitment to the organization may be defined as the relative strength of an individual's identification with and involvement in a particular organization. It can be characterized by at least three factors: (1) a strong belief in and acceptance of the organization's goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a strong desire to maintain membership in the organization (Porter et al., 1974 as cited in Steers, 1977). Employee commitment is important for several reasons. Lee and Reade (2018) suggested that organizational commitment is the attitude and behavior of employees toward the organization causing devotedness for the organization. This devotedness for the organization can be experienced and displayed by the employees in three different ways namely affective, continuance and normative commitments, arising out of the emotional and expressive relationships they have with the organization, expected

costs and losses of opportunities, and sense of obligatory belonging and loyalty towards an organization, respectively.

Commitment has been shown to be related to age (Hrebiniak,1974; Lee,1971; Sheldon,1971), opportunities for achievement (Brown,1969;Hall, Schneider, and Nygren, 1970;Lee,1971;Patchen,1970), for education (Koch and Steers,1976), for role tension (Hrebiniak and Alutto,1972), and for central life interest (Dubin, Champoux, and Porter, 1975). Commitment would be influenced by job challenge (Buchanan, 1974; Hall and Schneider, 1972), opportunities for social interaction (Sheldon, 1971), and the amount of feed- back provided on the job (Ross and Zander, 1957; Porter and Steers, 1973). John P. Meyer and Natalie J. Allen (1991) argued that commitment, as a psychological state, has at least three separable components reflecting (a) a desire (affective commitment), (b) a need (continuance commitment), and (c) an obligation (normative commitment) to maintain employment in an organization.

Fig: 2.2 Three Component Model of Commitment



Source: John Meyer and Natalie Allen (1991), Human Resource Management Review

Meyer and Allen (1991) developed the three-component model of commitment which proposes that organizational commitment is experienced by the employee as three simultaneous mindsets encompassing affective, normative, and continuance organizational commitment. Affective Commitment reflects commitment based on emotional ties the employee develops with the organization primarily via positive work experiences. Normative Commitment reflects commitment based on perceived obligation towards the organization. Continuance Commitment reflects commitment based on the perceived costs, both economic and social, of leaving the organization (Noraazian & Khalip, 2016).

2.2.1 Affective Commitment

Agarwal et al., (1999) defined affective commitment as “a strong belief in and acceptance of organizational goals and values, and a willingness to exert considerable effort on behalf of the organization” (Wang & Lin, 2012)

Affective commitment is referred to as the individual’s emotional attachment to and involvement and identification with the organization (Allen & Meyer, 1990). Kanter (1968) defined affective commitment as “cohesion commitment” which is the attachment of an individual’s fund of affectivity and emotion to the group. Likewise, Buchanan (1974) described this as a partisan, affective attachment to the goals and values, and to the organization for its own sake, apart from its purely instrumental worth. Affective commitment is described as the relative strength of an individual’s identification with and involvement in a particular organization finally by Mowday, Steers, & Porter (1979); Porter, Crampon, & Smith (1976); Porter, Steers, Mowday, & Boulian (1974).

Employees high in affective commitment demonstrate emotional attachment, identification with and involvement in the organization. Meyer and Allen, explain why these employees are less likely to engage in withdrawal behaviour and more willing to accept change. (Iverson & Buttigieg, 1999). Employees with a strong affective commitment continue employment with the organization because they want to do so.

2.2.2 Continuance Commitment

According to Kanter (1968), continuance commitment is defined as a situation where employees feel that there is profit associated with continued employment and cost or loss of opportunities associated with leaving the organization. It is the second component of the organizational commitment developed by Meyer and Allen (1990). And is related to the side-bet theory by Becker. Side Bet Theory suggests that, when an individual works in an organization for a long time, investments in time, effort for the job and organization specific skills are invested by that individual and these investments are too costly to lose.

Weak continuance commitment is witnessed with employees who think that there are other opportunities in the open for them (Noraazian & Khalip, 2016). Shore et al. (1995) proposed that education is considered as an investment. Education, trainings and development programs can improve and enhance the job specific skills that are valuable to the organizations. Well educated employees have greater opportunities for the alternative choices in the organization as well as can select the jobs of their choices in other organizations than less educated employees. Thus, it is suggested that highly educated employees portrays low level of continuance commitment than less educated employees.

On the other hand, Mathieu and Zajac (1990) argued that those who are employed at higher levels in the organization tend to stay in the organization as most of them are awarded with financial rewards (stock options or profit sharing programs) from their organization in addition to their prestigious positions. Even their prestigious positions can increase their identification with the organization and the financial rewards can influence the employees' commitment to be a member of the organization. Therefore, it is proposed that the higher the position the employees have in the organization, the more the affective and continuance commitment is exhibited to the organization by employees. Another group of researchers Harris et al., (2001) explain that employees at higher job levels and in important positions in the organization generally have strong beliefs in organization's goals, vision and core values. These employees at higher job levels exhibit higher levels of internalization and greater degrees of association with their organization than those at lower levels in the organization. Harris et al. further argued that because of the internalization and identification, employees at higher job levels are likely to exhibit more affective and continuance commitment than those at lower job levels (Wang & Lin, 2012). Employees whose primary link to the organization is based on continuance commitment remain because they need to do so.

2.2.3 Normative Commitment

It can be put simply that an obligation to maintain employment in an organization is Normative Commitment. Wiener (1982) defined that normative commitment is the totality of internalized normative pressures to act in a way which

meets organizational goals and interests (Meyer & Allen, 1991). Normative commitment may also develop when an organization provides with - rewards in advance (eg: paying college tuition fees) or incurs significant costs in providing employment (eg: costs associated with job training).

Recognition of these investments on the part of the organization may create an imbalance in the employee/organization relationship and cause employees to feel an obligation to reciprocate by committing themselves to the organization until the debt has been repaid (Scholl 1981).

The normative commitment is associated with a sense of moral obligation and duty, which can also result in deferring particular interests of the individual. The authors Meyer and Allen (1991) indicate, however, that the normative commitment eventuates from both the family and workplace socialization processes, especially when values of loyalty and duty were accentuated. Normative commitment is determined by social norms defining the level of loyalty, feeling of obligation, and allegiance towards the organization. It shows how much one believes that he/she should stay in the organization. It is also related with responsibility that makes the employee stay (David and Foray, 2002).

Allen and Meyer (1996) argued that normative commitment is employee's moral obligation to be with the organization (Lewicka, Zawlik, & Pec, 2019). According to Meyer and Smith (2000), normative commitment is also based on experiences related to socialization in the family, the society and the organization. If important figures in his/her life, eg: parents, are long-term employees of one company and/or emphasize the importance of loyalty towards the organization, an employee may feel high normative commitment. This sort of high level of normative commitment based on organizational socialization usually occur in the organizations where loyalty is emphasized and the expectation of loyalty is communicated (Lewicka et al., 2019).

Normative commitment occurs when employees commit because of a moral obligation to stay in the organization and employees feel that they must stay in the organization (Balassiano & Salles, 2012). It is also stipulated by Gelaidan & Ahmad (2013), that when an individual feels the need to reciprocate after receiving some benefits from an organization, normative commitment occurs from the employee's

side (Sow, Anthony, & Berete, 2016). Employees with a high level of normative commitment feel that they *ought* to remain with the organization.

2.3 Employee Performance

Combination of individual employee's performance give rise to overall team performance and total output of the organization. Therefore, it is a must for companies to find, develop, improve and maintain their competitive advantage over their competitors by possessing competencies and capabilities brought out mainly from their internal resources. Individual work performance in an organization is one of the key indicators for team and company performance, and consequently, it contributes to the integration of productivity and competitiveness of companies.

Productivity of an organization is directly impacted by the employee performance. Productivity is an important factor for the success of the organization. Employees' performance has direct influence on the productivity too. Whether it is a retail business or a manufacturing factory, performance of the employees determines the business' profitability, bottom line and the growth of the business. Individual performance is of high relevance for organizations and individuals alike. Showing high performance when accomplishing tasks results in satisfaction, feelings of self efficacy and mastery (Bandura, 1997; Kanfer et al., 2005). Moreover, high performing individuals get promoted, awarded and honored. Career opportunities for individuals who perform well are much better than those of moderate or low performing individuals (Van Scotter et al., 2000).

Dimensions frequently used to describe individual work performance are task performance, contextual performance, counterproductive work behavior, and adaptive performance (Koopmans L. , 2014). In this study only two dimensions are studied, task performance and contextual performance. Adaptive performance is usually not measured as a separate dimension instead measured as part of contextual performance in a number of frameworks. Counterproductive work behavior is left out of this study. This counterproductive work behavior harms the well-being of the organization and includes behaviors such as absenteeism, off-task behavior, theft, and substance abuse.

2.3.1 Task Performance

Task performance, which is an important dimension of individual work performance, can be defined as the proficiency (i.e. competency) with which one performs central job tasks.

Arvey and Mussio described that task performance of clerical workers using the dimensions of working accurately, showing concern for time and detail and planning. Jiambalvo described task performance for public accountants as understanding, planning and revising work. Engelbrecht and Fischer divided task performance for managers into action orientation (e.g., getting things done, decisiveness), task structuring (e.g., leadership, planning), and probing, synthesis and judgment (problem resolution). task performance (Koopmans, Bernaardes, Hildebrandt, de Vet, & van der Beek, 2013).

2.3.2 Contextual Performance

It is defined as behaviors of individual employee in the organization which facilitates and support working environment of the organization, social relationships, interpersonal relationships, and psychological interactions amidst which the technical core activities have to function .

This dimension is also called as: non-job-specific task proficiency, extra-role performance, organizational citizenship behavior or interpersonal relations. Dimensions frequently named under contextual performance are communication, effort, discipline, interpersonal behavior, and leading and developing others. Less frequently named dimensions are planning, solving problems, administration, and showing responsibility.

Contextual performance consists of behavior that does not directly contribute to organizational performance but supports the organizational, social and psychological environment. Contextual performance is different from task performance as it includes activities that are not formally part of the job description. It indirectly contributes to an organization's performance by facilitating task performance. Examples of contextual performance are demonstrating extra effort,

following organizational rules and policies, helping and cooperating with others, or alerting colleagues about work-related problems (Borman and Motowidlo, 1993; Motowidlo et al., 1997).

2.4 Empirical Studies on Leadership Styles, Organizational Commitment and Employee Performance

It is found that leaders influence the employee commitment and performance because they can make employees achieve the objectives of the organization. Individuals or groups are guided by the leaders to achieve the goals and commitment to the organization by the employees is also developed by the leaders (Bass, 1981; Reyes, 1990). Employees commitment to the organization has a positively significant affect on the employee performance (Luthans, McCaul & Dodd, 1985; Chi, et al., 2007; Chi, et al., 2008). Yiing, et al. (2009) argued that leadership style affect the extent of commitment to the organization by the employees and, in turn, this employee commitment to the organization will have impact on the employees' performance.

Leadership can radically improve the organizational performance and its prosperity as they are responsible for key organizational decisions, for the development, for allocation of critical organizational resources and for conversion of these critical resources into valuable products and services, and finally creating and passing value to various stakeholders (Avolio, 1999).

Numerous researches are made to measure the effect of employee commitment on employee performance encompassing individual work performance and the overall performance of an organization. Dinku Gilo Tolera (2017) had studied the effects of employees' commitment on organizational performance at one sugar factory named Arjo Didessa Sugar Factory in Ethiopia. The research is a cross-sectional study, which sample contains 261 employees and four management members. Research is made from the standardized questionnaires developed. Data is collected from the questionnaires and multi-linear regression analysis is made by using the "Statistical Package for Social Sciences" (SPSS). From the regression results, it is found that employees' commitments models have effects on

performances for the organization at Arjo Didessa Sugar Factory. Thus, the study made by Dinku Gilo Tolera reveals that employees' commitments have effects on the organizational performance.

The effect of leadership styles on organizational performance is also studied widely by a number of researchers. Here, one study explored by Peris M. Koech & Prof. G.S Namusonge (2012) regarding the effect of leadership styles on organizational performance at the state corporations in Kenya is presented.

This study specifically designed to investigate the impact of different leadership styles: laissez-faire, transactional and transformational leadership styles on organizational performance at state-owned corporations in Kenya. Sample for this study includes middle and senior managers in thirty (30) state-owned corporations based in Mombasa, Kenya. Survey questionnaire is used for data collection. To discover the leadership styles that influence organizational performance, correlation analysis was employed. Correlations between the transformational-leadership factors and organizational performance ratings are high, whereas correlations between the transactional-leadership behaviors and organizational performance were relatively low. As expected, laissez-faire leadership style is not significantly correlated to organizational performance. This study investigated the effect of different leadership styles on organizational performance.

Wide range of researches are made to explore and investigate the relationship and effects between different leadership styles and employees commitment as well as the outcome from employee performance. Arjun Kumar Shrestha and Ajaya Kumar Mishra (2008) had investigated the interrelationships between different leadership styles, and organizational commitment by the employees and the consequential employees' performance for the organization at one Nepalese Technology based business set-up in a Nepali context. Cross section study is made by collecting data from employees working in one large technology-based company. Relationships are hypothesized and Regression analyses is conducted. It is discovered that significant relationships exists between different leadership styles, employee's commitment to the organization, and employees' performance. From the Regression Analyses, it is revealed that transformational leadership is a strong predictor of employee's commitment to the organization and for enhanced employee performance. This study

demonstrated that transformational leadership style is the strong predictor of improved organizational performance as well as the employees' affective and normative commitment (Shrestha & Mishra, 2011).

2.4.1 Leadership Styles and Organizational Commitment

Leadership is regarded as a key factor in the initiation of transformative change in organizations, with leaders having the capability to espouse and entrench behaviours and attitudes that result in a positive effect on individuals, teams, and organizations (Raja & Palanichamy, 2011). Achua and Lussier (2013), defined 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 (Gunavathy & Indumathi, 2010). According to Daft (2008) leadership is an influence relationship between leaders and followers who intend real changes and outcomes that reflect their shared purposes (as cited in Githuka, 2017).

Morris & Sherman (1981) indicated that organizational commitment is able to effectively predict the employee's performance and turnover. Meyer, Paunonen, Gellatly, Goffin, & Jackson (1989) also found that organizational commitment was a proper indicator of work performance. It is important for managers and leaders to pay more attention to the employee's organizational commitment. most scholars recognize that organizational commitment is loyalty to the organization (Price & Mueller, 1986).

R.Gopali and Rima Ghose Chowdhury attempted to investigate the effect of leadership style on employees' commitment where a harmonious and effective working relationship is built between the managers and employees which is also the key factor in strengthening the commitment of the employees to the organization. Their study is made up of a random sample of employees of an oil company which presence is across India. A total of fifty Indian executives participated voluntarily in this study. Multifactorial Leadership Questionnaire with 29 items used in their study

to co-relate leadership styles and behaviors with employee commitment which is measured with an instrument containing 15 items. Findings and the results state that more dimensions of transactional and transformational leadership have positive effects on the organizational commitment with the stronger impacts found for transformational leadership style. This study intends to project the recommendations to improve the leadership styles and its effect on the extent and depth of employee commitment, which can lead to better employee performance by having a good retention and productivity. (Gopal & Chowdhury, 2014).

May-Chiun Lo, T. Ramayah and Hii Wei Min (2009) examined the effect of different leadership styles on employees' commitment to the organization in the Malaysia context. Focus of the research is to investigate the impact of two chosen leadership styles namely transformational and transactional leadership styles on organizational commitment. For this study, one hundred and fifty-six Malaysian executives voluntarily participated and the results indicate that quite a number of dimensions of transactional and transformational leadership bear the positive relationship with organizational commitment but stronger impacts are discovered with transactional leadership style. Regression analysis is used to investigate the relationship between these two variables – independent variables: transformational and transactional leadership styles and dependent variable: employee commitment. The findings have indicated that transformational leaders are more able to bring in commitment in employees than transactional leaders (Lo, Ramayah, & Min, 2009).

2.4.2 Organizational Commitment on Employee's Performance

Committed employees give a big contribution to organizations because they perform and behave on achieving organization's goals. Furthermore, workers who are committed to their organization are happy to be members of it, believe in and feel good about the organization and what it stands for, and intend to do what is good for the organization.

Organizational commitment means psychological attachment of employees to their organizations (Allen & Meyer, 1990; O'Reilly & Chatman, 1986). Positive commitment to organizations is described as the desirable outcomes which are job

satisfaction, motivation, and attendance. Negative commitment to organizations are such outcomes as absenteeism and turnover. Horton also argued that stronger commitment of employees usually result in less turnover and absenteeism, which in turn increase the organization's performance and productivity (Schuler & Jackson, 1996).

Xiaoqi Sheng (2014) explored the relationship between organizational commitment and employee performance. His study is to explore the relationship between organizational commitment and job performance. Sample size consists of 206 employees in X company, and the empirical research method is used. His study concludes that the organization, normative commitment, ideal commitment, and economic commitment are found to be positively correlated while the opportunity commitment is negatively correlated. Except for that emotional commitment displayed by a few employees, the emotional commitment is not obviously related with the employee performance (Sheng, 2014).

2.4.3. Leadership Styles and Performance

Effectively exercised leadership is regarded as an important and vital source for the development of superb management and for having the sustained competitive advantage for the organizations and for their improvement in organizational performance. For instance, with transactional leadership style short term or current objectives are achieved more efficiently by linking employees' work performance to contingent rewards and by providing the resources needed by the employees in getting the work done (Jing & Avery, 2008).

Aboshaiqah et al. (2014) investigated leadership styles, factors, and outcomes perceived by nurses in two tertiary hospitals owned by the government in Saudi Arabia. Study sample contains 272 nurses and a cross sectional study is made by conducting a collection of survey data in regards to nurses' perception on the leadership styles practiced by their superiors against the results. Perception of nurses demonstrated that transformation and transactional styles of leadership are more frequently exercised than laissez-faire style of leadership. Research findings support the fact that in order to have the leadership best practices in pursuing the organization's goals and objectives it is beneficial to combine different styles of

leadership. The similarities and differences in the findings of the current study support earlier research suggesting there is no most effective leadership style. The study supports the notion that leadership styles can be combined to produce extra effort from followers as well as leadership effectiveness and satisfaction. (Aboshaiqah, Hamdan-Mansour, Sherrod, Alkhaibary, & Alkhaibary, 2014).

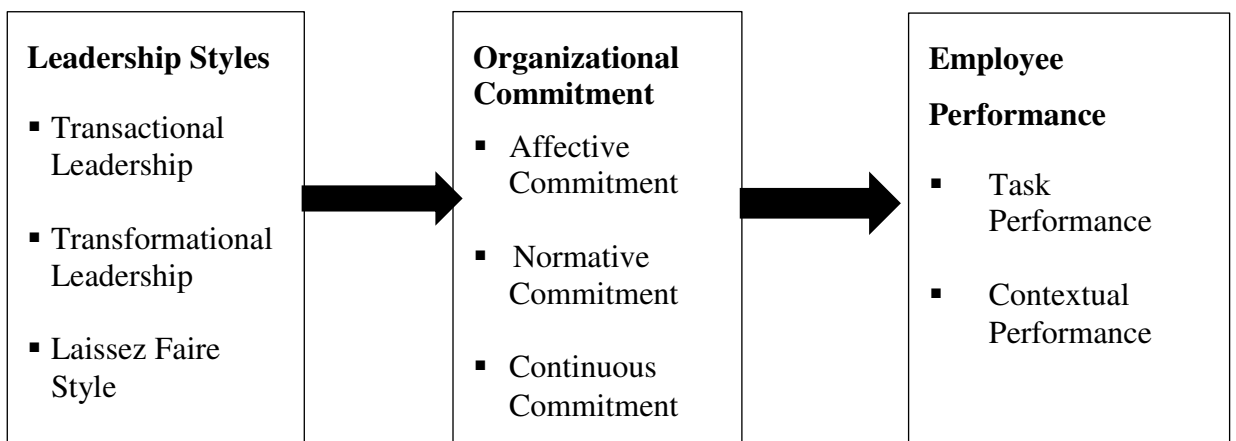
Jing and Avery (2008) attempted to clarify the relationship between leadership paradigms and organizational performance based on the existing literature. It begins with reasons why the leadership-performance relationship is important, followed by a discussion of leadership paradigms and selected indicators for measuring them. It then discusses issues in measuring organizational performance, and concludes with a series of research propositions (Jing & Avery, *Missing Links In Understanding The Relationship Between Leadership And Organizational Performance*, 2008, May). Asma Mariam et al., (2012) studied the effects interrelated between the leadership styles and organization commitment, and also between the organization commitment and organization performance. From the quantitative research conducted on telecom call centers in Islamabad, using stratified random sampling and the data collected from 245 out of 280 participants, findings indicate that organizational commitment by the employees plays an important role in appreciating the different styles of leadership and influencing the outcome of the employees' performance towards the organization. This study revealed the significant and impactful relationship between transformational leadership and organizational performance. More flexibility exercised under the transformational leadership style improves the creativity of the employees as more freedom is experienced by the employees. Therefore, the performance of employees contributed towards the productivity and growth is increased. (Khan, Hafeez, Rizvi, Hasnain, & Mariam, 2012).

2.5 Conceptual Framework of the Study

This study focuses on the effect of different leadership styles on organizational commitment of the employees which in turn plays a significant role in the resultant employees' performance. Although a number of previous studies on the subject of this thesis were explored for better understanding of the matter, different findings from different scenarios were detected by different researchers in different industries have

caused a motive to investigate the effect of leadership styles on organizational commitment by the employees in a small organization whether the employees' performance is also affected by the organizational commitment or not. In this framework of study, there are three variables involved for the construction. These three variables are interrelated in such a way that makes the framework look like a process to achieve an outcome, and namely are leadership styles, organizational commitment and employees' performance as shown in figure 2.1.

Figure 2.3 Conceptual Framework of the Study



Source: Own Compilation (2019)

To study the effect caused by different leadership styles on organizational commitment, factors are used to collect the effect of each leadership style. In transformational leadership style, four factors namely idealized influence, inspirational motivation, intellectual stimulation and individual consideration are used. Factors used to measure the effect of transactional leadership style are contingent reward, management by exception (passive) and management by exception (active). The laissez-faire leader is extremely passive and inactive, resulting in the expectant self-empowerment of the follower (Hartog et al., 1997). Furthermore Eagly, Johannesen-Schmidt, & van Engen (2003), added that frequent absence and the lack of involvement of critical decision-making are utilized as a method of driving the follower to self-management in laissez faire leadership (Shanta, 2012). As such is the leadership style, no specific factors were there under this leadership style to find out

its influence on organizational commitment of employees. Bass's Full Range Leadership Model (1985) was applied for the study of leadership styles while the three-component model of commitment developed by Meyer and Allen (1997) was applied to study the organizational commitment by the employees in this study.

The study analyzes the effect of leadership styles on organizational commitment by the employees as the first part of interrelation that exists in the organization MYMT Co. Ltd., and then analyzed the effect of organizational commitment by the employees on employee performance as the second part of interrelation that exists in the same organization in continuum. As illustrated in the framework above, different leadership styles (transactional, transformational and laissez-faire) are the independent variables which have effects on the dependent variable, organizational commitment by the employees comprising active, normative and continuous commitments. Organizational commitment is measured in both emotional and functional or behavior terms. In the second part of the framework, relation between the independent variable organizational commitment and the dependent variable employee performance is studied. Eight indicators for employee performance are measured in this study namely: meeting deadlines, efficient carrying out the works, initiative, taking the challenging tasks, keeping work skills up to date, solving problems creatively, setting priorities and taking extra responsibilities. All these eight indicators are extracted from the Specification of Individual Work Performance Questionnaire (IW PQ) 1.0 (Koopmans, Bernaards, Hildebrandt, Buuren, Beek, & Vet, 2014) covering the three dimensions of individual work performance developed by Koopmans: task performance, contextual performance, and counterproductive work behavior (Koopmans L. , 2014).

CHAPTER 3

PROFILE AND LEADERSHIP STYLES OF MYMT COMPANY LTD.

In this chapter brief background of Myanmar Pharmaceuticals market, the profile of MYMT Co., Ltd., vision and mission, its organization structure and the scope of its business are presented. And the leadership styles currently exercised in MYMT Co., Ltd., are also discussed in the later part of this chapter.

3.1 Brief Overview of Myanmar Pharmaceuticals Market

In Myanmar, people have to depend on both western medicines and traditional medicines to relieve or to cure their illnesses, sufferings and diseases. Owing to widespread distribution of western medicines by the pharmaceutical distribution companies, nowadays people living in remote areas even can buy western medicines at the shops in nearby small towns. Though western medicines are widely available than before people are still using traditional medicines for their illnesses, sufferings and diseases especially in rural areas and among those who have some trust in the traditional medicines as traditional medicines are also effective in their own ways. However, up to this time of writing medical devices and health support equipment can neither be provided by the traditional medicine producers nor fulfilled by the local manufacturers to meet the demand from the market. As such is the situation, medical devices and health support equipment are provided by most of the pharmaceutical distribution companies together with the western medicines that they are carrying.

The pharmaceutical market in Myanmar is mainly dependent on the imported medicines and drugs as the pharmaceutical industry in Myanmar is still small though some new pharmaceutical plants owned and operated either by the government or by the private firms are only in the starting phase. Most of pharmaceutical products and drugs are mainly imported from neighboring countries like India, Bangladesh, China, Indonesia, Pakistan, Thailand and Vietnam. The 85% of the drug market is imported products and of which market India takes the lead with 40-45% of the market share.

All imported medicines and supplies have to be registered and authorized by the Food & Drugs Administration (FDA). Approximately around 5000 types of various kinds of medicines are currently imported (Chauhan, 2017).

Myanmar pharmaceutical market has grown tremendously started from last few years as people become more inclined to use western medicines than traditional medicines in big cities. Because of the fast acting effect of the western medicines people, who can't waste their time lying in the bed instead of working outside, take the western medicines from the roadside drug stores where they can get a mixture of medicines to treat their illnesses without seeking the proper care from the health professionals. Furthermore, more hospitals and clinics have popped up to deliver the health services to people who are more health conscious than before and who become having more health problems resulting from the changing lifestyles and ways of living (EuroCham, 2018).

Myanmar pharmaceutical market was worth of US\$ 160 m in 2010 to US 344 m in 2016 and the total pharmaceutical expenditure has been increasing at 11-12% per annum according to "Invest Myanmar Summit" (Summit, 2018). The Government of Myanmar has started implementing the policies under the long-term strategic plan for the healthcare system covering from 2017 to 2021. The Ministry of Health aims to enable every citizen to attain full life expectancy and enjoy longevity of life and to ensure that everyone is free from diseases.

The new law promulgated by the government has allowed foreign private investments in healthcare industry with up to 70% foreign ownership in clinics and hospitals. The clinics and hospitals from private sectors source their own medical supplies from the medicine distributors. According to the Myanmar Pharmaceutical & Medical Equipment Entrepreneurs' Association (MPMEEA), there are 1163 local pharmaceuticals distribution companies, 26 foreign companies, 3214 individuals, 16 manufacturers in March 2017. The 60% of the total pharmaceutical product sales are made in Yangon and Mandalay. The major foreign pharmaceutical distribution companies and medical equipment and devices which are leading in the Myanmar's pharmaceuticals market are DKSH Healthcare, GE Healthcare, Sun pharmaceuticals, Dr.Reddy, Cipla and Ranbaxy. And local companies which play the leading role in

the market are Fame pharmaceuticals, San Lwin Trading Company, AA medical products, GETZ Pharma limited and TAJ Pharma limited (Economics, 2018)

With the big players both local and foreign companies getting crowded in the pharmaceuticals market in Myanmar, a small company like MYMT need to review its current position in the market and to analyze its shortcomings in order to improve its performance in the market with the aim to achieve its goals successfully. Pharmaceuticals distribution business is also a kind of service industry where service encounter is very important to gain the trust of the clients and to set its reputation. Service industries depend eminently on the performance of its employees or service contact personnel along with the support from the organization. Frontline contact persons, customers and the organization form a “Service Triad” where employees’ performance is influenced and shaped by their commitment to their organization which in turn is instilled and driven by the leadership styles practiced by their leaders and owners of the organization. With these factors in consideration, MYMT Co., Ltd. is going to be explored and researched for its leadership styles, organizational commitment of the employees and their performance outcome in this paper.

3.2 Profile of MYMT Company Ltd.

Company Background

Started in 1999/2000 as a sub-distributor for “Aung Cho Tun Co., Ltd.” a local pharmaceuticals distribution company which has been established since 1995. Involved with marketing, sales and distribution of pharmaceuticals and medical supplies.

With effect from 2012, MYMT Co., Ltd. operates as a separate independent company acting as sub-distributor for 4 local companies. Later, MYMT Co., Ltd. add foreign companies to its portfolio of principals for distribution of pharmaceuticals and medical products as the sole distributor for Myanmar market.

MYMT Co., Ltd., is doing well with distribution of pharmaceuticals and medical products in Myanmar pharmaceuticals market mainly in the private sector. When decentralization is practiced by the government, there is mushrooming of

government tender invitations all states and divisions and MYMT also participated in tenders invited by both private and government hospitals in all states and divisions except in Rakhine State. Owing to the persistent efforts and skillful negotiations with the procurement bodies of government hospitals, MYMT has managed to secure a significant number of tenders from the government hospitals as well as from the private hospitals.

Vision, Mission and Core Values

Vision - formed by MYMT Co., Ltd. is to be one of the leading local distributor for pharmaceuticals & medical products and devices while observing the professionalism and ethical considerations. And to be the preferred partner for business cooperation by the foreign pharmaceutical companies and medical products companies.

Mission - in order to attain its vision. MYMT Co., Ltd. will

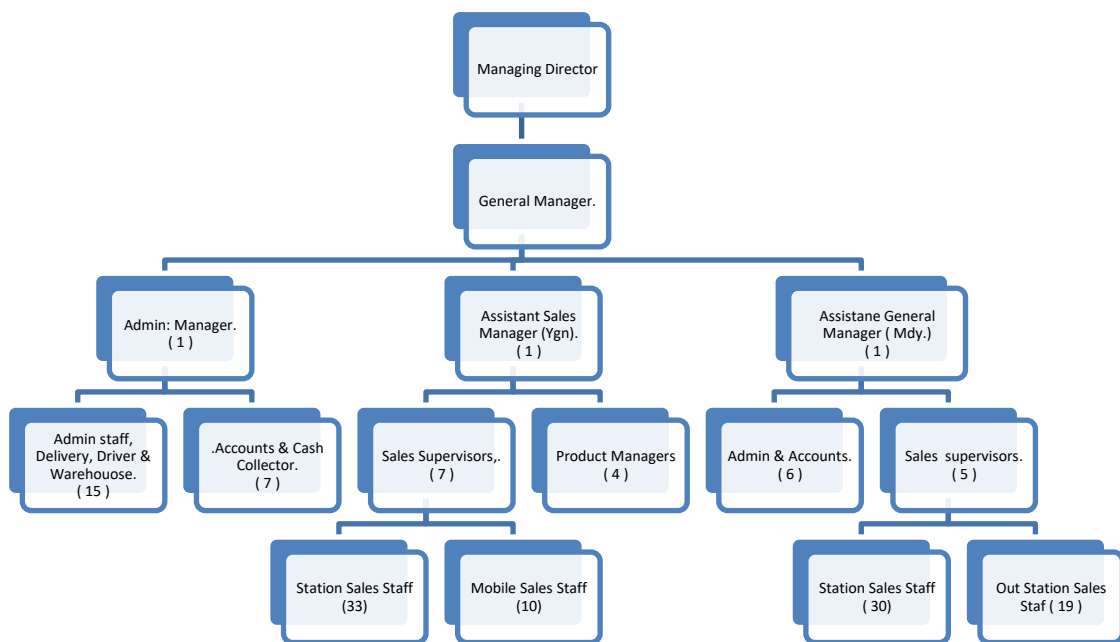
- Distribute quality pharmaceuticals and medical products at affordable prices
- Establish excellent relationship with medical professionals to better understand the needs of the patients/customers to be able to provide the most required pharmaceuticals/medical products for the patients in Myanmar.
- Provide best services to medical professionals and health care personnel in areas of products knowledge, medical information and materials related to medical education.
- Leverage the current market experience and the wide network to deliver the pharmaceuticals and medical products at the most possible level of logistics standards while preserving the quality and potency of the high valued medicines and medical products.
- Provide best possible customer services to the trade and pharmaceuticals and medical products resellers.

Core Values - followed and practiced in MYMT Co., Ltd. are respect, integrity, team work, efficiency, ethical conduct, and transparency.

MYMT company is running its pharmaceuticals and medical products distribution business with a total staff strength of over 100 employees nationwide in

Myanmar through Yangon head-office and Mandalay office. Both in Yangon and Mandalay, MYMT has administration teams, accounts and finance teams, medical sales teams (medical detailers), trade sales teams, project teams (to pursue tender businesses), warehouse teams while a regulatory affairs team is directly under the management team in Yangon (Thein, 2019).

Figure 3.1 Organization Structure of MYMT Co., Ltd



Source: MYMT Co.,Ltd.,, 2019

3.3 Leadership Styles at MYMT Company Ltd

Under the leadership of the Managing Director, management team is comprised of General Manager, Administration Manager (Admin and Finance & Accounts Department) ,Assistant Sales Manager (responsible for medical and trade sectors) and Assistant General Manager (Mandalay Office). Management team is involved with administration, sales management, securing supplies from the principals, distribution & logistics, inventory control, and training programs for the staff. Tender businesses, regulatory affairs, and relationship with principals are

mainly taken care of by the M.D. in collaborating with the management team (Thein, 2019).

Transactional Style of Leadership is observed to be in practice at the Mandalay office more obviously than in Yangon office. Managing director has empowered the assistant general manager of the Mandalay office to run the businesses in upper Myanmar as it is required according to the culture and nature of the business practices there while adhering to the main goals and objectives of the MYMT company. Likewise functional department heads are also given the authority and responsibility to run their respective businesses in line with the company's practices laid down by the management team. Mandalay team is composed mostly with sales staff and their goals and objectives mainly are to achieve the sales targets set by the company. Thus, Contingent Reward and Active Management by Exception components of Transactional Style of Leadership are exercised by the leaders at various levels within the sales team of Mandalay and are seen more obviously. Only when the unusual circumstances or situations crop up, it has to be brought up to the attention of the management team and M.D. for their guidance and decision, thus showing that Passive Management by Exception component of the Transactional Style of Leadership is also witnessed in Mandalay team.

As for Yangon office, since M.D. is sitting at the office in Yangon it is more convenient for the management team to deal the unusual cases with the guidance of the M.D. more effectively. MYMT company has been in this business for nearly a decade, thus its business operations are more or less well lubricated. Day to day business is efficiently operated by the team members, employees and the supervisors and managers of respective departments. Each and every employee knows their job descriptions and assigned tasks well. The practice in MYMT company is to make all employee know their responsibilities and accountabilities right from the day one. Functional department heads assign the tasks to their employees through their supervisors and the objectives and goals are made known to all employees by cascading down the hierarchical structure. All employees and staff members are made to know their level of involvement in decision making and the ceiling for responsible spending where client entertainment expenses are concerned. Sales targets and goals are set by the sales manager in cooperation with relevant heads of different functional departments. Sales supervisors and the managers or the heads usually help the team

members to achieve the targets set for them by coaching, mentoring and giving advice. Heads of the functional departments have the liberty to make their own decisions with their day to day encounters while the management team and M.D. herself only providing the guidance, directions, leadership and other necessary resources as and when required. This whole system of operation arouse the staff to come up with challenging ideas against the traditional way of thinking and the set beliefs and old thoughts. Giving the staff to come up with creative ways to solve the problems by themselves. Thus, Intellectual Stimulation component under the Transformational Style of Leadership is seen to be in practice in MYMT company. Although M.D. has been practicing the empowerment with less control over the day to day business operations to all functional teams, distribution of power is not always equal and not always effective, because effectiveness of empowerment depends a lot on the level of capabilities, knowledge, and attitude of those who are empowered. Thus, the leadership qualities and leadership styles come into the picture to make sure that the business practices along with empowerment are made effective throughout the organization.

Although the M.D. and the management team display good leadership practices, middle level managers or leaders sometimes deviate from the guidelines and their different approaches or styles of management applied are observed by the management team. However, the leader at the top – the M.D. herself always take keen interest with sincere concern for the staff irrelevant of whether from Yangon team or Mandalay team. Desires and needs of the staff are truly concerned and taken care of on individual basis. If required, M.D. herself gives personal counseling, mentoring and coaching to provide sound advice and strong support. This Individualized Consideration offered to all the staff from Yangon and Mandaly are observed as one component of the Transformational Leadership in practice at MYMT company. Therefore it is of utmost importance for MYMT company to have appropriate leadership styles practiced by its leaders at different levels of the organization to achieve its goals by having the employees' performance through their commitment to the organization. Employees' commitment to the organization is usually influenced by the styles of leadership exercised by the leaders at different functional levels as well as by the M.D.

Leadership styles practiced in MYMT company is not always constant as different situations and different level of employees call for different leadership styles to get the most effective outcome for the organization. It is an advantage for the organization to have a person like the M.D. at the helms of the wheel because the M.D. is well liked by the employees and is popular for her generosity, personality and her efficient management of the organization for so many years. This will give inspiration and motivation to the employees who in turn will give their commitment to the organization on the grounds of sense of belonging. These findings reflect the Idealized Influence and Inspirational Motivation components of Transformational Style of Leadership.

CHAPTER 4

ANALYSIS ON ORGANIZATIONAL COMMITMENT AND EMPLOYEE PERFORMANCE IN MYMT COMPANY LTD.

This chapter examines and analyzes the effect of different leadership styles on employees' commitment to the organization and their consequential impact on the employees' performance. Before starting the analysis, the reliability of the instruments used for this research are measured. Firstly, the analysis on demographic profile of the respondents is presented by using the Frequency Analysis tool. Secondly, different leadership styles currently exercised in MYMT Co., Ltd. are analyzed from the survey questionnaire with the focus on Bass's Full Range Leadership Styles Model covering Transactional, Transformational and Laissez-faire leadership styles using the Multiple Linear Regression Analysis. Thirdly, employees' commitment factors are analyzed also by using the Multiple Linear Regression Analysis based on Revised Version of Meyer, Allen & Smith 1993 model. Fourthly, factors for employee performance are analyzed based on the Individual Work Performance Questionnaire (IWPQ) developed by Koopmans and others. Fifthly and finally, the effect of different leadership styles on employee performance is analyzed and presented in this chapter.

4.1 Demographic Characteristics of Respondents

Firstly necessary information of the respondents is collected. Demographic characteristics and personal data of the respondents (who are the employees at MYMT Co., Ltd.) are compiled by using the survey questionnaire and the data obtained are analyzed with the use of Frequency Analysis. The data collected from the survey are categorized into the factors such as age group, educational level, gender, income, and position are shown in Table (4.1).

A total of 101 respondents from MYMT Co., Ltd. participated in this survey which explored the effect of leadership styles on employees' commitment to the organization and employees' performance as the outcome. Before conducting the

survey by using the questionnaire, purpose and objectives of the exercise were well explained to all those who had participated in the survey. All participants were reassured that all information collected from them will be kept confidential as survey data and will be used solely for the research purpose under the academic program. Except the Managing Director and the two General Managers, all the staff from MYMT had participated in this survey covering from the Administration Manager to the menials.

Majority of the staff of MYMT are female staff who are responsible for a wide range of business operations covering sales, marketing, accounts, administration, regulatory affairs and administrative works. Ages of the staff are categorized into six age groups as shown in the table. Most of the staff fall in the age group ranging from 21 to 40 years and are responsible for sale, marketing, delivery and warehouse. Senior staff falls in the age group ranging from 41 to 60 years and are working in accounts, regulatory affairs and administration.

Education qualification of the employees of MYMT Co., Ltd. are grouped into 3 categories in order to understand their intellectual level while assessing the perceptions of the employees on the leadership styles. It is found that more than 75% of the staff have bachelor degrees which indicates that the education level of the staff in this company matches the required level of knowledge for the business. The position or the designation of the staff are categorized according to their functional roles and responsibilities such as: sales staff and supervisors for medical sector, sales staff and supervisors for trade sector, accountants, delivery, warehouse worker, etc. As presented in the table, the largest portion of the respondents are from sales and marketing (80 persons) while administrative staff take the smaller portion of the total staff strength.

Table (4.1) Demographic Profile of the Respondents

GENDER	No. of Respondents	Percent (%)
Male	24	23.76
Female	77	76.24
Total	101	100
AGE GROUP	No. of Respondents	Percent (%)
20 or younger	4	3.96
21 to 30 years	55	54.46
31 to 40 years	32	31.68
41 to 50 years	6	5.94
51 to 60 years	2	1.98
Older than 60 years	2	1.98
Total	101	100
EDUCATION LEVEL	No. of Respondents	Percent (%)
Undergraduate	23	22.77
Bachelor's Degree	77	76.24
Master's Degree	1	0.99
Total	101	100
INCOME LEVEL (Kyats)	No. of Respondents	Percent (%)
300,000 or less	68	67.33
300,001 to 600,000	28	27.72
600,001 to 900,000	3	2.97
900,001 to 1,200,000	2	1.98
Total	101	100
POSITION	No. of Respondents	Percent (%)
Admin Manager	1	0.99
Assistant General Manager	1	0.99
Sales Manager	1	0.99
Admin Staff (Finance, Accounts & Admin)	2	1.98
Sales Supervisor(Trade)	5	4.95
Sales Supervisor(Medical)	7	6.93
Station Sales Staff (Medical)	25	24.75
Station Sales Staff (Trade)	11	10.89
Accounts Clerks	10	9.90
Sales Staff (Mobile-both Medical & Trade)	23	22.77
Delivery Staff	4	3.96
Cash Collectors	2	1.98
Product Managers	4	3.96
Driver	1	0.99
Warehouse Staff	4	3.96
Total	101	100

Source: Survey data, 2019

4.2 Reliability Test of the Research Instruments for Questionnaires

In leadership questionnaires, a total of 18 questions are developed to cover eight dimensions under the three different leadership styles namely Transformational, Transactional and Laissez-faire. In Bass's Full Range Leadership model, Laissez-faire leadership style is included under the Transactional Leadership style. Under the Organizational Commitment of the Employees, 3 dimensions are covered, but in the Employees' Performance only 2 dimensions are covered in this research as Adaptive Performance was not considered as a separate entity under the employees' performance. All the questionnaires developed to cover the above mentioned dimensions are tested for the Reliability Scores and the results are summarized and presented in Table (4.2).

Table (4.2) Reliability Tests of questionnaires for Leadership Styles, Employee Commitment and Employee Performance

No.	Factor	No. of Items	Cronbach's Alpha
1	Transformational Leadership Style	6	0.791
2	Transactional Leadership Style	6	0.664
3	Laissez-faire Leadership Style	6	0.688
4	Affective Commitment	6	0.659
5	Continuance Commitment	6	0.658
6	Normative Commitment	6	0.644
7	Task Performance	3	0.840
8	Contextual Performance	5	0.844

Survey Data: 2019

Rule for interpreting the Cronbach's Alpha ranges from 'questionable' to 'excellent'. (Questionable = $0.6 < \text{Alpha} < 0.7$, Acceptable = $0.7 < \text{Alpha} < 0.8$, Good = $0.8 < \text{Alpha} < 0.9$, Excellent = Alpha is 0.9 and above.)

Research instruments are measurement tools (for example, questionnaires, survey, tests or scales) designed to obtain data on a topic of interest from research subjects. In this report, questionnaires of the subject-completed instruments are used. Before using the questionnaires Cronbach's Alpha Scores are measured for all these questionnaires to make sure that the research instruments used for this research possess the reliability and validity. Therefore, reliability analyses are conducted with the use of the data from the main survey before further analyses on the data for the different effects and relationships between the independent variables and dependent variables during the course of the research to ensure the reliability and validity of the results and the respective conclusions.

Cronbach's Alpha values for the questionnaires used for leadership style, employee commitment and employee performance turned out to have average score of (0.724) for a total of 44 question items covered in the questionnaire indicates that the questionnaire used for this study stands for acceptability. It also says that questionnaires structured for this study are reliable and internally consistent in measuring the latent variables intended to measure. And hence, these questionnaires are used in exploring the effect of different leadership styles on the employees' commitment to the MYMT organization and the consequent outcome which is employee performance.

4.3 Employees' Perception on Leadership Styles Practiced at MYMT

In exploring the effect of leadership styles on employees' commitment to the organization in MYMT Co. Ltd. firstly employees' perception on different leadership styles are analyzed in this section. Analysis of different leadership styles are based on the Bass' full range of leadership styles comprising transactional leadership style, transformational leadership style and Laissez-faire leadership style. Survey questionnaire was developed with the mixture of different statements for each leadership style to be answered by each respondent in order to be able to analyze their perception on different leadership styles in their organization. Questionnaire was constructed with - Five Points Likert Scale for each statement. Then the scores of each statement was calculated for its Mean and Standard Deviation, having the mean score for each statement ranged from 1 to 5.

4.3.1 Transactional Leadership Style

A total of six statements reflecting the Transactional Leadership Style were comprised in the questionnaire set for each respondent to analyze their perception on the different leadership style within their organization. The six statements reflecting the Transactional Leadership Style are: Leader discusses in specific terms who is responsible for achieving performance targets; Leader makes clear what one can expect to receive when performance goals are achieved; Leader focuses attention on irregularities, mistakes, exceptions, and deviations from standards; Leader fails to interfere until problems become serious; Leader waits for things to go wrong before taking action; Leader shows that she is a firm believer in - If it ain't broke, don't fix it. The basis statistical analysis for each statement reflecting the Transactional Leadership Style are presented in Table (4.3) showing the mean score and standard deviation.

Table 4.3 Transactional Leadership Style

Transactional Leadership	Mean	Standard Deviation
Specific terms for achieving performance targets	4.08	1.046
Clear expectation on what to receive	3.92	1.026
Focuses attention on mistakes, irregularities and deviations	3.10	1.237
Fails to interfere till problem becomes serious	3.16	1.263
Waits for things to go wrong before taking action	3.38	1.434
Firm believer in not fixing things, if they are not broken	3.40	1.327

Source: Survey data, 2019

From the 'Mean Scores' calculated in Table (4.3), it can be said that the mean score for every statement is more than 2.5 and thus leaning towards the higher side for

Likert's 5 Points Scale. Meaning that all the questions answered are expressing that employees at MYMT regard the leadership styles practiced by the leaders at different levels reflect more towards in the direction of the transactional leadership style. The highest mean score (4.08) was found in the statement – specific terms for achieving performance targets, while the lowest mean score (3.10) was found in the statement – focuses attention on mistakes, irregularities and deviations.

Respondents strongly agree that leader focuses on her targets and accepted terms set for the team, which means that the leader is serious about the performance and has set her terms for the subordinates in order to achieve her goals for the organization. But when it comes to making mistakes, irregularities and deviations, respondents come to an agreement level which is (3.10) means that the leader is concerned for such unfavourable matters but not as high as for the performance targets. That means the leader is more of result oriented. And the second highest mean score (3.92) was found with the statement that says – clear expectation on what to receive. Right from the beginning the leader advised the employees what they can expect from achieving their target performances clearly. The leader really means business. From the mean scores obtained from these three statements, it can be construed that the leader is more of the task oriented leader and is very clear with her expectation on the results as well as with the rewards that can be attained by the staff in meeting the targets set by her. However, mean scores for the remaining questions showed that the leader also has some leniency with her staff where mistakes, problems are concerned. This leniency indicates that the leader has some traits of a democratic leader which can be utilized in applying the transformational leadership style to the organization as and when the situation calls for. From the values of mean scores (all are over 3), it can be assumed that MYMT Co. Ltd. is depending more on the Transactional Leadership Style in achieving the targets. From the standard deviations, it is seen as data is widely spread. It shows that among the respondents there are some unequivocal opinions exist with the questions.

4.3.2 Transformational Leadership Style

Each respondent is asked to express their perception on leadership styles based on the six statements reflecting the Transformational Leadership Style which are

mingled in the questionnaire for the leadership styles in their organization. Those six statements reflecting the Transformational Leadership Style are as follow: Leader instills pride in us/others for being associated with her; Leader considers the moral & ethical consequences of decisions;

Table 4.4 Transformational Leadership Style

Transformational Leadership	Mean	Standard Deviation
Instills pride for being associated with her	4.18	.841
Considers moral & ethical consequences of decisions	3.90	1.005
Articulation of a compelling future vision	4.07	.982
Differing perspectives when solving problems	3.62	.999
Considers an individual differently from others	3.65	1.161
Helps others to develop their strengths	4.21	.766

Source: Survey data, 2019

Leader articulates a compelling vision of the future; Leader seeks differing perspectives when solving problems; Leader considers an individual as having different needs, abilities, and aspirations from others; Leader helps others to develop their strengths. Mean scores and standard deviation analyzed statistically for each statement for the Transformational Leadership Style are presented in Table (4.4).

From the Mean Scores calculated in Table (4.4), it can be said that the mean score for every statement is over 3.5 which is regarded to be on the high side for Likert's 5 Points Scale. The highest mean score (4.21) was found in the statement of – helps others to develop their strengths while the lowest mean score (3.62) was found in the statement of – differing perspectives when solving problems, showing that respondents strongly agree that their leaders have the traits of democratic leaders and charismatic leaders which are in line with Transformational Leadership Styles. It indicates that leaders have the hearts of leaders and the personalities which will help their subordinates with their growth and improvement and also have keen interest in

nurturing their subordinates on individual basis relating to the moral values, perspectives in solving the problems, imagination and visualization of the future of the organization. Mean scores (3.62-4.21) indicates that employees at MYMT Co. Ltd., perceive the style of leadership practiced by their leaders incline towards the Transformational Leadership Style.

Contrary to the standard deviation found with employees' perception on the transactional leadership style, standard deviation for employees' perception on the transformational leadership is found to be less scattered in the data spread. It shows that general consensus of employees on the leadership style practiced in MYMT is of transformational style.

4.3.3 Laissez-faire Leadership Style

Each respondent is asked to analyze their perception on leadership styles while six statements reflecting the Laissez-faire Leadership Style are mixed in the questionnaire for the leadership styles in their organization. Those six statements reflecting the Laissez-faire Leadership Style are as follow: Leader avoids getting involved when important issue arises.; Leader does not retain the final decision and making authority within organization or/and more favor to team consideration; Leader give subordinates complete freedom to solve problems of their own; Leader is content to let others continue working in the same way as always; Leader lets subordinates to set their own goals and monitor own performance; Leader is lacking of control, direction and explanation. Mean scores and standard deviation analyzed statistically for each statement for the Laissez-faire Leadership Style are presented in Table (4.5).

Table 4.5 Laissez-faire Leadership Style

Serial No.	Laissez-faire Leadership	Mean	Standard Deviation
1	Avoids getting involved when important issue arises	2.07	1.160
2	Final decision goes to team consideration	2.17	0.970
3	Subordinates have complete freedom to solve problems of their own	2.29	1.211
4	Content to let working in the same old way	2.39	1.304
5	Subordinates to set their own goals and monitor own performance	2.16	1.102
6	Lacking of control, direction and explanation	2.25	1.307

Source: Survey data, 2019

From the Mean Scores calculated in Table (4.5), it can be seen that all six statements showed scores under 2.5. Since it is the situation, it is obvious that the Laissez-faire leadership style is hardly practiced in MYMT organization. All the questions designed to find out the occult existence of Laissez-faire leadership style in the organization do not reveal so. Therefore, it says that leadership styles practiced in MYMT organization include Transformational and Transactional leaderships styles but not the Laissez-faire style. From this, it is evident that in MYMT Co. Ltd., the leadership style practiced do not contain much of the Laissez-faire component.

Table (4.6) Summary of Overall Mean Scores of Leadership Styles

Leadership Style	Overall Mean Score
Transactional	3.51
Transformational	3.94
Laissez-faire	2.22

Source: Survey data, 2019

4.4 Organizational Commitment of Employees at MYMT

In the conceptual framework, it is constructed in such a way to find the relationship between the leadership styles and employees' commitment to the organization. Based on this relationship, impact or the effect of different leadership styles on the extent of employees' commitment to the organization is explored in this report. In the revised version of Meyer, Allen and Smith (1993) three different types of employees' commitment was studied. Therefore, in this report, three types of employees' commitment to the organization was analyzed by giving the respondents a questionnaire containing different statements linked to the different types of employees' commitment to the organization which are : Affective, Continuance and Normative Commitments. Respondents were asked to answer the statements by choosing the most likely point for each statement from the Likert's 5 Points Scale which ranges from Totally Agree to Totally Disagree with Agree, Neutral and Disagree in between. The scores of each statement was calculated for its mean score and standard deviation.

All the questionnaires for employee commitment are adopted from 18 items of Allen and Meyer's Organizational Commitment Scale.

4.4.1 Affective Commitment

A total of six statements were asked to each respondent to analyze their type and extent of commitment to the organization. Six statements reflecting the Affective Commitment are; a person would be very happy to spend the rest of his/her career with this organization; a person really feel as if this organization's problems are his/her own; a person do not feel a strong sense of belonging to his/her organization; a person do not feel emotionally attached to this organization; a person do not feel like part of the family at his/her organization; and this organization has a great deal of personal meaning for him/her. The basic statistical analysis for each statement has been presented in Table (4.7) for Affective Commitment by showing the mean score and standard deviation.

Table 4.7 Affective Commitment

Affective Commitment	Mean	Standard Deviation
Very happy to spend the rest of his/her career with this organization	3.30	1.269
Feeling organization's problems as his/her own	3.94	0.870
No feeling of strong sense of belonging (R)	4.12	0.972
Not feeling as emotionally attached (R)	3.95	0.865
Not feeling like part of the family (R)	3.96	1.113
The Organization has a great deal of personal meaning for me	3.84	0.924

Source: Survey Data, 2019

From the Mean Scores calculated in Table (4.7.), it can be seen that three reverse questions are included to test the logic under the psychological test on commitment by the employees. When scores are calculated with Likert scale, these reverse questions are taken into consideration. Almost all the mean scores are well above 3.4, which mean that affective commitment is of dominance in the chosen organization. Only one question- very happy to spend the rest of his/her career with this organization, is showing the score to be (3.30). Almost all mean scores are over (3.84) indicates that affective commitment by the employees towards the organization is on the strong side of the scale.

4.4.2 Continuance Commitment

A total of six statements were asked to each respondent to analyze their type and extent of commitment to the organization. Six statements reflecting the Continuance Commitment are; Right now, staying with his/her organization is a matter of necessity as much as desire; It would be very hard for a person to leave

his/her organization right now, even if he/she wanted to.; Too much of a person’s life would be disrupted if that person decided he/she wanted to leave his/her organization now; a person feel that he/she has too few options to consider leaving this organization; If a person had not already put so much of himself/herself into this organization, he/she might consider working elsewhere; One of the few negative consequences of leaving this organization would be the scarcity of available alternatives. The basic statistical analysis for each statement has been presented in Table (4.8) for ‘Continuance Commitment’ by showing the mean score and standard deviation.

Table (4.8) Continuance Commitment

Continuance Commitment	Mean	Standard Deviation
Staying with the organization is necessity as much as desire	3.62	1.207
Very hard to leave the organization right now, even if wanted to	3.67	1.115
Disruption of one’s life if decided to leave the organization now	2.66	1.336
Too few options to consider leaving this organization	2.56	1.220
If had not put so much of one’s self into the organization, might consider working elsewhere	3.23	1.103
Negative consequences of leaving this organization would be the scarcity of available alternatives	2.48	1.163

Source: Survey Data, 2019

From the ‘Mean Scores’ calculated in Table (4.8), it is evident that statements relating to leaving the organization for various reasons have the lower scores, which mean that the leadership styles exercised at MYMT Co., Ltd. cannot make the employees seeing the organization as a place where they can have their career secured. These statements can also be affected by the changing business environment

where more business opportunities are cropping up in the market place. Statements with scores close to 4 are – staying with the organization is necessity as much as desire and very hard to leave the organization right now, even if wanted to. High scores with these statements can be construed that employees are committed to the organization in some ways. Thus, employees’ commitment to the organization does not depend on leadership styles solely. There must be other factors to be considered.

4.4.3 Normative Commitment

As with previous factors, a total of six statements were asked to each respondent to analyze their type and extent of commitment to the organization. Six statements reflecting the Normative Commitment are; a person do not feel any obligation to remain with the current employer; even if it were to a person’s advantage, that person does not feel it would be right to leave the organization now; a person would feel guilty if he/she left the organization now; this organization deserves his/her loyalty ; a person would not leave the organization right now because he/she has a sense of obligation to the people in it; a person owes a great deal to the organization. The basic statistical analysis for each statement has been presented in Table (4.8) for Normative Commitment by showing the mean score and standard deviation.

Table 4.9 Normative Commitment

Normative Commitment	Mean	Standard Deviation
No obligation to remain with a person’s current employer (R)	3.84	1.231
Do not feel right to leave his/her organization now	3.02	1.241
Would feel guilty if he/she left the organization now	2.69	1.355
Organization deserves a person’s loyalty	3.99	0.985
Not leaving the organization right now because of having a sense of obligation to the people in it	3.71	1.080
Owe a great deal to the organization	3.99	0.995

Source: Survey Data 2019

From the Mean Scores calculated for Normative Commitment in Table (4.8), two highest scores (3.99) with the statements like – organization deserves a person’s loyalty and owe a great deal to the organization, indicate the strong sense of obligation from the employees towards the organization. On the other hand, lowest score was found with the statement – would feel guilty if he/she left the organization now contradicts the assumption made from the afore-mentioned two statements. But the spread of the data (standard deviation) is biggest among the statements can be translated in a way that says employees are not that responsible. Most mean scores are (over 3.5) for Normative Commitment suggest that majority of the employees of MYMT Co. Ltd., must have some kind of moral obligations towards the organization.

Table: (4.10) Summary of Organizational Commitment at MYMT Co., Ltd

Types of Employee’s Commitment	Overall Mean Scores
Affective Commitment	3.85
Continuance Commitment	3.04
Normative Commitment	3.54

Source: Survey Data 2019

4.5 Analysis of the Leadership Styles on Organizational Commitment at MYMT

In this study, the effect of different leadership styles have on various types of commitment made by the employees to the organization is explored by using the multiple regression analysis on affective commitment, continuance commitment and normative commitment separately in following.

4.5.1 Effect of Leadership Styles on Employees’ Affective Commitment to the Organization

To analyze the effect of leadership styles on employee’s affective commitment in MYMT Co., Ltd. the multiple regression analysis is applied by using the IBM SPSS software.

Table (4.11) Effect of Leadership Styles on Affective Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.715	.886		3.065	.003
Transformational Leadership	.298***	.111	.328	2.693	.008
Transactional Leadership	-.086	.122	-.104	-.704	.483
Laissez-faire Leadership	.120	.139	.144	.865	.389
R	0.274				
R Square	0.075				
Adjusted R Square	0.047				
F Statistics	2.627**				
Sig.	0.052				

Source: Survey Data 2019

***Significant at 1%level, **Significant at 5%level, *Significant at 10%level

Employee's affective commitment is identified as dependent variable while three types of leadership styles: transformational leadership, transactional leadership and Laissez-faire leadership are used as independent variables. The summary statistics of analyses on the said model is presented in the above table.

Multiple regression analyses are conducted to examine the relationship between different leadership styles and employee's affective commitment. Above table summarizes the coefficient statistics and analysis results.

According to the linear regression results, overall significance of the model F-test result 2.627 at 5% significant level means that probability of these results occurring by chance was less than 0.05. Therefore there is a significant relationship between the different leadership styles and employee's affective commitment. In other words, the F-test of overall significance indicates that the linear regression model provides a better fit to the model confirming that the model is valid. F-test of overall significance assesses all of the coefficients jointly whereas the t-test for each coefficient examines them individually.

In the outcome of the regression analysis, positive relation to affective commitment of employees is observed with the transformational leadership style at 1% significance level where the significance value is less than 0.01. It means that one

unit increase in transformational leadership style factor can lead to increased employee's affective commitment by 0.298 units.

The standardized coefficient (Beta) of transformational leadership style bears the largest value of (0.328) among all three types of leadership styles. It can be interpreted that the transformational leadership style has the most prominent relationship on the employee's affective commitment which is a positive effect for the MYMT organization. Usually the larger Betas are associated with larger t-values and hence t-value of transformational leadership style is also found to be the largest with the value of (2.693).

Overall examination has discovered that the model explains the variances in employee's affective commitment predictably only by the transformational leadership style, as there is significant relationship exists between the transformational leadership style and employee's affective commitment, where one unit increase in transformational leadership style factor can lead to increased employee's affective commitment by 0.298 units.

4.5.2 Effect of Leadership Styles on Employees' Continuance Commitment to the Organization

To analyze the effect of leadership styles on employee's continuance commitment in MYMT Co., Ltd. the multiple regression analysis is applied by using the IBM SPSS software. Employee's continuance commitment is identified as dependent variable while three types of leadership styles: transformational leadership, transactional leadership and Laissez-faire leadership are used as independent variables. The summary statistics of analyses on the said model is presented in the following table.

Multiple regression analyses were conducted to examine the relationship between different leadership styles and employee's continuance commitment. Above table summarizes the coefficient statistics and analysis results.

According to the linear regression results, overall significance of the model F-test result 7.608 at 1% significant level means that probability of these results occurring by chance was less than 0.01. Therefore there is a significant relationship between the different leadership styles and employee's continuance commitment. In other words, the F-test of overall significance indicates that the linear regression

model provides a better fit to the model confirming that the model is valid. F-test of overall significance assesses all of the coefficients jointly whereas the t-test for each coefficient examines them individually.

Table (4.12) Effect of Leadership Styles on Continuance Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.259	.976		1.290	.200
Transformational Leadership	.543***	.122	.507	4.446	.000
Transactional Leadership	-.215	.135	-.221	-1.595	.114
Laissez-faire Leadership	.181	.153	.185	1.189	.238
R	0.436				
R Square	0.190				
Adjusted R Square	0.165				
F Statistics	7.608***				
Sig.	0.000				

Source: Survey Data 2019.

***Significant at 1%level, **Significant at 5%level, *Significant at 10% level

In the outcome of the regression analysis, positive relation to continuance commitment of employees is observed with the transformational leadership style at 1% significance level where the significance value is less than 0.01. It means that one unit increase in transformational leadership style factor can lead to increased employee's continuance commitment by 0.543 units. Therefore, one of the objects of this study, leadership styles has the relationship on employee's commitment is supported to some extent by the findings on the relationship of transformational leadership style on the employee's continuance commitment in this model.

The standardized coefficient (Beta) of transformational leadership style bears the largest value of (0.507) among all three types of leadership styles. It can be interpreted that the transformational leadership style has the most prominent relationship on the employee's continuance commitment which is a positive effect to the MYMT organization. Usually the larger Betas are associated with larger t-values and hence t-value of transformational leadership style is also found to be the largest with the value of (4.446).

Overall examination has discovered that the model explains the variances in employee's continuance commitment predictably only by the transformational leadership style, as there is relationship exists significantly between the transformational leadership style and employee's continuance commitment where one unit increase in transformational leadership style factor can lead to increased employee's continuance commitment by 0.543 units.

4.5.3 Effect of Leadership Styles on Employees' Normative Commitment to the Organization

To analyze the effect of leadership styles on employee's normative commitment in MYMT Co., Ltd. the multiple regression analysis is applied by using the IBM SPSS software. Employee's normative commitment is identified as dependent variable while three types of leadership styles: transformational leadership, transactional leadership and Laissez-faire leadership are used as independent variables. The summary statistics of analyses on the said model is presented in the following table.

Table (4.13) Effect of Leadership Styles on Normative Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.585	.940		3.813	.000
Transformational Leadership	.320***	.118	.312	2.721	.008
Transactional Leadership	-.201	.130	-.217	-1.550	.124
Laissez-faire Leadership	-.267	.147	-.284	-1.813	.073
R	0.423				
R Square	0.179				
Adjusted R Square	0.153				
F Statistics	7.043***				
Sig.	0.000				

Source: Survey Data 2019

***Significant at 1%level, **Significant at 5%level, *Significant at 10%level

Multiple regression analyses were conducted to examine the relationship between different leadership styles and employee's normative commitment. Above table summarizes the coefficient statistics and analysis results.

According to the linear regression results, overall significance of the model F-test result 7.043 with a significance of 0.000, at 1% significant level means that probability of these results occurring by chance was less than 0.01. Therefore there is a significant relationship between the different leadership styles and employee's normative commitment. In other words, the F-test of overall significance indicates that the linear regression model provides a better fit to the model confirming that the model is valid. F-test of overall significance assesses all of the coefficients jointly whereas the t-test for each coefficient examines them individually.

In the outcome of the regression analysis, positive relation to normative commitment of employees is observed with the transformational leadership style at 1% significance level where the significance value is less than 0.01. It means that one unit increase in transformational leadership style factor can lead to increased employee's normative commitment by 0.320 units. Therefore, one of the objects of this study, leadership styles has the relationship on employee's commitment is supported to some extent by the findings on the relationship of transformational leadership style on the employee's normative commitment in this model.

The standardized coefficient (Beta) of transformational leadership style bears the largest value of (0.312) among all three types of leadership styles. It can be interpreted that the transformational leadership style has the most prominent relationship on the employee's normative commitment which is a positive effect to the MYMT organization. Usually the larger Betas are associated with larger t-values and hence t-value of transformational leadership style is also found to be the largest with the value of (2.721).

Overall examination has discovered that the model explains the variances in employee's normative commitment predictably only by the transformational leadership style, as there is relationship exists significantly between the transformational leadership style and employee's normative commitment where one unit increase in transformational leadership style factor can lead to increased employee's normative commitment by 0.320 units.

Table (4.14) Summary of findings from the analyses on Effect of Leadership Styles on Organizational Commitment

Leadership Style.	Employee Commitment	Decision/Findings.
Transformational	Affective	Significant Positive Effect
	Continuance	Significant Positive Effect
	Normative	Significant Positive Effect
Transactional	Affective	No Significant Effect
	Continuance	No Significant Effect
	Normative	No Significant Effect
Laissez-faire.	Affective	No Significant Effect
	Continuance	No Significant Effect
	Normative	No Significant Effect

Source: Survey Data, 2019

In the main objectives of this study, it was stated as one objective that the effect of leadership styles on employee commitment in MYMT Co., Ltd. is going to be examined. From the above summary table on regression analyses made, it is found that there is a strong relationship between transformational leadership style and employee commitment.

4.6 Analysis on the Effect of Organizational Commitment on Employee Performance

In analyzing the effect of employee commitment on employee performance in MYMT Co., Ltd. a set of questionnaire containing 8 statements relating to employee performance were asked to the respondents. Out of 8 statements, three statements are concerned with Task Performance and five statements are concerned with Contextual Performance. Statements concerned with Task Performance are: ‘All the duties assigned to a person are meeting deadlines, a person was able to carry out his/her work efficiently, and a person took on extra responsibilities’. Statements concerned with contextual Performance are: ‘On his/her initiative, a person started new tasks when his/her old tasks were completed, a person took on challenging tasks when they were available, a person worked keeping his/her work skills up-to-date, a person came up with creative solutions for new problems and a person was able to set priorities’.

Table (4.15) Employee Performance

Employee Performance	Statements	Mean	Standard Deviation
Task.	All the duties assigned to a person are meeting deadlines	4.17	.813
	A person was able to carry out his/her work efficiently	4.22	.743
	A person took on extra responsibilities	4.23	.631
	Overall Mean	4.204	.637
Contextual.	On his/her initiative, a person started new tasks when his/her old tasks were completed	4.02	.905
	A person took on challenging tasks when they were available	4.06	.772
	A person worked keeping his/her work skills up-to-date	4.17	.708
	A person came up with creative solutions for new problems	4.02	.663
	A person was able to set priorities	4.08	.674
	Overall Mean	4.069	.588

Source: Survey Data 2019.

Descriptive statistics for employee performance is also explored before proceeding for the analysis to find out the effect of employee commitment on employee performance.

Overall mean scores of both Task Performance and Contextual Performance have scores over (4), that means employee performance in MYMT company is high. Employees are efficient and competent with their works. They work with accuracy and have concerns for time frames set for their works. Employees also have proficiencies with non-job-specific tasks and with extra-role functions, which are supportive to the organizational, social and psychological environment.

Effect of Organizational Commitment on Employee Performance

Employee commitment is put as independent variable or predictor and the employee performance is put as dependent variable into the regression analysis.

Regression analyses are made to find out the effect of three different employee's commitment on employee's task performance and employee's contextual performance separately. The summary statistics are presented in the following separate tables.

Table (4.16) Effect of Organizational Commitment on Task Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.786	.476		7.953	.000
Affective Commitment	-.122	.103	-.118	-1.188	.238
Continuance Commitment	-.059	.093	-.067	-.641	.523
Normative Commitment	.302***	.095	.329	3.194	.002
R				.323	
R Square				.104	
Adjusted R Square				.077	
F Statistics				3.761**	
Sig.				.013	

Source: Survey Data, 2019.

***Significant at 1%level, **Significant at 5%level, *Significant at 10%level

F-test result 3.761 with a significance of 0.013 at 5% significant level. Therefore, there is a significant relationship between the different types of employee commitment and employee's task performance. F-test of overall significance indicates that the linear regression model provides a better fit to the model confirming that the model is valid.

In the outcome of the regression analysis, positive relation to employee's performance is observed with the normative commitment at 5% significance level where the significance value is less than 0.05. It means that one unit increase in employee's normative commitment can lead to increased employee's performance by 0.302 units. Therefore, second objective of this study, employee's commitment has direct effect on employee's commitment is supported to some extent by the findings on the relationship of employee's normative commitment on the employee's task performance in this model.

Affective commitment is found to have produced the data relating to the employee's task performance at 10% significance level. Result of the continuance commitment is also found to have produced the data relating to the employee's task performance at 10% significance level where the significance value is also over 0.1.

The standardized coefficient (Beta) of normative commitment bears the largest value of (0.329) among all three types of employee commitment. It can be interpreted that the normative commitment has the most prominent effect on the employee's task performance which is a positive factor for MYMT organization. Usually the larger Betas are associated with larger t-values and hence t-value of normative commitment is also found to be the largest with the value of (3.194).

Overall examination has discovered that the model explains the variances in employee's task performance predictably only by the normative commitment, as there is an effect exists significantly between the normative commitment and employee's task performance where one unit increase in normative commitment can lead to increased employee's task performance by 0.302 units.

Table (4.17) Effect of Organizational Commitment on Contextual Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.423	.398		6.086	.000
Affective Commitment	.025	.086	.026	.285	.776
Continuance Commitment	.013	.077	.016	.167	.868
Normative Commitment	.427***	.079	.504	5.398	.000
R				0.514	
R Square				0.264	
Adjusted R Square				0.241	
F Statistics				11.595***	
Sig.				0.000	

Source: Survey Data, 2019.

***Significant at 1%level, **Significant at 5%level, *Significant at 10%level

F-test result 11.595 with a significance of 0.000 at 1% significant level. Therefore, there is a significant effect exists between the different types of employee commitment and employee's contextual performance. F-test of overall significance indicates that the linear regression model provides a better fit to the model confirming that the model is valid.

In the outcome of the regression analysis, positive relation to employee's contextual performance is observed with the normative commitment at 1% significance level where the significance value is less than 0.05. It means that one unit increase in employee's normative commitment can lead to increased employee's contextual performance by 0.427 units. Therefore, second objective of this study, employee's commitment has direct effect on employee's commitment is supported to some extent by the findings on the effect of employee's normative commitment on the employee's contextual performance in this model.

Affective commitment is found to have produced the data at 10% significance level. Result of the continuance commitment is also found to have no relationship with the employee's contextual performance at 10% significance level.

The standardized coefficient (Beta) of normative commitment bears the largest value of (0.504) among all three types of employee commitment. It can be interpreted that the normative commitment has the most contributory effect on the employee's contextual performance which is a positive factor for MYMT organization. Usually the larger Betas are associated with larger t-values and hence t-value of normative commitment is also found to be the largest with the value of (5.398).

Overall examination has discovered that the model explains the variances in employee's performance predictably only by the normative commitment, as there is an effect exists significantly between the normative commitment and employee's contextual performance where one unit increase in normative commitment can lead to increased employee's performance by 0.427 units.

Table (4.18) Summary of findings from the analyses on Effect of Organization Commitment on Employee's Performance

Employee Commitment	Employee Performance.	Decision/Findings.
Affective	Task	No Significant Effect
	Contextual.	No Significant Effect
Continuance	Task	No Significant Effect
	Contextual.	No Significant Effect
Normative	Task	Significant Positive Effect
	Contextual.	Significant Positive Effect

Source: Survey Data, 2019.

When the main objectives of this study are designed, it is one of the objectives that the effect of employee commitment on employees' performance at MYMT Co., Ltd. is going to be investigated. From the above summary table of regression analyses made, it is found that there is a strong effect exist between normative commitment of the employees and employee performance.

CHAPTER 5

CONCLUSION

This chapter presents the findings and discussion from the primary data collected from 101 respondents of MYMT Company on the use of different leadership styles, effect of leadership styles on employee commitment towards the organization and the effect of employees' commitment on the level of employee performance. Furthermore, this chapter consists of suggestions and recommendations based on the findings from the analyses made. In the last part of this chapter, the need for further studies and researches in connection with the effect of leadership styles on employee commitment and employee performance are discussed while keeping the limitations encountered during the study in consideration.

5.1 Findings and Discussion

From the study, it is found that the leadership style practiced in MYMT company perceived by the employee leans more towards the transformational style while the perception on the transactional style of leadership is also witnessed from the survey results. These findings from the data explain that both leadership styles are practiced at MYMT company but with difference in extent and depth. Being a sales and marketing oriented organization, contingent reward and task completion aspects are also focused for the growth of the business and in achieving their goals. Transactional leadership style is useful when control of things in the hands of the leader is required and also when the targets as well as deadlines must be met for the business. Practice of transactional leadership style in such organization is a natural phenomenon. Nevertheless, from the survey it is found that employees perceived their leader more as a transformational leader, owing to the training and development programs regularly scheduled for the employees with the aim to transform people in the organization, to change their mindsets, to enrich their skills and behaviour, to stimulate their intelligence, to motivate them, to get them inspired. Also because of the charisma their top leader possesses. When investigation is made for Laissez-faire leadership style it is detected that the leader does not give much freedom to the

employees in making decision and in taking the course of action of their own choices. It is eminent that the leader controls things in this organization with a strict sense of discipline.

Employees' commitment levels are also discovered from this study for three different types of commitment namely, affective commitment, continuance commitment and normative commitment. Amongst all, affective commitment come out with the highest mean score. Because of the transformational leadership exercised by the leader, employees have developed psychological affinity to the organization and desire to remain as a member of the organization. Employees commit emotionally to the organizations as they feel competent and comfortable with their works, which leads to affective commitment. Less common type of commitment, normative commitment is also found to have a certain effect, which means that employees feel obliged to stay with the organization because of the investments made for them by the company, because of their belief that it is right and moral to stay committed with the organization, because of the social ties and friendship relations exist between the organization and themselves, etc. Of all three types of employee commitment, 'Continuance commitment' is found to be lower than the other two types of commitment. Therefore, it can be construed that employees at MYMT are committing themselves to the organization not because of the cost of leaving the organization for any reason is obvious. Having the affective commitment supported by the normative commitment from the employees, MYMT company is in a favourable position to retain its precious assets of human resources for the company for a long term business.

Task performance can be defined as the proficiency (i.e. competency) with which one performs central job tasks and is an important dimension of individual work performance. Contextual performance is defined as individual behaviors that support the organizational, social and psychological environment in which the technical core must function. Employees are well aware of the rewards that they are going to get when the targets are achieved, so they do their best to carry out their works more and more efficiently. Thus collaboration across the teams is good and effective in achieving the tasks completed successfully. Because of close cooperation across all teams, employees can take on extra-responsibilities in addition to their own assignments. Employees at MYMT company usually cooperate for non-job-specific

works other than the tasks assigned to individuals. Because of the relationships formed between each other, employees at MYMT company take their own initiative to do things outside their scope of work but contributing to the company in some ways. These activities are of contextual performance in nature. Employees at MYMT believe that helping and cooperating with other colleagues contribute to the organization performance as well as to the well-being of the organization both socially and psychologically.

From the multiple regression analysis on the effect of leadership styles on employee commitment, transformational leadership style has statistically significant effects on all three types of employee commitment. It can be construed that when transformational leadership style is exercised more in the organization, commitment of the employees to the organization will be increased. Proper and effective exercise of transformational leadership in MYMT company will make the employees more committed to the organization.

When transactional leadership style is analyzed from the regression analyses for its effect on the commitment of the employees, negative coefficients for transactional leadership style are found with all three types of employee commitment. Commitment leads to long term stay with the company and giving the organization the opportunity to retain good and efficient employees with the company. Give and take attitude, reward based on achievements, employee evaluation based on immediate performance, are the measures covered under the transactional leadership style with a short-term focus. Thus, it is to be concluded that employee commitment is not effected by transactional leadership style in this study.

The effect of Laissez-faire style of leadership on employees' commitment is also analyzed from the regression analysis model. Results from the regression analysis indicate that Laissez-faire style of leadership has no effect on the affective and continuance commitments. Employees who show affective commitment and continuance commitment are usually moved by the transformational and transactional styles of leadership as their interests lie in the same direction of the leadership styles mentioned afore. But Laissez-faire has negative effect on the normative commitment. People of normative commitment have the obligation to maintain employment in an organization. Normative commitment is determined by social norms which are

defined by the level of loyalty, feeling of obligation, and allegiance towards the organization.

In overall analysis, transformational style of leadership has positive effect with statistically significance on three types of employee commitment.

Effect of employee commitment on performance of employees for the organization is also analyzed by utilizing the findings from regression analyses conducted. Before proceeding to the regression analyses, mean scores of employee performances are evaluated from the survey data. Both task performance and contextual performance are on the high side which indicates that performance of employees at MYMT company is good and also explained the fact why MYMT company is successful in its scope of business. In order to understand which type of employee commitment has contributed to the high performance, study is explored further by conducting regression analyses. Findings from the regression analyses show that coefficients of normative style of leadership in both task and contextual performances are much higher than those of affective and continuance leadership styles. According to the published papers normative commitment is a less common type of employee commitment. But here in this study this less common type influencing the outcome of the organization performance is observed. With the normative commitment, employees feel obliged to do good things for the company and feel that it is right and moral to stay with the organization because the organization has invested in them with trainings, pre-paid rewards, incentives, etc.. Employees also have a strong belief in and acceptance of organizational goals and values, and a willingness to exert considerable effort on behalf of the organization. This kind of perception and attitude is boosted by the transformational leadership exercised by the leaders because employees have developed not only psychological affinity to the organization and desire to remain as a member of the organization but also are keen to perform better for their organization. In normative type of commitment, social ties and friendships established within the organization with colleagues at various levels play an important role in creating a team spirit in the organization which also has contributed significantly towards the high performance and growth of the organization. It means that when employees make more commitment to their jobs and the organization, employee performance is enhanced.

From the above regression analyses, it is concluded that employee's normative commitment has positive impact on employee performance. And this normative commitment and affective commitments are effected by the transformational style of leadership. As with all organizations in this era, MYMT Co., Ltd. also wants to have their employees perform more with high quality. To be able to achieve higher performance of the employee, commitment of the employee to the organization need to be encouraged or be nurtured with more effectiveness by the leaders. Thus the style of leadership practiced by the organization plays a very important role in creating the environment where employees can commit their utmost to their organization.

5.2 Suggestions and Recommendations

Purpose of this study is to find out the effect of leadership styles on employee commitment and to examine the impact of employee commitment in turn on employee performance. After the effect and impact of these factors have come to light, practicing the suitable leadership styles in the organization for various situations where the employees commitment need to be heightened to the utmost should be taken into consideration in making the organization more competitive by having high performing employees.

Perceptions of the employees on the style of leadership exercised by the leaders at MYMT company indicate that both transformational and transactional styles of leadership are practiced. Being a sales oriented organization, for short term results and for achieving the sales targets and organizational goals, transactional leadership is effective as evidenced by the data obtained from the analysis. And from the analysis made on the effect of leadership styles on employee commitment, it is found that the transformational leadership is the only style having a significant positive effect on employees' commitment. In all organizations whether a sales oriented or service oriented or production oriented, commitment of employees is a dire need for the organization in achieving the long term visions and objectives of the organization. With this fact in mind, recommendation is made to the leaders at MYMT company to practice the transformational style for long term success of the organization. Short-term results can be achieved by practicing transactional leadership style. Laissez-faire style of leadership should be practiced only when the employees

deserve to be empowered and delegated for the important tasks. Laissez-faire style of leadership can be exercised on selective employees with the intent to make them independent and capable.

Components under the transactional style of leadership are contingent reward and management by exception (active & passive). All these three components are of action in nature and emphasizing the practice of transaction between the leaders and their subordinates. There is no human element, just reward and punishment system of management. As the name implies, the transactional leadership consists mainly of transactions and control of the processes. Thus the skills of a leader is not as much as called for with the transformational leadership. For achieving the long term vision and its core objectives, leadership skills in the direction of transformational style need to be trained for the leaders across all levels in the organization. Leaders must be inspirational for their followers in their acts and behaviours, must be able to motivate the employees, must pay attention to individual needs and improvement, must consider and promote the sense of self-worth in employees, must be able to provide challenges with the intention to instigate innovative ideas from the employees, etc. Meaning that leaders with transformational style need to possess not only the skills but also the heart of a good leader while good head and hand play contributing roles in leading the employees.

Only by acquiring the proper skills and capabilities of suitable leadership styles for the leaders of MYMT company, exponential growth with competitive edge can be found in the tough market place like pharmaceutical products industry. And by having the workforce composed of committed employees in the company, MYMT can have a sustainable business on a long term basis. With these two crucial and pivotal elements in business – leadership and employee commitment, the outcome of the efforts put in by all the people in the organization will rise as a superb performance of the employees leading eventually to high performing organization. Therefore, it is recommended strongly to MYMT company to conduct more trainings and development programs for the employees in the respective areas on a continuous basis.

5.3 Needs for Further Research

Sustainable growth and prosperity of an organization depends largely on the efficient and effective performance of its employees – the team behind the organization's success. Performance of the team in turn depends on the good management and the skills of the leaders. Thus having done the research on the effect of different leadership styles on employee commitment and employee performance in this one company (MYMT company) alone does not suffice the need to understand it well. Further research studies at different companies in the same industry and at other companies in different industries are required. And the scope of this study is based on Bass and Avolio's full range of leadership model, leaving other dimensions and concepts of leadership such as democratic, bureaucratic, authoritative, situational leaderships, servant leadership, etc., out of the scope of this study. Thus, findings from this study alone is not sufficient enough to reflect the effect of different leadership styles on different types of employee commitment in different organizations in the same industry and in different industries.

Taken the above mentioned things into consideration, a wider and more comprehensive study on the effect of leadership styles on the employee commitment and the consequential effect on employee performance need to be conducted with different companies in the same industry, different styles of leadership practiced in different industries and influence of different factors such as technology should be made in the attempt to better understand this subject composed of leadership styles, employees commitment and the outcome employee performance.

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**LEADERSHIP STYLES AND ORGANIZATIONAL
COMMITMENT
OF MYMT COMPANY LTD.**

Questionnaire.

Dear Respondent,

I'm an executive MBA student from Yangon University of Economics, and conducting an academic research paper on the Leadership Styles and Organizational Commitment of MYMT Company Ltd. as part of my MBA programme.

Your participation is voluntary and information provided by you during the research will not be attributed to you as an individual.

If you have read the above information and agree to participate in this study kindly proceed to fill in this questionnaire.

Your co-operation will be highly obliged.

Thank You.

Aunt Khaing

EMBA 16th Batch

2018-19, YUE, Yangon.

If you have trouble viewing or submitting this form, you can fill it out in Google Forms.

Survey Questionnaire: Leadership Styles and Organizational Commitment of MYMT Company

SECTION A

Demographic Factors

1. Gender:

Male

Female

2. Age:

20 or younger

21-30 years

31-40 year

41-50 years

51-60 years

Older than 60 years

3. Education Level:

Undergraduate	<input type="text"/>
Bachelor's degree	<input type="text"/>
Master's degree	<input type="text"/>

4. Monthly Income:

300,000 Kyats or less	<input type="text"/>
300,001 - 600,000 Kyats	<input type="text"/>
600,001 - 900,000 Kyats	<input type="text"/>
900,001 - 1,200,000 Kyats	<input type="text"/>

5. Position:

Position/Designation.	Number of Staff.
Admin Manager.	
Assistant General Manager	
Sales Manager.	
Admin Staff (Finance, Accounts & Admin).	
Sales Supervisor(Trade)	
Sales Supervisor(Medical)	
Station Sales Staff (Medical)	
Station Sales Staff (Trade)	
Accounts Clerks.	
Sales Staff (Mobile-both Medical & Trade).	
Delivery Staff.	
Cash Collectors.	
Product Managers.	
Driver.	
Warehouse Staff.	

SECTION B

(Leadership Styles)

Eighteen descriptive statements on the leadership styles of your leaders are listed below. Judge the level or extent of your agreement with the statements in a scale ranging from 1 to 5.

(5 = Strongly agree, 4 = Agree., 3 = Neutral, 2 = Disagree., 1 = Strongly disagree.)

Source: Multi Factor Leadership Questionnaire (Avolio & Bass)

No	Statement.	1	2	3	4	5
1.	Leader instills pride in us/others for being associated with her.					
2.	Leader discusses in specific terms who is responsible for achieving performance targets.					
3.	Leader avoids getting involved when important issue arises.					
4.	Leader considers the moral & ethical consequences of decisions.					
5.	Leader makes clear what one can expect to receive when performance goals are achieved.					
6.	Leader does not retain the final decision and making authority within organization or/and more favor to team consideration,					
7.	Leader articulates a compelling vision of the future.					
8.	Leader focuses attention on irregularities, mistakes, exceptions, and deviations from standards.					
9.	Leader give subordinates complete freedom to solve problems of their own.					
10..	Leader seeks differing perspectives when solving problems.					
11.	Leader fails to interfere until problems become serious.					
12.	Leader is content to let others continue working in the same way as always.					

13.	Leader considers an individual as having different needs, abilities, and aspirations from others.					
14.	Leader waits for things to go wrong before taking action					
15.	Leader lets subordinates to set their own goals and monitor own performance.					
16.	Leader helps others to develop their strengths.					
17.	Leader shows that she is a firm believer in not fixing things, if they are not broken.					
18.	Leader is lacking of control, direction and explanation.					

Legend: Transformational – 1, 4, 7, 10, 13, 16.

Transactional – 2, 5, 8, 11, 14, 17.

Laissez-faire – 3, 6, 9, 12, 15, 18.

SECTION C.

(Employee Commitment)

Eighteen descriptive statements on “Employee Commitment” are listed below. Judge the level or extent of your agreement with the statements in a scale ranging from 1 to 5.

(5 = Strongly agree., 4 = Agree., 3 = Neutral., 2 = Disagree., 1 = Strongly disagree.)

No	Statement.	1	2	3	4	5
1.	I would be very happy to spend the rest of my career with this organization.					
2.	I really feel as if this organization's problems are my own.					
3.	I do not feel a strong sense of "belonging" to my organization.					
4.	I do not feel "emotionally attached" to this organization.					
5.	I do not feel like "part of the family" at my organization.					
6.	This organization has a great deal of personal					

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

Source: Revised Version (Meyer, Allen, & Smith, 1993)

Legend: 1 to 6 – Affective, 7 to 12 – Continuance, 13 to 18 – Normative.

SECTION D.

(Employee Performance.)

Eight descriptive statements on “Employee Performance” (from IWPQ) are listed below. Judge the level or extent of your agreement with the statements in a scale from 1 to 5.

(5 = Strongly agree., 4 = Agree., 3 = Neutral., 2 = Disagree.,1 = Strongly disagree.)

No	Statement.	1	2	3	4	5
1.	All the duties assigned to a person are meeting deadlines.					
2.	A person was able to carry out his/her work efficiently.					
3.	On his/her initiative, a person started new tasks when his/her old tasks were completed.					
4.	A person took on challenging tasks when they were available.					
5.	A person worked keeping his/her work skills up-to-date.					
6.	A person came up with creative solutions for new problems					
7.	A person was able to set priorities.					
8.	A person took on extra responsibilities					

IWPQ: Specification of Individual Work Performance Questionnaire (IWPQ) 1.0

Legend: 1,2 & 8 – Task Performance. 3,4,5,6 & 7 – Contextual.

Source: Koopmans, L., Bernaards, C.M., Hildebrandt, V.H., Buuren, S. van, Beek, A.J. van der, Vet, H.C.W. de. Improving the Individual Work Performance Questionnaire using Rasch analysis. *Journal of Applied Measurement*: 2014, 15(2), 160-175

APPENDIX-II

The Effect of Leadership Styles on Affective Commitment

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.274 ^a	.075	.047	.60101	1.564

a. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles

b. Dependent Variable: Affective Commitment

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.846	3	.949	2.627	.052 ^b
	Residual	35.037	97	.361		
	Total	37.883	100			

a. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles.

b. Dependent Variable: Affective Commitment

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	2.715	.886		3.065	.003		
	Transformational	.298	.111	.328	2.693	.008	.642	1.558
	Transactional	-.086	.122	-.104	-.704	.483	.433	2.309
	Laissez-faire	.120	.139	.144	.865	.389	.346	2.894

a. Dependent Variable: Affective Commitment

b. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles.

The Effect of Leadership Styles on Continuance Commitment

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.436 ^a	.190	.165	.66223	1.527

a. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles.

c. Dependent Variable: Continuance Commitment

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.010	3	3.337	7.608	.000 ^b
	Residual	42.539	97	.439		
	Total	52.549	100			

a. Dependent Variable: Continuance Commitment

b. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.259	.976		1.290	.200		
	Transformational	.543	.122	.507	4.446	.000	.642	1.558
	Transactional	-.215	.135	-.221	-1.595	.114	.433	2.309
	Laissez-faire	.181	.153	.185	1.189	.238	.346	2.894

a. Dependent Variable: Continuance Commitment

b. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles

The Effect of Leadership Styles on Normative Commitment

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.423 ^a	.179	.153	.63796	1.636

a. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles

b. Dependent Variable: Normative Commitment

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.599	3	2.866	7.043	.000 ^b
	Residual	39.479	97	.407		
	Total	48.078	100			

a. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles

b. Dependent: Variable: Normative Commitment

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.585	.940		3.813	.000		
	Transformational	.320	.118	.312	2.721	.008	.642	1.558
	Transactional	-.201	.130	-.217	-1.550	.124	.433	2.309
	Laissez-faire	-.267	.147	-.284	-1.813	.073	.346	2.894

a. Dependent Variable: Normative Commitment

b. Predictors: (Constant), Laissez-faire, Transformational, Transactional Leadership Styles

Effect of Organizational Commitment on Employee Performance (Task)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.323 ^a	.104	.077	.61277	1.525

a. Dependent Variable: Task Performance

b. Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.237	3	1.412	3.761	.013 ^b
	Residual	36.423	97	.375		
	Total	40.660	100			

a. Dependent Variable: Task Performance

b. Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.786	.476		7.953	.000		
	Affective Commitment	-.122	.103	-.118	-1.188	.238	.933	1.071
	Continuance Commitment	-.059	.093	-.067	-.641	.523	.832	1.202
	Normative Commitment	.302	.095	.329	3.194	.002	.872	1.147

a. Dependent Variable: Task Performance

b. Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment

Effect of Organizational Commitment on Employee Performance (Contextual)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.514 ^a	.264	.241	.51236	1.733

Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment

Dependent Variable: Contextual Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.131	3	3.044	11.595	.000 ^b
	Residual	25.464	97	.263		
	Total	34.595	100			

Dependent Variable: Contextual Performance

Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.423	.398		6.086	.000		
	Affective Commitment	.025	.086	.026	.285	.776	.933	1.071
	Continuance Commitment	.013	.077	.016	.167	.868	.832	1.202
	Normative Commitment	.427	.079	.504	5.398	.000	.872	1.147

a. Dependent Variable: Contextual Performance

b. Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment

