

**LEADERSHIP STYLES, ORGANISATIONAL  
COMMITMENT, AND JOB SATISFACTION  
IN NORMATIVE AND UTILITARIAN ORGANISATIONS**

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By

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*This thesis is dedicated to my father  
who passed away on 11 January 2004.*

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## Summary

### Leadership style, organisational commitment, and job satisfaction in normative and utilitarian organisations

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This research aims to explore Etzioni's (1975) propositions with regard to power and involvement in different organisations. Etzioni's theory is mainly concerned with the application of different kinds of power used by organisations. He found that in effective organisations, there is a concomitant relationship between the kind of power predominantly applied and the level of involvement of the *lower participants*. The lower participants in organisations refer to those at the lower echelon in the organisational hierarchy.

More specifically, Etzioni predicts that normative organisations, like universities and general hospitals, are characterised by high involvement of their lower participants and the leaders rely heavily on normative power for controlling them, whilst utilitarian organisations, like factories, are typified by moderate levels of involvement of their lower participants and the leaders rely mainly on remunerative power for controlling them. Involvement refers to the cathectic-evaluative orientation of an employee to an organisation. The relationship between power and involvement in organisation is called *compliance structure* of the organisation.

An aspect of Etzioni's theory that is consistent with the present research is his argument that the compliance structure of an organisation will be systematically related to leadership style. More specifically, the lower participants in the more normative organisations tend to exhibit relatively high involvement and they experience strong *expressive leadership style* that relies heavily on moral aspects and symbols, whilst the lower participants in the more utilitarian organisations tend to exhibit moderate level of involvement and they experience highly *instrumental leadership style* that relies heavily on contingent rewards.

Etzioni also predicts that staff at the higher echelon generally enjoy greater autonomy, freedom from coercion, and engage in more absorbing and meaningful work than the lower participants. Consequently, senior staff exhibit higher involvement than staff at the lower echelons. Therefore, Etzioni predicts that the systematic differences also exist between echelons.

The present research tests these propositions by investigating five different organisations, where the university and the general hospital are samples of normative and mild normative organisations respectively, whilst the bank, oil company, and bus service company are samples of the mild, semi mild, and extreme utilitarian organisations respectively. For each organisation, levels of the organisational hierarchy were stratified into four echelons, namely top, middle, lower echelons, and



the lowest participants. Respondents were chosen randomly from each echelon in every organisation.

Etzioni's expressive and instrumental leadership styles were measured by using Bass's transformational and transactional leadership scale (Bass and Avolio, 1995). The concept of involvement was measured by using organisational commitment scale (Meyer et al., 1993) and job satisfaction scale (Warr et al., 1979).

The results clearly support Etzioni's propositions. More specifically, the data suggest that the levels of transformational leadership and organisational commitment vary systematically between the more normative and utilitarian organisations. Respondents in the more normative organisation exhibit higher affective and normative commitment, and experience more transformational leadership than employees in the more utilitarian organisations. By the same token, employees in the more utilitarian organisations exhibit higher continuance commitment and experience more transactional leadership than those in the more normative organisations. The level of job satisfaction also varies systematically between the organisations. For example, respondents in the university exhibited higher intrinsic job satisfaction than those in the hospital, bank, oil, and bus companies.

More importantly, systematic differences were also found amongst the lowest participants of the different organisations. More specifically, cleaning staff in the university exhibited higher affective and normative organisational commitment and experienced higher transformational leadership than those doing the jobs in the bus company. Likewise, the cleaning staff in the bus company exhibited higher continuance commitment and experienced more transactional leadership than those in the university and hospital. The level of job satisfaction of the lowest participants also varies systematically between the organisations. More specifically, cleaning staff in the university exhibited higher intrinsic job satisfaction than those with similar jobs in the hospital, bank, and oil and bus companies.

Systematic differences were also found within organisations. More specifically, senior staff exhibited higher organisational commitment and job satisfaction and experienced stronger transformational leadership than employees at the lower echelons. Likewise, employees at the lowest echelon experienced more transactional leadership than staff at higher echelons.

This research concludes that Etzioni's prediction that compliance structure is systematically related to leadership style is supported. That is, the level of transformational leadership systematically varies between and within organisations. This conclusion contradicts the popular management literature which suggests that transformational leadership can be found in any organisation. Accordingly, we suggest that organisation's goal is an important factor of transformational leadership. It is also an important factor of organisational commitment and job satisfaction.

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## **Introduction**

### **Background**

This research aims to explore Etzioni's theory (1975) in so far as it applies to normative and utilitarian organisations. Etzioni begins with a concern to understand why people obey the law and adhere to social norms. He focuses upon organisations because they have goals to attain and that in order to survive the organisations have to be effective. Effectiveness requires involvement of the organisation's members. Etzioni argues that since this involvement is not usually given voluntarily, organisations have to prepare mechanisms for procuring it. These mechanisms include the application of power. Power, therefore, plays an important role within Etzioni's theory. Power may be defined as an ability of an actor to influence other persons to do what the actor wants them to do.

According to Etzioni, the type of power predominantly used will depend upon particular goals of the organisation. Organisations where the goals are economic

oriented like factories will use remunerative power, which includes wages, salaries, fringe benefits, promotion and training as a means to control their employees, because they cannot force them nor stimulate intrinsic values of their objectives. Organisations where their goals are non-material and sometimes idealistic, like universities, they will use normative power to motivate their members. The argument is that coercion destroys involvement of their members and material incentives are inconsistent with an appeal to values.

Etzioni classifies organisations based upon the power predominantly used by the organisations. Organisations that rely heavily on normative power are called *normative organisations*, whilst organisations that emphasise mainly remunerative power are called *utilitarian organisations*. Normative power involves the use of symbols such as title, accolades, and social approbation, whereas remunerative power relates to material rewards.

These kinds of power engender different levels of involvement. More specifically, Etzioni suggests that normative power is congruent with high involvement, whilst remunerative power is consistent with moderate level of involvement. Therefore, involvement is also an important variable of Etzioni's theory. Involvement concerns with the process whereby individuals become linked to the organisation and how these links are strengthened or broken. The relationship between power and involvement is called *the compliance structure* of the organisation.

Etzioni specifically suggests that there are systematic differences of mode of control and involvement of the lower participants between the organisation types. According to Etzioni, *the lower participants* in organisations refer to those at the lower echelon in the hierarchical organisation. For example, lecturers in a university

will experience greater symbolic control than bus drivers. Systematic differences of mode of control and involvement also apply within organisations. Senior staff will enjoy greater autonomy, engage in more absorbing and meaningful work than lower participants. Consequently, the senior staff will be more involved in the organisation than the lower participants.

An aspect of Etzioni's work that is consistent with the present research is the idea that the organisational compliance structure is systematically related to other organisational variables, namely leadership. Leadership refers to a process of social influence whereby a leader steers members of a group towards a goal. To do so, leaders require different kinds of power in different organisations. Further, Etzioni found that there is a congruency between leadership style and involvement in effective organisations. More specifically, Etzioni suggests that leadership in normative organisations tends to be *expressive* that relies heavily on moral and normative aspects of the followers, because their members tend to exhibit high level of involvement, whereas leadership in utilitarian organisations tends to be *instrumental* in approach, which emphasises heavily on material inducement, because the employees tend to exhibit moderate level of involvement. Etzioni also suggests that staff at the higher echelon will experience more expressive leadership than instrumental leadership. By the same token, the lower participants will experience more instrumental leadership. Empirical evidence supports these propositions (Rossel, 1970, 1971)

The definitions of Etzioni's expressive and instrumental leadership styles are similar to Bass's (1985) transformational and transactional leadership styles respectively. Transformational leadership relies heavily on normative approaches, symbols, and emotional aspects, whilst transactional leadership uses more on



contingent rewards. Although there have been many studies investigating transformational leadership (Turner, et al., 2002; Fuller et al., 1999; Bass, 1998; Lowe et al., 1996; Bass, 1985, 1990, Bass and Avolio, 1994), they mainly suggest that transformational leadership is more effective than transactional leadership. However, there are several studies that indicate that transformational leadership is more likely to exist in certain situations (Catano et al., 2001; Shamir, Howell, 1999; Bryman, et al., 1996; Keller, 1992). For example, Shamir and Howell predicted that transformational leadership would be more likely to exist in the organisations where their orientation is more on intrinsic values. This prediction is consistent with normative organisations where their orientation is non-material. Moreover, the importance of Etzioni's theory is that it relates to the different organisations' goals and respectively with different leadership style and involvement.

Etzioni's involvement refers to the cathectic-evaluative orientation of an actor to an object. This definition is consistent with the meaning of organisational commitment that refers to a psychological state that characterises the employee's relationship with the organisation and has implications for decisions that an employee might make to continue or discontinue membership in the organisation (Meyer and Allen, 1991). Besides leadership style, there are many factors influencing organisational commitment as identified by empirical studies (Meyer et al., 2002; Meyer and Allen, 1997; Mathieu and Zajac, 1990). Moreover, there have been several studies investigating the relationship between transformational leadership and organisational commitment (Meyer et al., 2002; Bass, 1998; Meyer and Allen, 1997, Barling et al., 1996; Bycio, et al., 1995), but they did not compare the levels of transformational leadership and organisational commitment between

organisation types. More specifically there are scant studies of transformational leadership and organisational commitment to validate Etzioni's theory.

## **The present research**

The present research takes Etzioni's theory as a basis for developing the research framework. The research framework is designed to investigate the systematic differences of leadership style and organisational commitment between normative and utilitarian organisations. Moreover, Etzioni also suggests that systematic differences of leadership style and organisational commitment exist between the mild and extreme examples in each type of organisation. The present study also explains this proposition by comparing, for example the levels of leadership style and organisational commitment in a bank and a company. Again, Etzioni suggests that systematic differences of leadership style and organisational commitment may be found within organisations. The present research also investigates this proposition by comparing the levels of leadership style and organisational commitment between echelons.

In addition, organisational commitment is closely related to job satisfaction as suggested by empirical studies (Meyer et al., 2002; Meyer and Allen, 1997; Spector, 1997). Meyer et al argue that people who are highly committed to the organisation are more likely to be satisfied with their jobs than those who are less committed. Moreover, Etzioni argues that normative organisations are intrinsically satisfying. The term involvement also includes job satisfaction (Drummond, 1993). Therefore, the present research also includes job satisfaction in the research framework and predicts that the level of job satisfaction will vary systematically between and within the research organisations.



Leadership has an important role in organisations as empirical studies indicate that leadership style is related to a list of organisational outcomes and positive behaviours (Yukl, 2002; Bass, 1998, Bryman, 1992). The importance of Etzioni's theory is that effectiveness of organisations is not only related to leadership, but also commitment of the followers. He found that there is a congruency between leadership style and characteristics of the followers in effective organisations.

In order to test these predictions, the present research uses scales that have been validated in previous studies. Leadership styles were measured by using Bass's transformational and transactional leadership scale (MLQ Form 5x, Bass and Avolio, 1995). Organisational commitment was measured by using the organisational commitment scale (Meyer et al., 1993), whereas job satisfaction was measured by using the job satisfaction scale (Warr, Cook, and Wall, 1979).

The present study investigates a university and a general hospital as examples of the mild and less mild normative organisations respectively, whilst a bank, an oil company, and a city-service bus company represent the mild, semi-extreme, and extreme utilitarian organisations respectively. In order to compare the research variables within organisations, the research organisations are stratified into four organisational echelons, namely top, middle, lower echelons, and the lowest participants.

The present research expects that the levels of transformational leadership would be higher in the normative organisations than in the utilitarian organisations, whereas the level of transactional leadership would be higher in the utilitarian organisations than in the normative organisations. The levels of organisational commitment, and job satisfaction would be higher in the normative organisations

than in the utilitarian organisations. This research also expects that the levels of transformational leadership, organisational commitment, and job satisfaction would be higher at the higher echelon than at the lower echelons.

It was expected that the lower participants in the normative organisations would experience more transformational leadership than those in the more utilitarian organisations, whilst employees in the utilitarian organisation would experience more transactional leadership than their counterparts in the normative organisations. It was also expected that the lower participants in the research organisations would experience more transactional leadership than staff at senior echelons.

The findings of the present research broadly support Etzioni's predictions. In a nutshell, the members of normative organisations experience more transformational leadership than employees in utilitarian organisations. Employees in the more normative organisations exhibit stronger commitment to the organisation and are more satisfied with their jobs than employees in utilitarian organisations.

More importantly, this research suggests that systematic differences of the research variables also apply to *the lowest participants* between the research organisations. For example, cleaning staff in the university experience more transformational leadership and exhibit more organisational commitment and job satisfaction than their counterparts doing similar jobs in the bank, oil company, and bus company. By the same token, cleaning staff in the bus company experience more transactional leadership than their counterparts with similar jobs in the university, hospital, bank, and oil company. Moreover, staff at senior echelons experience more transformational leadership and exhibit more commitment to their organisations and are more satisfied with their jobs than employees at the lower levels.

The present research indicates that Etzioni may be correct in suggesting that leadership style is related to the organisational compliance structure. This implies that an organisation's goal is probably an important determinant of effectiveness of transformational leadership and organisational commitment.

## **Thesis structure**

Chapter one describes Etzioni's theory. Chapter two reviews leadership studies from the trait approach to the literature of transformational leadership. Chapter three reviews the theories and empirical studies of organisational commitment.

The research framework and hypotheses are developed in chapter four. Chapter five explains the selection of research scales and how the research variables were measured. Chapter six explains the selection of the research organisations, stratification of organisational levels, sampling and data collection procedures.

The results of the study are reported in chapter seven. The chapter is structured in three sections: (1) comparison of research variables between organisations, (2) comparison of research variables within organisations, and (3) correlations of the research variables. Finally, chapter eight discusses the results and the implications for research, theory, and practice.



# Chapter 1

## Etzioni's Theory of Compliance

### 1.1. Introduction

Etzioni's theory of compliance concerns organisational effectiveness. Etzioni suggests that effective organisations require involvement of their members. Since this involvement is not given voluntarily, the organisations therefore have to prepare a mechanism for procuring it. This mechanism involves the application of power. Therefore, the first important variable of Etzioni's compliance theory is power. Etzioni defines power as "an actor's ability to induce or influence another actor to carry out his directives or any other norm he supports" (Etzioni, 1969: 60). He identified three kinds of power according to the manner of influencing individuals, namely coercive, remunerative, and normative.

*Coercive power* rests on the application of physical sanctions; generation of frustration through restriction of movement; or controlling through force the

satisfaction of needs. *Remunerative power* is based on control over material resources and rewards through allocation of salaries and wages, commission and contribution, fringe benefits, services and commodities. *Normative power* rests on the allocation and manipulation of symbolic rewards and deprivation through employment of leaders, allocation of esteem and prestige symbols, and administration of ritual.

Regarding these three kinds of power, Etzioni suggests that their application depends on the orientation of the organisation. For example, normative organisations rely more on normative power because coercion destroys involvement, and incentives are inconsistent with an appeal to values. Utilitarian organisations rely heavily on remunerative power because they cannot control their employees by force or appeal intrinsic values of their objectives.

Etzioni suggests that each of these kinds of power engender particular kinds of involvement of lower participants and are concomitantly related with different levels of involvement in the organisation. Therefore, the second important variable of the compliance theory is involvement. Involvement is defined as “the cathectic-evaluative orientation of an actor to an object, characterised in terms of intensity and direction” (Etzioni, 1975: 8). The intensity of involvement ranges from high to low level. The direction is either positive or negative. Etzioni refers to positive involvement as commitment and to negative involvement as alienation.

Etzioni classifies involvement continuum into three zones, namely, *alienative*, for high alienation zone; *moral* for the high commitment zone; and *calculative* for the two mild zones (mild alienative and mild moral involvements). *Alienative involvement* refers to an intense negative orientation. It is predominant in relations amongst inmates in prisons, prisoners of war, and people in concentration

camps. *Calculative involvement* refers to either a negative or a positive orientation of low intensity. Calculative orientations are predominant in relationship of business organisations. *Moral involvement* refers to a positive orientation of high intensity. Examples include the involvement of a parishioner in his church, the devotion of a devoted party member in his party, and the loyalty of followers towards their leader.

## **1.2. Compliance structure of the organisations**

The combination of power and involvement is known as the “compliance structures of the organisations”. Etzioni classified organisations according to their compliance structure. These combinations are presented in Figure 1.1.

**Figure 1.1. Combination of Power and Involvement Relations**

<b>POWER</b>	<b>INVOLVEMENT</b>		
	<b>LOW (Alienative)</b>	<b>MEDIUM (Calculative)</b>	<b>HIGH (Moral)</b>
<b>Coercive</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Remunerative</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Normative</b>	<b>0</b>	<b>0</b>	<b>1</b>

Source: Etzioni, A (1975). *A comparative analysis of complex organisations*. New York: The Free Press., p. 12.  
 1 = congruent conditions;  
 0 = incongruent conditions

Figure 1.1 shows the nine possible combinations of power and involvement in organisations. For example, coercion results in alienation, therefore this power is not appropriate for controlling people who have high moral involvement to the organisation. Coercion, for instance dismissal, is also not effective to be applied to employees in utilitarian organisations, because it may be constrained by the law. Coercion refers to “the application, or threat of application, of physical sanctions such as infliction of pain, deformity or death; generation of frustration through



restriction of movement or controlling through force the satisfaction of needs, such as those for food, sex, comfort and the like” (Etzioni, 1975: 5).

Similarly, material incentives result in the calculative involvement of members. It may, therefore, be wasted if members are already highly committed to the aims of the organisation. The other argument is that material incentives are inconsistent with an appeal to the organisation’s values. Finally, normative power is not effective in controlling alienated people, such as prisoners in jail. Normative power is effective for highly committed people. These combinations of power predominantly applied in the organisations and the levels of involvement develop systematic patterns, that is “coercive power corresponds with alienative involvement”, “remunerative power corresponds with calculative involvement”, and “normative power corresponds with moral involvement”.

Etzioni’s theory focuses on the compliance of lower participants. Etzioni noted three criteria for identifying the “lower participants” in an organisation:

1. Their involvement in the organisation.
2. The level to which lower participants are subordinated to organisational powers.
3. The level of performance required from the participants by the organisation.

Any organisation’s member scoring highly on one of these criteria falls into the category of “lower participants”. Etzioni seems to suggest that the lower participants are those lowest in the organisational echelon. For example, in a bus service company, the lower participants would primarily be concerned with bus drivers, conductors, and driver’s helper. Junior lecturers, laboratory technicians, and librarians are examples of the lower participants in a university.

Etzioni’s theory is concerned with systematic differences between the lower participants among different types of organisations. That is, by comparing the lower

participants, we will find the largest differences in the compliance structure. Moreover, he argues that controlling lower participants is more problematic than controlling higher participants because, as a rule, the lower the position of the participants, the fewer the rewards they obtain. The lower participants are being relatively deprived, that is, organisational activities are less meaningful to the lower participants because they know less of their organisation. Because of the weaknesses of their position, power, and reduced participation in the management process, the lower participants are usually more dispensable than staff at higher echelons.

Table 1.1 shows that the combinations are coded into two terms, namely incongruent (0-coded) and congruent (1-coded). The term incongruent refers to those organisations where the predominant type of power used is inappropriate in terms of effectiveness for that organisation. For example, material rewards for participants in normative-oriented organisations may destroy their commitment by placing a price upon it. Congruent refers to those organisations where the predominant type of power used is appropriate for that organisation. For example, medals are given to members of voluntary organisations for long service. Congruency can be achieved by modifying the power system or by attempting to regulate involvement through recruitment control, socialisation, and leadership. Etzioni believes that an organisation's effectiveness is achieved by developing the congruent condition rather than the incongruent.

Etzioni argues that involvement is determined by many other variables besides power, such as leadership, participant's pre-organisational experiences, and personal characteristics. Incongruence may result if there are inconsistencies with the organisation's compliance structure.



### **1.3. Compliance continuum between organisations**

Etzioni suggests that there are differences of degree in the relative emphasis placed upon the predominant mode of control and corresponding level of involvement between each of the three types of organisations. The lower participants in religious organisations will experience stronger symbolic control and exhibit higher involvement than employees in a university. The lower participants in a bank will experience stronger symbolic control and exhibit higher involvement than employees in a manufacturing company.

Systematic differences of compliance structure occur not only in the three categories of the organisations, but they also occur across the whole range of organisations. The lower participants in a general hospital will experience more symbolic control and exhibit higher involvement than employees in a factory. Etzioni also suggests that hospital attendants would be more normatively controlled than blue-collar workers in a factory. Similarly, inmates in a prison will experience more physical coercive power and less involvement than the lower participants in a company.

### **1.4. Compliance continuum within organisations**

Although Etzioni focuses mainly on the lower participants, he argues that senior staff experience better treatment than employees at lower echelons. Etzioni suggests that systematic differences of power and involvement also occur between organisational echelons. For example, senior staff enjoy greater autonomy, more freedom of coercion, and receive more meaningful work than employees at the lower organisational levels. Accordingly, Etzioni predicts that the levels of involvement will be higher for senior staff than employees at the lower organisational levels.

Systematic differences of compliance structure between organisations may also exist for senior staff, but Etzioni says, this will be less pronounced than those between the lower participants because of greater homogeneity of control at senior level. For example, both a director in a general hospital and the general manager in a bus service company will similarly exhibit high involvement in their organisations, whilst a nurse will exhibit more moral involvement than a bus driver.

Systematic differences of power and involvement may also occur between employees at the lower levels of the organisational hierarchy. For example, the control of skilled and semi-skilled workers will experience less remunerative power with more emphasis on symbolic power than for unskilled workers. Likewise, a private secretary tends to be more symbolically controlled than a lower ranking clerk. Semi-professionals will experience less symbolic control than full professionals. Accordingly, Etzioni also predicts that power and involvement vary systematically between the organisational echelons.

## **1.5. Typology of Organisations**

### ***Coercive organisation***

Coercive organisations are organisations in which coercive power is the major means of control over lower participants, and high alienation characterises the orientation of most of the lower participants to the organisation. The task of such organisations is the force detention of lower participants involving reliance upon coercion as the means of control. For example: prisons, prisoner of war camps, concentration camps, and the like.

All such control is argued also coercive. An inmate may do many services for a guard in exchange for cigarettes, but this cannot be considered remunerative



control since the special value of the cigarettes and other such objects of satisfaction are derived from the segregation of the inmate from the regular market. This segregation is in turn based on force (Etzioni, 1975: 27).

Coercive organisations may be ranked according to the level of repression. This may be measured by the normal punishment for an offence. Escape from an ordinary prison usually results in loss of remission, escape from a concentration camp is punished by death. Inmates who arrive in coercive organisations are already hostile as a result of their pre-incarceration experience. This intensifies in accordance with the amount of coercion that is applied to them.

### *Utilitarian organisation*

Utilitarian organisations are organisations in which remuneration is the major means of control over lower participants and calculative involvement characterises the orientation of the large majority of lower participants. The role of utilitarian organisations is the production of goods and services for sale in the market place. Control is necessary to meet the standard and quality of work and to check absenteeism, tardiness, and the like.

Because they cannot control the employees by force or through intrinsic appeal of their objective, utilitarian organisations prepare systems to procure it. The organisations procure commitment of their employees through systems of wages, salaries, promotion and training, and fringe benefits.

Remunerative control in utilitarian organisation results in a calculative attitude to the organisation as evidenced by the involvement that is neither hostile nor highly committed. This type of control may also be applied to the lowest participants

in normative organisations, for example cleaning staff, porters, and helpers in a university or hospital.

### ***Normative organisation***

Normative organisations are characterised by high involvement on the part of their members. The members come to the organisation with high positive attitudes reflecting their internalised acceptance of, and committed to, the organisation's goals. Etzioni argues that coercion destroys involvement, and material incentives are inconsistent with an appeal to values. Normative organisations therefore rely upon the manipulation of symbols, praise, recognition, certificates, and medals. For example, junior lecturers and administrative staff who have shown good performances of their jobs receive "the best lecturer or the best member of staff" certificates in an annual ceremony. Coercion is rare. If used, it tends to be symbolic also, for example, subtle threats and innuendo, excommunication or other ritualised punishment may be used. For example, a dean in a university in Indonesia reminds the faculty staff by a satire in a monthly meeting as he said "we as guru – (*digugu lan ditiru*) have to be a good role model". Certain normative organisations such as schools, mental hospitals and some extreme political parties and extreme religious sects utilise coercion as a secondary means of control.

## **1.6. Relationship between Compliance Structure and Leadership**

Recall, Etzioni suggests that the systematic difference of compliance structure of organisation may also apply to leadership between organisations. His argument is that a leader needs different kinds of power for controlling the followers' activities in different organisations. Etzioni classifies organisations' activities into

two categories, namely expressive and instrumental. Expressive activity is an activity that requires moral involvement of the members, like teaching in a university, whilst instrumental activity refers to economic-oriented activity, like manufacturing, that requires calculative involvement of the employees.

Both expressive and instrumental activities, according to Etzioni, require different leadership styles. Expressive activities are more likely to be controlled by expressive leadership that relies heavily on moral approach. Instrumental activities are more likely to be controlled by instrumental leadership that relies more on remunerative power. This indicates that there is a congruency between the level of involvement of the members and leadership styles.

Etzioni predicts that leadership style varies between organisations. The staff and inmates in a jail are segregated into two isolated groups. The literature suggests that *interaction between the two groups is minimised to the extent that talking to a guard, unless required, is often considered a violation of a taboo* (Etzioni, 1975: 160). Therefore, there is no need for a leadership style to control the inmate. In contrast, staff and the lower participants in normative organisations are closely related. In normative organisations, there is usually a high degree of consensus between lower participants and staff concerning the ultimate values and norms governing the behaviour of the staff, members, and the organisation (Etzioni, 1975: 169). The degree of participation of the members' normative organisations is highly associated with the degree of commitment. Therefore, expressive leadership is predominantly applied in normative organisations.

In addition, the compliance structure of utilitarian organisations falls between the coercive and normative types. The leadership characteristics of utilitarian organisations also fall in the middle of the various dimensions between coercive and



normative organisations. Etzioni suggests that there is a great variation in the elite structure of various extreme and mild examples of utilitarian organisations. Even when workers' commitments are relatively high, their integration into the organisation and control structure is not so high as the members of the more normative organisation. When alienation of the workers is relatively high, their segregation from the organisation tends to be less extensive than that of inmates in coercive organisations. In addition, employees in utilitarian organisations tend to be controlled by instrumental leadership style.

Moreover, Etzioni predicts that leadership style also varies within organisation. Jobs at the higher echelon require more involvement of the occupants than those at the lower echelons. Staff at the higher echelon are more professional than staff at the lower echelons. Etzioni predicts that staff at higher echelons tend to experience expressive leadership, whilst staff at lower echelons tend to be controlled by instrumental leadership.

## **1.7. Empirical Studies of Compliance Theory**

There are several studies of Etzioni's theory that can be classified into two types. The first is testing Etzioni's core propositions and the second is taking Etzioni's theory for testing leadership styles in different organisations.

### **1.7.1. Testing Etzioni's compliance structure**

Drummond (1993) investigated employees at the top, middle and lower participant in five different organisations for testing Etzioni's compliance theory. A voluntary organisation, a factory, and a prison are samples of normative, utilitarian, and coercive organisations respectively. A college and a city works organisation are

samples of intermediate normative organisation and intermediate utilitarian organisation respectively. The study focused on the comparisons of power, involvement, and work alienation. Power and coercion were measured by Sim and Szyglagy's (1975) supervisor reward and punishment behaviour scale. Involvement was measured by Cook and Wall's (1980) organisational commitment scale.

The results are consistent with Etzioni's theory. That is, symbolic power was found highest in the voluntary organisation and varied in ascending order between the factory, city works, and the college. Remunerative power was found highest in the voluntary organisation and the prison, and varied in ascending order between the factory, city works, and the college. Coercive power was found highest in the prison, lowest in the voluntary organisation, and varied in ascending order between the factory, city work, and the college.

The level of involvement was found highest in the voluntary organisation, lowest in the prison sample, and varied in ascending order between factory, city works, and college. The level of work alienation was found highest in the prison sample, lowest in the voluntary organisation, and varied in descending order between the college, city works, and the factory.

Comparative analyses of these research variables were also found consistent with Etzioni's prediction. The level of coercion was significantly lower for senior staff than the lower staff. The level of involvement was found higher for senior staff than the lower participants in the city works and the factory. The level of work alienation was found lower at senior staff than the lower participants in the factory.

### **1.7.2. Testing Etzioni's proposition of leadership style**

Recall, Etzioni suggests that the compliance structure of organisations may be related to leadership style. More specifically, Etzioni predicts that the more normative organisations that are typified by high level of involvement of their members rely heavily on expressive leadership style that emphasises heavily on moral aspects, whilst utilitarian organisations that are characterised by moderate level of involvement of their employees rely strongly on instrumental leadership that emphasise on performance rewards system. Etzioni also predicts that staff at senior echelon exhibit higher involvement and experience more on expressive leadership than staff at lower echelons, whereas employees at lower echelons experience more on instrumental leadership.

Rossel (1970) investigated instrumental and expressive leadership orientations among managers and supervisors in eight production organisations for testing Etzioni's theory with regard to leadership styles. The organisations were classified into two categories according to "the required labour commitment index" whereby the higher the index, the higher the level of labour commitment required. This index was calculated by multiplying the level of technology and organisation adaptation. Each of these organisations was stratified into four organisational levels, namely top management, middle management, top supervisor, and lower supervisor. The result partly contradicts with Etzioni's theory. That is, the managers and supervisors were found to respond differently to situations necessitating high requirement of labour commitment. The distribution of leadership orientations in the organisations characterised by high required labour commitment shows a very pronounced instrumental orientation in top managers and expressive orientation in



lower supervisors. In organisations with low required labour commitment, the pattern is the opposite.

Rossel (1971) compared leadership styles for organisations that are classified according to two criteria, namely “required labour commitment” and “organisational adaptation”. The classification for eight production organisations of the research organisations is based upon required labour commitment. Rossel classifies his analyses into two groups, namely leadership for top management and leadership for the lower participants. The results suggest that the success of an organisation in adapting to its environment significantly affects the distribution of leadership orientations across positional groups. That is, when an organisation is having difficulty surviving in its environment, highly required labour commitment heightens the tendency of all positional groups to respond in an instrumental way. More specifically, results of the analysis of leadership style for top management contradicts with Etzioni’s suggestion, because according to Etzioni, all of the organisations’ samples are utilitarian organisations therefore they use very similar control. Moreover, Etzioni’s theory mainly concerns with “the lower participant” for comparing the organisations. The result of comparative analysis for lower participants is consistent with Etzioni’s theory. At best, this study is probably concentrated on comparing the extreme and mild examples of utilitarian organisations.

Franklin (1975) studied white and blue-collar staff at six organisations for comparing leadership style and involvement between them. The sample consists of two newspaper companies, a general hospital, a manufacturing plant, a creamery and a public service organisation. He defined the newspaper companies and hospital as normative organisations, whereas the other three organisations are defined as

utilitarian examples. His definition of the newspaper companies as normative is different with Etzioni's idea. For Etzioni, a newspaper company is classified as utilitarian organisation. Unsurprisingly, the result contradicts with his expectation. That is, he found that all the six organisations relied more on remunerative power rather than symbolic power. The level of involvement for white-collar workers was found higher in the organisations defined as normative than those in utilitarian organisations.

Pearce (1983) investigated leadership styles in voluntary and utilitarian organisations for testing Etzioni's compliance theory. He hypothesised that leaders in utilitarian organisations would exert more influence than their counterparts in voluntary organisations. The result suggests the opposite, that is, voluntary leaders' willingness to expend time and energy enabled them to develop an influential role by default of the passive membership of the majority and freedom from government pressure hindering their paid counterparts. Pearce's result in fact supports Etzioni's theory, in that Etzioni argues that normative organisations rely more on expressive leadership, therefore leaders are more likely to use influence tactics than formal or tight control. Pearce's findings seem to substantiate this.

## **1.8. Summary**

Compliance theory is concerned with organisational effectiveness. This theory suggests that effectiveness of an organisation can be achieved by controlling involvement of the lower participants. The mechanism for controlling involvement is power. The combination of power predominantly used by an organisation and involvement of its members is called compliance structure of the organisation.



Effectiveness is found in organisations where there is a congruency between power and involvement.

Etzioni's theory suggests that the organisational compliance structure varies systematically between and within organisations. More specifically, Etzioni suggests that lower participants in the more normative organisation experience more symbolic power and exhibit higher involvement than those in utilitarian organisations. The compliance structure also varies within organisations. That is, staff at higher echelon will experience more normative power and exhibit higher involvement than staff at lower echelons. Empirical evidence supports these propositions (Drummond, 1993).

The importance of Etzioni's theory in the context of the present study is his ideas that the organisational compliance structure is related to leadership styles. The argument is that leaders require different kinds of power for steering their followers in different organisations. More specifically Etzioni predicts that lower participants in normative organisations are predominantly led by expressive leadership, whereas the lower participants in utilitarian organisations are predominantly led by instrumental leadership. Etzioni also predicts that staff at senior echelon tend to be controlled by expressive leadership, whilst employees at the lower echelons tend to be controlled by instrumental leadership. Empirical studies partly support Etzioni's theory regarding the leadership styles.

## **Chapter 2**

# **Leadership Theory**

### **2.1. Introduction**

The question of how to lead people in organisations has long been an important topic for several scientists. To lead means the process of influencing the activities of an organised group toward goal achievement (Bryman, 1992). The topic gains its importance from the intuitive and commonly held view that leadership and organisational effectiveness go hand in hand. Whilst the evidence to support this idea is equivocal, it certainly cannot be dismissed.

Researchers have studied leadership from many perspectives. The earliest studies concentrate upon identifying characteristics and traits of the leaders. Researchers then turned their attention to the style of successful leaders. This was followed by studies incorporating situational variables in examining leadership

effectiveness. More recently, the spotlight of research has turned upon the emotional and symbolic aspects of leadership.

This chapter reviews the development of leadership studies. First, it is important to identify the meaning of leadership, since it is used interchangeably with other constructs. This is followed by a review of four approaches to leadership study and their empirical results. This chapter ends with a discussion of what has been achieved.

## 2.2. The meaning of leadership

- ✓ Definitions of leadership generally involve three components, namely *influence, group, and goal* (Yukl, 2002). First, leaders are individuals who *influence* the behaviour of others (subordinates or followers). Second, leadership is usually examined in the context of a *group*; especially work groups such as managers and their team or foremen and their subordinates. Third, research on leadership stresses a *group goal* that has to be accomplished. For example, Bryman (1992: 2) defines *leadership in terms of a process of social influence whereby a leader steers members of a group towards a goal.*

Although it is common to use the terms leader and manager interchangeably, many writers point to a difference between them. Kotter (1990) argues that the key difference between leadership and management lies in the orientation to change. Management seeks to produce predictability and order by planning, organising and monitoring. Leadership seeks to produce organisational change by developing a vision, communicating the vision, and motivating the people. Bennis and Nanus (1985) argue that leadership is about having a vision. It involves having a strategy or thinking strategically, it means having a view of where the organisation should go.



A leader's responsibility is to think what are the key criteria for success of his or her part of the business, and not just now but for the future. Managers, on the other hand, are more concerned with implementing others' strategies and plans. Zaleznik (1977) argues that managers value stability, order, and efficiency, whilst leaders value flexibility, innovation, and adaptation. Managers are concerned with what things get done and they try to get people to perform better. Leaders are concerned with what things mean to people and they try to get people to agree about the most important things to be done. Rost (1991) defines management as an authority relationship between a manager and subordinates, whereas leadership as a multidirectional influence relationship between a leader and followers.

### **2.3. The development of leadership research**

Most leadership studies can be classified into one of the following four approaches, namely trait, behaviour, situational, and transformational. These approaches may be broadly ordered according to the phases of research.

#### **2.3.1. Trait approach**

The trait approach was prominent up to the late 1940s. The term trait refers to a variety of individual attributes, including aspects of personality, temperament, needs, and values (Yukl, 2002: 175). This approach seeks to determine the personal attributes and characteristics of effective leaders and assumes that the leaders have traits that distinguish them from non-leaders and such the traits are relatively stable and enduring.

Research on the trait approach focuses upon identifying the personal characteristics that distinguish leaders and non-leaders. The traits that have been

studied include: (1) physical characteristics, such as height and personal appearance; (2) personality characteristics, such as dominance, self-confidence, emotional stability, and independence; (3) social characteristic such as interpersonal skills, sociability, tactfulness, and diplomacy; and (4) personal ability and skills, such as intelligence, knowledge, and fluency of speech (Daft, 2002; Bass, 1990).

Stogdill (1948) reviewed trait studies and found that the pattern of results was consistent with the conception of a leader as someone who acquires status through demonstration of ability to facilitate the effort of the group in attaining its goals. The relevant traits included intelligence, alertness to the needs of others, understanding the task, initiative and persistence in dealing with problems, self-confidence, and desire to accept responsibility and occupy a position of dominance and control. Stogdill argues that the reviews support the basic premise of the trait approach that a person must possess a particular set of traits to become a successful leader. However, he suggests that the importance of each trait depends on the situation. He concluded that:

*A person does not become a leader by virtue of the possession of some combination of traits but the pattern of personal characteristics of the leader must bear some relevant relationship to the characteristics, activities, and goals of the followers (Stogdill, 1948: 64).*

Mann's (1959) meta-analysis of the trait studies dating from 1900 to 1957 classifies leadership personalities into seven factors, namely intelligence, adjustment, extroversion-introversion, dominance, masculinity-femininity, conservatism, and interpersonal sensitivity. The result suggests that not all of the seven personality factors were found dominant in leadership, e.g. a leader has dominant intelligent, adjustment, extroversion, and masculine factors, whilst another leader has



interpersonal sensitivity, dominance, and conservatism as dominant factors of his or her leadership. This result implies that there is no generalisation of personality factors of a leader. Stogdill (1974) suggests that possession of particular traits of a person increases the possibility for him or her to become a leader, but the traits do not guarantee the effectiveness of the leadership. Moreover, Stogdill suggests that the relative importance of different traits depends on the nature of the leadership situation, e.g. conservatism probably would not match with an innovation culture.

At the end of the 1940s leadership researchers turned their attention to investigate another aspect of leadership, that is what do the leaders do, or so-called leadership behaviour.

### **2.3.2. Behavioural approach**

The behavioural approach assumes that the behaviours of effective leaders are somehow different from the behaviours of less effective leaders. The most prominent studies on the behavioural approach are those carried out by Iowa University, Ohio State University, and Michigan University research groups.

Iowa's "childhood study" was so named because the experiment used groups of ten-year-old children as followers. This study was intended to investigate the impact of leadership styles on activities of the children. The activities included mask-making, mural painting, and soap carving. Trained adults exhibited three leadership styles: autocratic, democratic and laissez-faire. Autocratic leaders were those who directed all activities of the children and made all the decisions without participation or input from their followers. Democratic leaders encouraged children to participate in the decision making process. Laissez-faire leaders basically took a "hands-off" approach to leadership and provided no form of guidance to the children



(Lewin, Lippitt, and White, 1939). The results of this experiment show that (a) the children under laissez-faire leadership accomplished least activities and the children led in this manner exhibited the worst attitudes, (b) the children under democratic leadership exhibited the most positive attitude to their jobs, and (c) the children under autocratic leadership were the most productive. In addition, the children led by the democratic leader continued to perform their work when their leader was out of the room; whereas the children led by the autocratic leader stopped working, argued, and began to exhibit a substantial amount of “horseplay” when the leader left the room.

The Ohio research group, e.g, Stogdill (1969) and Schriesheim and Stogdill (1975), classifies leadership style into two major categories, namely *initiating structure* and *consideration*. Initiating structure leaders refer to leaders as those who structure the work for their subordinates and provide clear instruction to perform the tasks; whilst leaders high on consideration demonstrate friendliness and concern for the well-being of their subordinates. The study assumes that “consideration” and “initiating structure” are independent behavioural categories. That is, the behaviour of a leader may be classified into combinations of high and low in consideration or initiating structure. For example, the leader’s behaviour was categorised high in consideration and low in initiating structure, whilst the other was categorised as low in consideration and high in initiating structure, high in both, or low in both categories (see Figure 2.1.).

The leaders’ scores on these two styles were then related to various measures of outcome such as group performance and subordinates’ job satisfaction. The early findings generally showed that leaders high in consideration leadership were associated with better morale and job satisfaction among subordinates but lower

levels of performance. Initiating structure leadership, on the other hand, was related to poorer morale but better group performance.

Figure 2.1. Leader Behaviour of The Ohio Studies

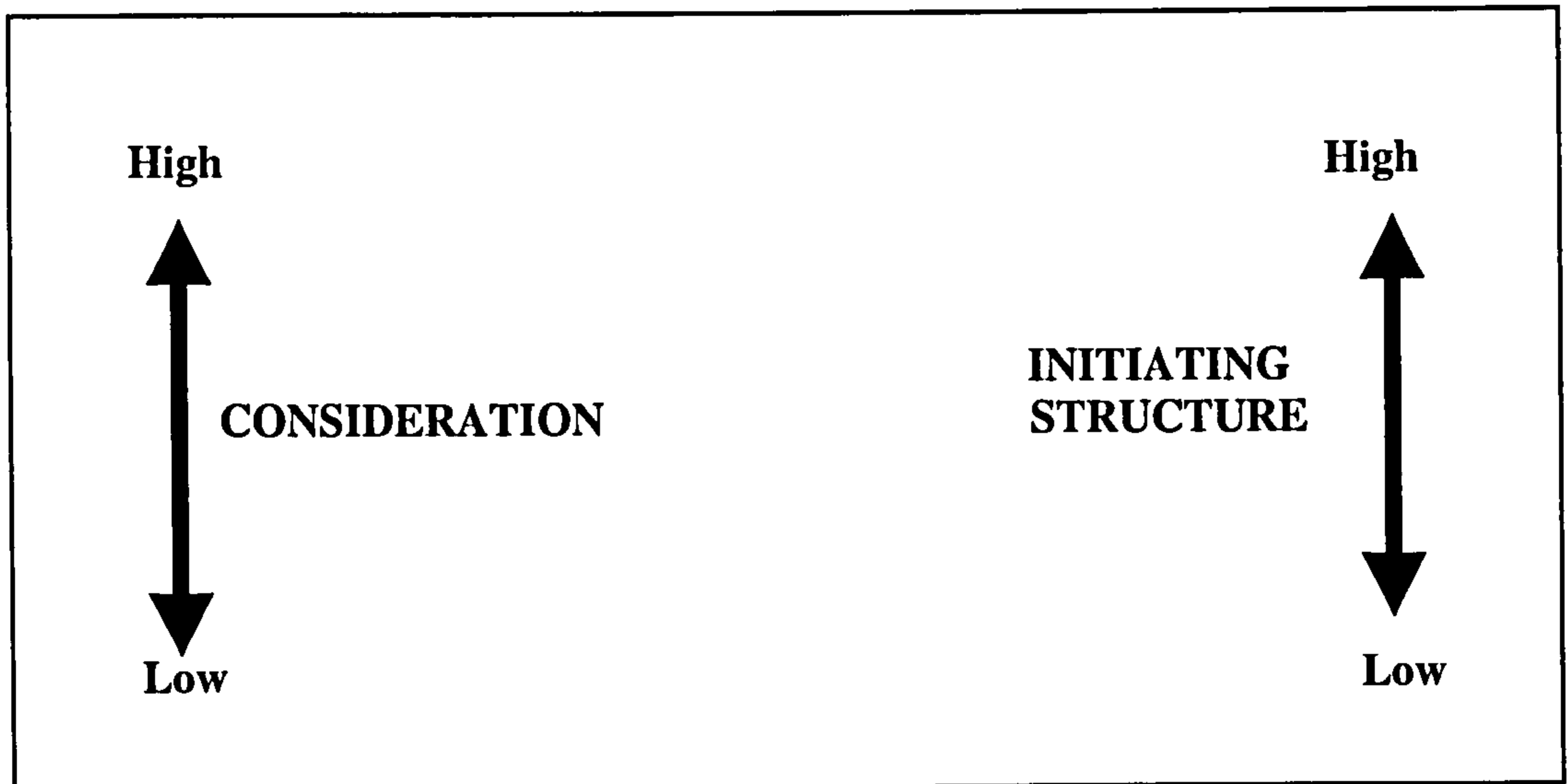
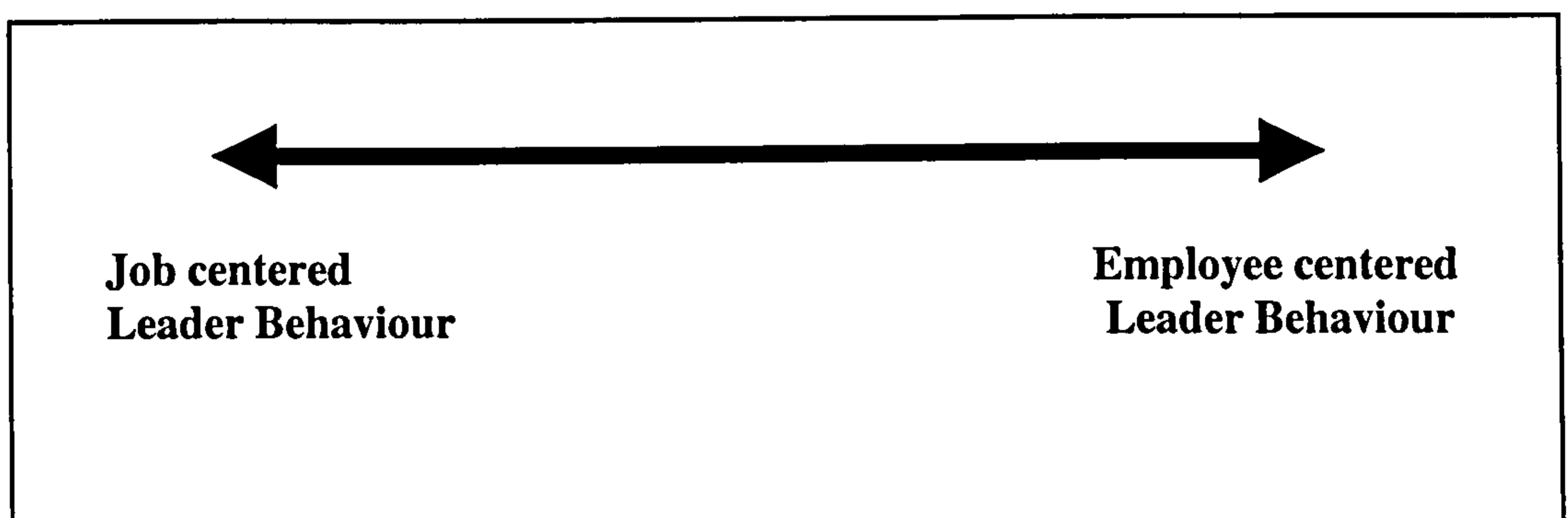


Figure 2.2. Leader Behaviour of the Michigan Studies



The third example of behavioural oriented research is the Michigan Group e.g. Likert (1961). The goal of the Michigan group was to determine what pattern of leadership behaviour results in effective group performance. From interviews with leaders and subordinates of high and low productivity groups in several

organisations, the researchers collected and analysed descriptions of leader behaviours to determine how effective leaders differed from ineffective ones.

The studies have identified two forms of leader behaviours, namely job-centred and employee-centred, which are similar to the Ohio's initiating structure and consideration respectively. In *the job-centred leader behaviour*, the leader closes attention to the work of subordinates, explains work procedures, and is interested mainly in performance. The main concern of the leader is the efficient completion of the task while in *the employee-centred leader behaviour*, the leader is interested in developing a cohesive work group and ensuring that employees are basically satisfied with their job. The main concern of the leader is subordinates' well-being. These two styles of leader behaviour were presumed to be at opposite ends of a single dimension. Thus, a leader was thought to exhibit either job centred or employee-centred leader behaviour, but not both (see Figure 2.2). The results indicated that the effective leaders as those who were concerned with their subordinates, whereas ineffective ones as those who were only concerned with the task.

Both the Ohio and the Michigan approaches classify leader behaviours into two categories: people concerns and tasks concerns. The main difference between them is the dimensionality of the leadership styles. The Ohio study group argues that effective leaders are those who are high in *initiating structure score* or those who are high in *consideration score*, whilst the Michigan study group suggests that effective leaders are those who are really concerned with people.

Flieshman and Harris (1962) and rewritten by Flieshman (1998) took the Ohio model to investigate the relationship between leader behaviour, turnover and grievances in a truck manufacturing company called "International Harvester



Company”. Their work suggests that the relationship is curvilinear. That is, they identified the critical levels beyond which increased “consideration” or decreased “structure” have no effect on grievances and turnover rates. In other words, *consideration* was shown to be the dominant factor, in that a leader with high *consideration* could increase *structure* with very little increase in grievances and no increase in turnover in their work group. They argue that subordinates working for a supervisor who established a climate of mutual trust, rapport, and tolerance for two-way communication with their work groups are more likely to accept higher levels of structure. This might be because the employees perceive this structure differently from employees in “low consideration” climate. Thus, under “low consideration” climates, high *structure* is seen as threatening and restrictive, but under “high consideration” climates this same *structure* is seen as supportive and helpful.

The inconsistency and various results from the behavioural approaches promoted the researchers to consider the incorporation of situational factors into the model.

### **2.3.3. Situational approach**

The situational approach to leadership assumes that situational factors determine the effectiveness of leadership style. More specifically, certain traits or behaviours of the leader are likely to be effective in some situations, but ineffective in other situations. Therefore the orientation of this approach is to investigate which type of leadership style is suitable for a certain situation.

Fiedler’s model is the most prominent of the situational approach of leadership. The model integrates the leader’s traits and situations (Fiedler, 1967). Fiedler classifies the traits of leaders into two categories, namely “task-oriented” and

“relationship-oriented”. These categories are similar to “initiating structure” and “consideration” of the Ohio model respectively. The difference is that Fiedler views task and relationship motivation as traits.

The degree to which task or relationship motivation of the leader is measured by a scale is called Least Preferred Co-worker scale (LPC). The questionnaire asks leaders to think of all the persons with whom they have ever worked and to select the least preferred co-worker. The leaders then describe their least preferred co-worker by marking a series of the sixteen scales, for example:

Pleasant 8 – 7 – 6 – 5 – 4 – 3 – 2 – 1 Unpleasant

Inefficient 1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 Efficient

Unfriendly 1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 Friendly

The numbers on the scales are associated with a positive evaluation of the least preferred co-worker. The higher scale numbers are associated with the more favourable term. Respondents who describe their preferred co-worker in consistently positive terms receive a high LPC score, whilst those who use consistently negative terms receive a low LPC score. Fiedler assumes that high LPC leaders are basically more concerned with interpersonal relations, whereas low LPC leaders are more concerned with task related.

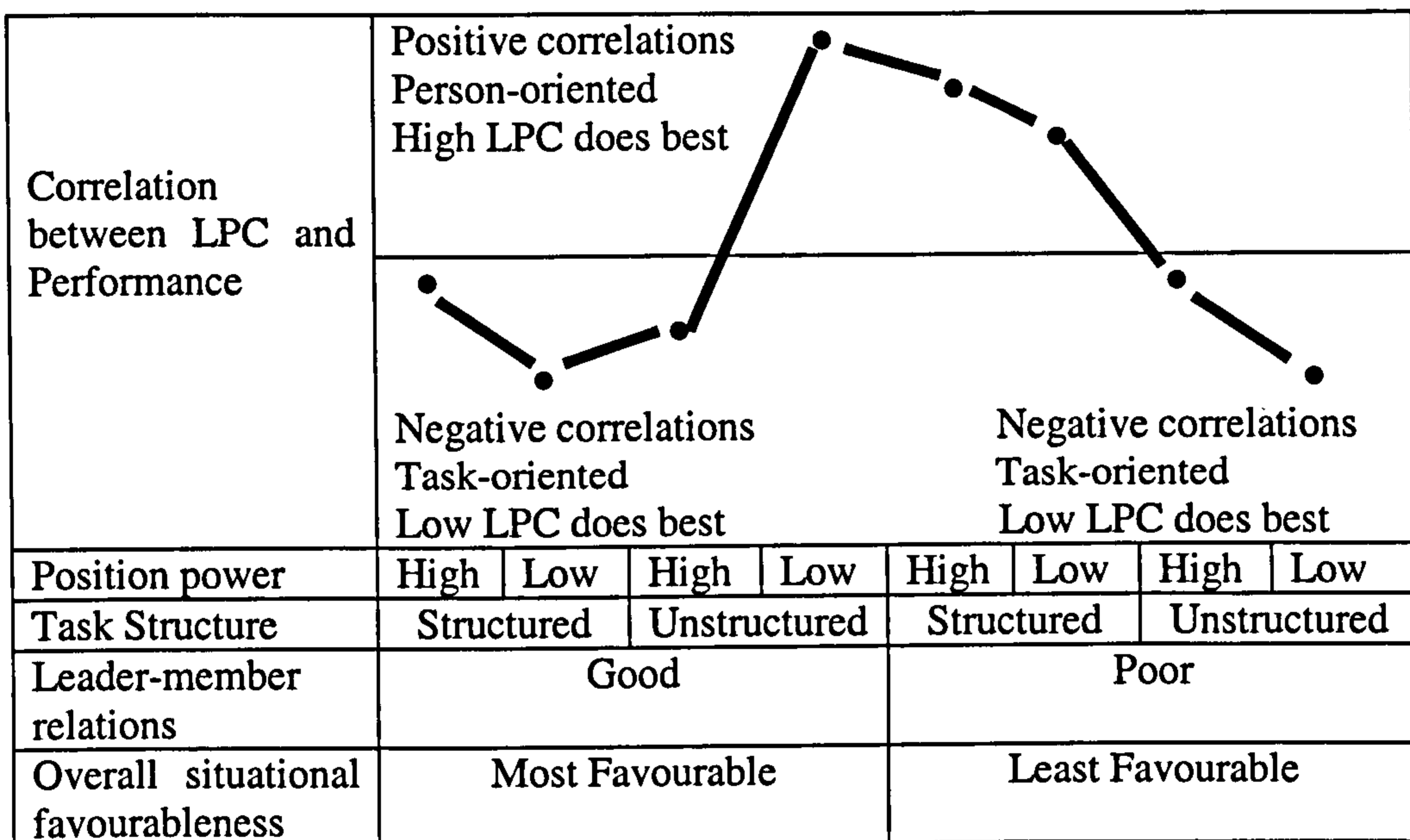
Moreover, Fiedler classifies the situation in terms of its favourableness for the leader, ranging from highly favourable to highly unfavourable. More specifically, Fiedler’s model includes three situational factors:

1. *Leader-member relations*, the extent to which the leader has support and loyalty of subordinates (The scale is: good or poor).

2. *Position power*, the extent to which the leader has authority to evaluate, rewards, and punishes the follower (the scale is: strong or weak).
3. *Task structure*, the extent to which the task has standard procedure, description, and indicator for performing (The scale is: structured or unstructured).

The various combinations of the three situational factors result in eight different situations as shown in Figure 2.3.

**Figure 2.3. Situational Factors of Fiedler's model**



Source: Fiedler, F (1967). *A theory of leadership effectiveness*. New York: Mc Graw Hill, p. 146.

Figure 2.3 identifies the leadership approach that is supposed to achieve high group performance in each of the eight situations. A task-oriented leader is appropriate for very favourable as well as very unfavourable situations. For example, if leader-member relations are poor, the task is unstructured, and leader position power is low, the model predicts that a task-oriented leader will be effective. It also predicts that a task-oriented leader will be effective if leader-member relations are



good, the task is structured, and leader position power is high. In cases of intermediate favourable, the theory suggests that the person-oriented leader will be the most likely to get high group performance.

Fiedler calls it a mismatch if a person-oriented leader faces a very favourable or very unfavourable situation or a task-oriented leader faces a situation of intermediate favourableness. According to Fiedler (1965), the personality of the leader cannot be changed, because he believes that the personality is innate. He introduces two strategies for solving the mismatch problems. Mismatch between the task oriented leader and situations can be solved, according to Fiedler, by changing the situation through job engineering. If a person-oriented leader ends up in a situation that is very unfavourable, Fiedler *et al.* (1976) suggests that the leader attempts to improve matters by spending more time with subordinates to improve the relationship and by laying down rules and procedures to provide more task structure.

Another prominent situational model based on the situational approach is called the “Path-Goal Theory” (House, 1971; House and Michell, 1974). This model focuses on the situation and the leader’s behaviour rather than on fixed traits of the leader as proposed by Fiedler. Path-goal theory thus allows for the possibility of adapting leadership to the situation. The basic idea of this model came from the expectancy theory which suggests that the attitude and behaviour of a person can be predicted from two interrelated factors, namely the degree to which the person believes that job performance will lead to the various outcomes (expectancy), and the value of these outcomes (valence) to the individual.

Path-goal theory assumes that the leader motivates subordinates to the extent that leader behaviour influences their expectations. That is, the leader affects the performance of subordinates by clarifying the behaviour (path) that leads to desired

rewards (goals). Ideally, getting the rewards depends on effective performance. Therefore, this theory may identify leader behaviours that make their subordinates perform their job effectively. Path-goal theory suggests that a leader needs to behave in different ways in different situations.

Path-goal theory identifies four types of leader behaviour, namely *directive (instrumental)*, *supportive*, *participative*, and *achievement-oriented*. The *directive leader* lets subordinates know what is expected of them, gives specific guidance as to how to do tasks, maintains work schedules, and maintains definite standards of performance. The *supportive leader* is friendly and shows concern for the status, well being, and needs of subordinates. The *participative leader* consults with subordinates about issues and takes their suggestions into account before making a decision. Finally *the achievement-oriented leader* sets changing goals, expects subordinates to perform at their highest level, and shows strong confidence that the subordinates will put forth effort and accomplish the goals (House and Michell, 1974).

Path-goal theory assumes that the same leader may display any or all of these leadership styles depending on the situation. The theory proposes two types of situational factors that influence how leader behaviour relates with subordinates' satisfaction, namely *personal characteristics of the subordinates* and the *characteristics of the environment*.

Two important characteristics of subordinates are *locus of control* and *perceived ability*. Locus of control refers to the extent to which individuals think that what happens to them, results from their own behaviour or from external causes. The research evidence indicates that individuals who attribute outcomes to their own behaviour may be more satisfied with a participative leader, whereas individuals who attribute outcomes to external causes may respond more favourably to a directive



leader (Michell, 1973). For example, if individuals believe that what happens to them is mainly their own responsibility, then they are more likely to respond well to someone who gives them a chance to shape what it is that they do. They are more likely to believe that they have the best chance of attaining their own goals if they are allowed to exercise initiative rather than have someone else directing them. If on the other hand, they believe that fate and power play a large part in determining what happens to them, they are likely to feel quite comfortable letting others take control. They will believe that this is the best way to achieve their goal because their leader would guide them to determine the way to reach the goal.

Perceived ability refers to how a person views his or her ability with respect to the task. Employees who rate their own ability relatively high are less likely to accept directive leadership, because they know how to do their tasks.

Path-goal theory posits that leadership effectiveness relates to the important environmental characteristics. These are task structure, the formal authority system, and the primary work group. This theory proposes that leader behaviour will motivate subordinates if it helps them cope with environmental uncertainty created by these factors. However, in some cases certain forms of leadership will be redundant, thus decreasing subordinates' satisfaction. For example, when task structure is high, directive leadership is less needed and less effective, because the subordinates know how to do their jobs. Similarly if the work group gives the individual plenty of social support, a supportive leader will not be especially attractive.

According to this model, therefore, the leader has to take into account both the characteristics of subordinates and the nature of the work environment. Given



these factors, the leader needs to choose an appropriate style so as to influence the subordinates' motivation to perform the work.

Empirical research of path-goal theory generally concentrates upon directive and supportive leader behaviour rather than on the other two categories. Among the outcome measures that have been investigated are job satisfaction and performance. The results of the studies examining the model have been mixed. Dessler and Valenzi (1977) found that among workers performing structured tasks in a manufacturing company, they were satisfied with their jobs under both directive and instrumental leadership styles. On the other hand, among workers who performed less routine work, there was no effect of instrumental leadership. This evidence is inconsistent with the path-goal theory as the theory predicts that those doing unstructured tasks will prefer instrumental leadership whilst those doing structured and routine tasks will not. Similarly, Schreisheim and Schreishem's (1980) study of managerial and clerical employees has also failed to support the contention that task structure will moderate the effects of instrumental leadership on job satisfaction and role clarity. The result shows that instrumental leadership relates moderately well to role clarity, but not satisfaction, regardless of task structure, organisational level, or job type.

Keller (1989) who studied 477 professional employees from four research and development organisations suggests that subordinates' need for clarity moderates the relationship between instrumental leadership and their performance and satisfaction. That is, the relationship between instrumental leadership and satisfaction is strongly related for those who have a high need for clarity. This study concludes that personal factors moderate the relationship. In addition, an investigation by Schreisheim and DeNisi (1981) in a bank and a manufacturing company found that

non-routine and unstructured tasks hit the effect of instrumental leadership on subordinate satisfaction, as predicted by the path-goal theory.

These studies indicate that we still do not know how to lead. In some studies, it was found that situational factors moderate the relationship between the leadership style and satisfaction, while in other studies they do not. The empirical studies indicate that there are factors affecting leadership process that have been identified, but probably there are many other factors affecting it that have not been identified. The limited support for situational leadership prompted researchers to turn their attention to the emotional aspect of leadership.

#### **2.3.4. Transformational / Emotional Approach**

##### ***Charisma***

Since the late 1970s, most leadership researchers have focused upon the emotional aspects of leadership with emphasis on charisma. Charisma, briefly, is having a power to inspire. More specifically the term charisma derives from the “New Testament”, it refers to “gift of grace”, that is evidence of having the Holy Spirit, as manifested in the capacity of prophesy (Weber, 1968). Weber went further, defining the term “charisma” as follows:

*The term “charisma” will be applied to a certain quality of an individual’ personality by virtue of which he is considered extraordinary and treated as endowed with supernatural, superhuman, or at least specifically exceptional power or qualities. Such of these are not to be accessible to the ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader (Weber, 1968: 241 cited in Bryman, 1992: 24).*



Weber used the term “charisma” to describe a form of influence based not on formal authority but rather on follower’s perception, whereby the follower perceives that the leader is endowed with exceptional qualities. Therefore, a charismatic leader refers to someone who is viewed as extraordinary and special by followers and these followers allow the charismatic leader to have power over them and they commit to his or her commands. This commitment is because of charisma. For example, Mahatma Gandhi was repeatedly able to convince his followers to sacrifice their own safety and security interests for the greater good of an independent Republic of India (Bass, 1985: 15). History also recorded many charismatic leaders in the world, for example Napoleon, Hitler, Sukarno, and General MacArthur.

According to Weber, charismatic leaders lead to come to the fore when there is a social crisis. The leader emerges with a vision that offers a solution to the crisis. The leader transforms all values and breaks all pre-existing norms. The followers must achieve some benefit from the mission and if they do not, the leader will be abandoned.

The exceptional influence of a charismatic leader upon his or her followers is probably as an inspiration for leadership researchers to investigate charisma in complex organisations. For organisations, leadership is believed to be an important variable for their existence. Therefore, looking for a charismatic leader who has extraordinary influence upon the organisation’s members probably will increase effectiveness of the organisation.

Charismatic leadership is more likely to appear in political and religious movement. Bass (1985), however, suggests that charismatic leaders are also found in complex organisations, such as business executives, educational administrators, military officers, and industrial managers. Furthermore, Bass argues that charisma is



widely distributed as an *interpersonal attribute* in complex organisations and it is not limited only to world-class leaders. This topic is examined in the next section.

## **2.4. Transformational leadership**

The most prominent study of charisma in complex organisations is based on the notion of transformational leadership. Transformational leadership refers to the process of influencing the organisation's members to change their attitude, assumptions, and building commitment for the organisation's mission, strategies, and objectives (Bass, 1985). Transformational leaders empower followers to participate in the process of transforming the organisation e.g. by enriching intrinsic values of the job (Yukl, 2002). Transformational leadership studies consider charisma as a main component of their approach (Burns, 1978; Bass, 1985, 1990,1998).

### **2.4.1 Burns's conception of transformational leadership**

James McGregor Burns (1978) includes moral values of followers in an attempt to raise their consciousness about ethical issues and to mobilise their energy and resources to reform institution in his leadership study. He calls this leadership style as *transformational leadership* and distinguishes it from *transactional leadership* that relies more on exchange rewards.

Burns describes transformational leadership as a process in which "leaders and followers raise one another to higher levels of morality and motivation". That is, the leader recognises and exploits an existing need or demand of a potential follower. But beyond that, the leader looks for potential motives in followers, seeks to satisfy higher needs and engages the full person of the follower. Transformational leadership emerges from, and always returns to, the fundamental wants and needs,

aspirations, and values of the followers. Burns believes that transformational leadership can produce social change than will satisfy followers' needs. This implies that there is a reciprocal relationship between leader and follower. The leader raises the follower's needs, whereas the follower highly involves in the process. In other words, transformational leadership relates with high involvement of the followers. If a follower could not highly involve himself or herself in the process, probably the leader would look for another emotional aspect to motivate the follower, but the leader probably would not motivate the follower by exchange rewards because it could decrease effectiveness of the transformational leadership. The argument, according to Burns, is that a transformational leader relies heavily on intrinsic values of the job.

Burns defines transactional leaders as those who rely more upon contingent rewards in their leadership process. That is, transactional leadership involves an exchange between leader and follower, such as jobs for votes or subsidies for campaign contributions. Transactional leadership, argues Burns, has limited impact because of its failure to raise aspirations of the leader and follower. The leadership does not bind "leader and follower" in mutual and continuing pursuit of higher performance, but is based upon the notion of exchange. For example, the followers receive wages as much as they do their jobs.

Burns depicts the two leadership styles – transformational and transactional - as existing on a single continuum. He places transactional leadership at the one extreme and transformational leadership at the other extreme of the continuum. This means that the extreme transformational leader tends to rely more on emotional and normative approaches for motivating followers, whereas the extreme transactional leader tends to rely more on contingent rewards for controlling followers. The mild



transformational leader would probably use exchange or intrinsic value of the job for motivating his or her followers but cannot use both of them, because they are different. Burns believes that all managers can be classified by their leadership styles according to their propensity for transactions with, versus transformation of, subordinates.

#### **2.4.2. Bass's conception of transformational leadership**

Bass (1985) builds upon Burns' leadership work. Bass also draws distinction between transformational and transactional leadership. The two types of leadership styles were identified in terms of the component behaviours used to influence followers and the effects of the leader on followers. With transformational leadership, the followers feel trust, admiration, loyalty, and respect toward the leader, and they are motivated to do extra. This transformation can be achieved in any one of three interrelated ways: (1) by raising followers' level of awareness, level of consciousness about the importance and value of designated outcomes and ways for reaching them, (2) by getting followers to transcend their own self-interests for the sake of the team, organisation, or larger polity, (3) by altering followers' needs levels on Maslow's hierarchy or expanding followers' portfolio of needs and wants (Bass, 1985: 20).

On the other hand, a transactional leader (1) recognises what his or her followers want to get from their work and tries to see that followers get what they desire if their performance warrants it, (2) exchanges rewards and promises of reward for appropriate levels of effort, and (3) responds to the self-interest of followers as long as they are getting the job done (Bass, 1985: 11).



## **Characteristics of transformational leadership**

Transformational leadership may be defined as a superior form of leadership that occurs when leaders “broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and the mission of the group and when they steer their employees to look beyond their own self-interest for the good of the group” (Bass, 1990: 20).

Transformational leaders seek new ways of working, seek opportunities in the face of risk, prefer effectiveness to efficiency, and are less likely to support the status quo. Transformational leaders do not merely react to environmental circumstances – they attempt to shape and create them (Avolio and Bass, 1988). Transformational leaders tend to utilise symbolism and imagery to solicit increased effort, but they may use transactional strategies when appropriate (Bass, 1985).

## **Components of Transformational leadership**

Bass distinguishes four components of transformational leadership, namely charismatic leadership or idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration (Bass, 1985, 1990). These components are examined as follows.

### ***Charismatic leadership (Idealised Influence)***

Bass (1985) identifies charismatic leaders as those who have idealised influence. Idealised influence is behaviour of a leader that arouses strong followers’ emotions and identification with the leader. Bass suggests that a charismatic leader emphasises the importance of having a collective sense of mission. This mission goes beyond self-interest for the good of the organisation. The leaders demonstrate high

standards of ethical and moral conduct of their behaviours. Charismatic leaders enrich job values for motivating the followers.

The existence of charisma depends on situations. A charismatic leader is more likely to be found in a situation of acute crisis (Popper and Zakkai, 1994; Shamir and Howell, 1999). Charisma arises when traditional authority and legal, rational, and bureaucratic means have failed to solve the problems. Bass suggests (1985: 37) that “Don’t look for charismatic leadership in the already old, highly structured, successful organisations but rather in those old one’s that are failing or in new ones that are struggling to survive”. Oberg (1972; cited in Bass, 1985) argues that charismatic leadership is most likely to emerge at the higher organisational levels because of its involvement in strategic decision-making process and strategic issues offer more scope of thinking for the leader.

Bass argues that the charismatic personality more likely achieves success as a leader, but it is not the only factor for success. He suggests that the successfulness of transforming the organisation depends on how charisma is combined with other transformational leadership factors such as inspirational motivation, intellectual stimulation, and individual consideration. The reason is partly because of the different characteristics of followers. This indicates that congruency between mission of the leadership and the orientation of followers are very important as an empirical study suggests that organisational effectiveness depends on the congruency of leader and followers’ values (Lord and Brown, 2001).

### ***Inspirational Motivation***

Leaders who engage in inspirational motivation enhance the motivation of their employees, encouraging them to achieve levels of performance beyond their

own expectations by enriching meanings of the followers' work (Bass, 1998). The leaders do so by using stories and symbols to communicate their vision and message. Inspirational leaders use symbols extensively to draw attention to their leadership. These symbols represent information and provide a simple message to the subordinates. Bass (1985) gives an example of inspirational leadership in "Reverse Officer Training Corps" (ROTC) as follows: (1) Instils pride in individuals, (2) uses pep talks to build morale of followers, (3) sets an example by his own behaviour of what is expected, (4) provides personal encouragement to subordinates to build their confidence, and (5) makes followers feel proud of their unit by complimenting their good performance.

### ***Intellectual Stimulation***

Intellectual stimulation is defined as the arousal and change in followers of problem awareness and problem solving, of thought and imagination, and of beliefs and values, rather than arousal and change in immediate action (Bass, 1985: 99). Intellectual stimulation basically comes from the personal ability of the leader, such as intelligence, personal relationship ability, and technical expertise. The leader's capabilities may be applied in the strategic formulation, problem solving, or in teaching their followers. For doing so, the leader may use symbols and images. By these images and symbols, the leaders are able to send clear rather than ambiguous messages. For example, followers of intellectually stimulating leader might say "His ideas have forced me to rethink some of my own ideas which I had never questioned before" or "He provides me with new ways of looking at things which used to be a puzzle for me" (Bass, 1985: 212).



### ***Individualised Consideration***

Individualised consideration refers to a leader's behaviour that gives personal attention to all his or her followers, making each individual feel valued to the organisation. The leader motivates each follower by considering his or her needs and capabilities (Bass, 1985).

Leaders who score highly in individualised consideration concentrate on knowing their followers in depth, diagnosing the needs and capabilities of individuals, and giving personal attention to the members. When the followers' needs have been identified, the leader focuses on developing the followers through coaching, teaching and feedback, and encouraging the followers to take greater responsibilities.

Consideration may be directed towards individuals or a group. That is, each subordinate will be treated differently according to each subordinate's needs and capabilities. It may also be applied with regular group meetings and consultations with subordinates as a group.

### **Characteristics of Transactional Leadership**

Bryman (1992) argues that the transactional process between the leader and the followers is considered as more associated with management rather than leadership. Transactional leadership occurs when there is a transaction between the leader and the follower. Transactional leaders serve to clarify the role and task requirement of followers for reaching the desired outcomes. This gives the subordinates sufficient information to exert the necessary effort. The transactional leader also recognises what the subordinate needs and wants, and clarifies how these

needs and wants will be satisfied if the necessary effort is made by the subordinate (Bass, 1985).

The transactional leader focuses on efficiently and properly carried out tasks. The transactional leader administers both positive and negative rewards in dealing with followers, such as promotion and pay increase for employees who perform well, and penalties for those who do not do their job well. The effectiveness of transactional leadership depends on whether the leader has control over rewards and penalties; and on whether employees are motivated by the promise of reward and desire to avoid penalties (Bass, 1985).

### **Components of Transactional leadership**

Transactional leadership consists of two factors, namely contingent rewards and management by exception (Bass, 1985). Contingent reward refers to an exchange of rewards for the employee's effort beyond a certain level of performance that has been agreed between the followers and the leader. Contingent reward involves identifying subordinates' needs and facilitating the achievement of agreed objectives and then linking to both what the leader expects to accomplish and to rewards for the subordinates if objectives are met.

The second component of transactional leadership is management by exception. Management by exception may be described by the popular motto "If it ain't broken, don't fix it" (Bass, 1995). Management by exception is defined as intervening only if standards are not met or if something goes wrong. Such leaders may either remain passive until problems emerge and need correction, or they may arrange to more actively monitor the followers' performance so as to intervene when followers make mistakes.

Management by exception reflects two categories (Bass, 1998), namely “active management by exception” and “passive management by exception”. In active management by exception, the leaders set up standard procedures for subordinates’ performance, search for deviations, and take corrective actions. In passive management by exception, the leader asks no more than what is essential to get the job done.

### **2.4.3. Comparing and Contrasting Burns’s and Bass’s conceptions of transformational leadership**

Burns and Bass both suggest that transformational leadership relies more on moral aspects for motivating followers, whereas transactional leadership relies more on exchanging rewards systems. However, there are differences between Burns and Bass in their conceptualisations. More specifically, Burns suggests that the two leadership styles are at opposite ends of a single continuum, whereas Bass suggests that both transformational leadership and transactional leadership can be exhibited by a leader but in different times. For example, a leader may have exhibited transactional leadership before, but he or she is exhibiting transformational leadership now (Bass, 1985: 22). This indicates that there are unidentified variables that influence the changing leadership style. This is probably because of the different situations faced by the leader. Howell (1992 cited in Bass, 1998) predicted that transformational leadership is more likely to be found in certain organisations such as organisations where their orientations are consistent with social values.

Burns and Bass have different orientations towards the research objects. Burns concentrates on political leadership, whereas Bass has considered military, education, and business organisations. Moreover, Burns suggests that actions are



transformational if society benefits from the leader, whereas Bass argues that transformational leadership does not necessarily benefit the organisation (Bass, 1985). For example, Bryman (1996) observed that although an organisation was led by a transformational leader, the leader failed to develop the organisation into success because the leader faced many constraints, whilst another similar organisation led by a transactional leader successfully controlled the business and this organisation survived.

## **2.5. Empirical studies of transformational leadership**

### ***2.5.1. Transformational leadership and organisational performance***

Transformational leadership studies have mainly focused upon comparing the respective outcomes of transformational and transactional leadership as regards performance and effectiveness in organisations. Broadly speaking, transformational leadership has a higher positive impact on performance levels than transactional leadership. For example, Munandar and Wutun (1998) observed that the high productivity ranked banks in Jakarta were led by transformational leaders, whereas the low productivity ranked banks were controlled by transactional leaders. They classified the banks according to the level of productivity which is measured by percentage of net operational income of total assets. It is very interesting since there are many factors that affect the productivity, such as market conditions, the level of competition, and commitment of employees to the organisation. Barling et al., (1996) investigated the influence of transformational leadership training on business units' performances. The performance was measured by personal loan sales and the number of credit card sales. They observed that business units under managers who had been

trained in transformational leadership showed higher performance than business units under managers who did not participate in the training.

Howell and Avolio (1993) compared the relationship between the leadership styles of 78 business unit managers and financial performance of the organisations. The results suggest that the performance of the business units under transformational leadership is higher than that of the business unit under transactional leadership particularly in the organisations that rely more on innovation. They argue that the high innovative-based organisations require transformational leaders.

Lowe, Kroeck, and Sivasubramaniam's (1996) meta-analysis of transformational leadership found that the level of effectiveness of transformational leadership behaviours is higher than that of transactional leadership. Transformational leadership was also correlated with the positive behaviour of followers. Empirical studies suggest that transformational leadership is positively related with subordinate performance, satisfaction, and commitment, and the relationship is stronger than for transactional leadership (Bass, 1998; Yukl, 2002; Yammarino *et al*, 1998; Lowe *et al*, 1996; Bycio *et al*, 1995; Barling *et al*, 1996).

### ***2.5.2. Transformational leadership and value systems***

Schwartz (1992 cited in Lord and Brown, 2001) defines values as “desirable states, objects, goals, or behaviours transcending specific situations and applied as normative standards to judge and to choose among alternative modes of behaviour”. Lehr (1987) suggests that the value system of a leader is likely to guide and direct the behaviours of the leader. Accordingly, it may be predicted that leaders who are more transformational will have a different value system than those who are transactional. The argument is that these leadership styles use different behaviours, in that



transformational leaders tend to rely more on normative aspects, whereas transactional leadership relies more on rational aspects. Empirical studies suggest that transformational and transactional leadership styles have different characteristics. For example, Krishnan (2001) attempted to draw a value profile of leaders who are more transformational and less transformational in their approach. This study was conducted by using 95 pairs of managers and subordinates belonging to a large, non-profit, national human service organisation in the USA. The result suggests that the more transformational leaders gave greater importance to values pertaining to others than to values concerning only themselves. For example, high ranked transformational leaders gave high priority to “a world of peace” and relatively low priority to “a world of beauty”.

Sivanathan and Fekken (2002) investigated behaviours of transformational leadership by using 58 residence staff and 232 subordinates in a university residence. They suggest that leaders who seem higher on emotional intelligence and moral reasoning to control the followers, are reported to be more transformational by their followers than those who use less moral reasoning. This suggests that transformational leadership relies more on emotional intelligence and moral approaches than transactional leadership.

Turner et al (2002) studied 132 managers and 407 subordinates in three organisations in Canada and the UK to investigate the relationship between transformational leadership and moral reasoning. They suggest that the leaders who exhibit higher moral-reasoning levels for controlling their followers are perceived as more transformational than leaders with lower moral-reasoning levels. This means that transformational leaders tend to use moral-reasoning to motivate followers. Moreover, they argue that leaders with more complex moral reasoning are more



likely to value goals that go beyond immediate self-interest and to foresee the benefits of the actions that serve the collective good.

In addition, value congruency of leaders and their followers influences leadership effectiveness. Lord and Brown (2001) observed that a leadership style that is congruent with followers' values may stimulate the behaviour of followers into the leader's direction. More specifically Ehrhart and Klein (2001) observed that followers who interested in intrinsic work values were attracted to transformational leaders, whereas followers who were interested in extrinsic work values were attached to task-oriented leaders.

### ***2.5.3. Transformational leadership in different organisations***

Although Bass (1985) suggests that transformational leadership may be applied in many different organisations, evidence suggests that transformational leadership is more likely to exist in certain organisations (Shamir, 1999; Bass, 1998; Bryman, 1996; Keller, 1992). For example, Howell (1992 cited in Bass, 1998) predicts that transformational leadership is more likely to be found in unstable environment, organisations where their orientation is more consistent with social values, and organisations with more intrinsic rewards rather than extrinsic rewards.

Keller (1992) conducted a longitudinal study of transformational leadership in industrial research and development organisations. A department of research and development was divided into two sub-departments, namely *research project* and *development project*. The research project was directed at mainly, on original technological innovations that require scientists and engineers to go far beyond existing scientific and technological knowledge, whereas the development project generally focused on incremental technological improvements involving

modifications of existing technology. Research and development or professional employees were selected in this study because of their high level of education and deep interest in the challenge of their work. The result suggests that the level of transformational leadership experienced was higher in the research project than in the development project. This means that employees in the research project require more transformational leadership than employees in the development project. The characteristics of followers may be another factor in determining the leadership style. That is, the more professional employees are associated with transformational leaders than transactional leaders. This may be because the attitudes of the professionals tend to be positive to the job's values. This is consistent with transformational leadership that relies heavily on intrinsic job values for motivating the followers.

Bryman et al. (1996) conducted case studies of three community transport organisations in the UK to investigate the effectiveness of transformational leadership. One of the community transport organisations was led by a transactional leader, whereas the two others were led by transformational leaders. The transactional leader managed the organisation successfully, whereas the transformational leaders faced several constraints in developing visions of their organisations and one of them even collapsed. Bryman suggests that although an organisation is led by transformational leader, the effectiveness is constrained by several factors, such as the level of trust in the management, the availability of resources, the relationship between the organisation and other organisations related to it, and the time. The findings contradict Bass's prediction that transformational leadership correlates with better organisational performance than transactional leadership.



Catano, Pond, and Kelloway (2001) explored the existence of transformational and transactional leadership in voluntary and labour union organisations. The data were collected from 212 members of voluntary organisations and 77 members of labour union organisations. This study suggested that people in the voluntary organisations experience more transformational leadership and less transactional leadership than those in labour union organisations. They argue that transformational leadership is more consistent with the orientation of the voluntary organisations than transactional leadership. This study also observed that members in the voluntary organisations exhibit higher commitment to the organisation than similar members in the union organisations. They argue that voluntary organisations require higher commitment of their members than labour union organisations.

#### ***2.5.4. Transformational leadership within organisations***

Recall, it was suggested that transformational leadership is more likely to be found at senior echelon than at the lower echelons (Shamir and Howell, 1999; Howell, 1992; Katz and Kahn, 1978). Shamir and Howell argue that characteristics of the jobs at the senior echelon require wider horizon for the occupant and characteristic of the job is strategically oriented. In contrast, Bass (1985, 1990) suggests that transformational leadership can be found at all levels of the organisations. Bass (1985) studied 45 professionals and managers at different organisational levels. He expected to see more transformational and less transactional leadership at senior organisational levels. As expected, the results suggested that the level of transformational leadership was slightly higher at senior echelon, whereas the leadership at the lower echelon was mixed between transformational and transactional leadership styles. Manning (2002) explored transformational leadership



of 64 members of the “leadership team” of a US regional health and human service. The result showed that the level of transformational leadership was higher at senior organisational levels than at the lower levels.

Al-Anazi (1993) investigated the levels of transformational and transactional leadership between organisational levels in four different organisations in Saudi Arabia. He suggested that there were no differences of the levels of transformational and transactional leadership within the organisations.

## **2.6. Summary**

This theoretical review suggests that leadership research has been inconclusive. For example, the trait approach has identified a list of attitudes of the leaders, but there is no conclusive result concerning effective leadership. In addition, behavioural and situational approaches of leadership have classified mainly two leadership styles and situations that are conducive to a certain leadership style, but empirical studies are inconsistent.

Again, although it was suggested that transformational leadership can be found in any organisation, empirical studies suggest a more complex relationship between transformational leadership and organisational effectiveness. For example, some studies show that transformational leadership is more effective than transactional leadership, whilst the other studies found that transactional leadership is more effective than transformational leadership. Other studies suggest that transformational leadership will be effective in certain organisations.

Moreover, part of the corpus of literature suggests that transformational and transactional leadership can exist in an organisation. For example, professional

employees generally experience more transformational leadership, whilst the less professional employees generally experience more transactional leadership. Again, staff at higher echelons tend to experience more transformational leadership, whilst employees at the lower echelons tend to experience more transactional leadership.

This review also suggests that transformational leadership and transactional leadership styles are correlated positively to organisational outcome variables. Although transactional leadership is positively correlated to the outcome variables, transformational leadership is more strongly correlated to the outcome variables than transactional leadership.

## **Chapter 3.**

# **Organisational Commitment**

### **3.1. Introduction**

Organisational commitment refers to a psychological state that characterises the employee's relationship with the organisation and has implications for decisions that an employee might make to continue or discontinue membership in the organisation (Meyer and Allen, 1991: 67). This commitment can be seen from two perspectives, namely attitudinal and behavioural approaches.

The attitudinal approach views organisational commitment as a psychological attachment evidenced by the willingness of participants to devote energy and loyalty to the organisation (Mowday et al., 1982). In addition, according to the behavioural approach, organisational commitment may also be viewed as the investment made by individuals as a result of their membership of the organisation (Becker, 1960). This behavioural view of organisational commitment suggests that as time goes on, it



becomes increasingly difficult for individuals to leave the organisation because of their accumulative investment.

Within the development process of organisational commitment, the attitudinal and behavioural approaches are reciprocally related. The importance is not to identify which one is influencing the other, but that the individuals are committed to the organisation.

Organisational commitment is important for the organisation and the individual. For the organisation, organisational commitment is related to a list of potential organisational outcomes and positive behaviours. More specifically, understanding the reasons why people join an organisation is probably very important because it will help management to procure it effectively. Organisational commitment is also important for individuals, because it is related to well-being and the economic and social status of the individual.

The purpose of this chapter is to review the researches of organisational commitment. More specifically, this chapter aims to identify antecedents, correlates, and consequences of organisational commitment.

### **3.2. The Meaning of Organisational Commitment**

Recall, organisational commitment may be defined as a psychological state that characterises the employee's relationship with the organisation. A committed employee is one who: (1) has a strong desire to remain a member of the organisation, (2) is willing to exert extra effort on behalf of the organisation, and (3) believes in the values and goals of the organisation (Mowday, Porter, and Steers, 1982; Allen and Meyer, 1990, Meyer, Allen, and Smith, 1993). This means that committed

employees are more likely to remain in the organisation than those who are less committed.

Researchers believe that organisational commitment is an important factor for both organisations and employees. For organisations, a committed employee is a potential source for developing organisation performance. Evidence suggests that organisational commitment is related to a long list of beneficial outcomes and positive work behaviours, including productivity, lower absenteeism, lower turnover intention, lower turnover, and other positive behaviours (Meyer, Stanley, Herscovitch, and Topolnytsky, 2002; Meyer and Allen, 1997; Mathieu and Zajac, 1990).

Commitment to an organisation may have different meanings for employees. For example, for employees, commitment to an organisation is important because the organisation provides jobs, an opportunity to do important and challenging work, to meet and interact with interesting people, and to learn new skills and develop as a person that leads to the development of commitment (Meyer and Allen, 1997; Mowday *et al*, 1982). Commitment to an organisation is also related to an individual's well-being (Begley and Czajka, 1993; Ostroff and Kozlowski, 1992, Mathieu and Zajac, 1990). For example, Mathieu and Zajac suggest that highly committed employees feel more stress dealing with organisation turmoil than do the less committed employees. They suffer more from organisational hardships because of their investment in and identification with the organisation. However, Begley and Czajka suggest that stress increases job displeasure only when the level of commitment of employee is low.



### 3.3. The Nature of Organisational Commitment

Organisational commitment may be viewed from two perspectives, namely attitudinal and behavioural. Attitudinal commitment is conceptualised from the viewpoint of the organisation. It concerns an individual's psychological attachment to, and identification with, the organisation, by the willingness of participants to exert energy and loyalty to the organisation (Mowday *et al*, 1982).

The behavioural perspective suggests that organisational commitment may be seen as a process by which people come to be bound to the organisation by their own past actions. Becker (1960) describes commitment as a process in which employees make "side bets" with the organisation. The term "side bet" represents a process of linking previously irrelevant or extraneous actions and rewards to a given line of action in such a way that the individual loses degrees of freedom in his or her future behaviour. Becker notes:

*If a person refuses to change jobs, even though the new job would offer him a higher salary and better working conditions, we should suspect that his decision is a result of commitment, that other sets of rewards than income and working conditions have become attached to his present job so that it would be too painful for him to change. He may have a large pension at stake, which he will lose if he moves; he may dread the cost of making new friends and learning to get along with new working associates; he may feel that he will get a reputation for being flighty and erratic if he leaves the present job. In each instance, formerly extraneous interests have become linked to keeping his present job (Becker, 1964: 50).*

According to Becker, organisational commitment refers to an awareness of the costs of leaving the organisation. Meyer and Allen (1997) classify this term as *continuance commitment*. For example, an individual who has been working for many years will lose his or her pension scheme if he or she left the organisation.

Mowday *et.al* (1982) suggest that attitudinal and behavioural commitment are reciprocally related. That is, commitment attitudes lead to committing behaviours



that subsequently reinforce and strengthen attitudes, and committing behaviours lead to commitment attitudes and subsequent committing behaviour. The important issue they suggest is not whether the commitment process begins with either attitudes or behaviour. Rather, what is important is to recognise that the development of commitment may involve the interplay of attitudes and behaviours over time. In other words, the process through which commitment is developed may involve self-reinforcing cycles of attitudes and behaviours that evolve on the job and over time strengthen employee commitment to the organisation.

### **3.4. The Development of Organisational Commitment**

Mowday *et al* (1982) identify three phases in the development of organisational commitment, namely anticipation (pre employment), initiation (early employment stage) and entrenchment (middle and late career stages). Commitment develops through and is affected by employment experience at each of these stages.

The major determinant of commitment during the early employment period consists of pre-employment experiences such as job expectations, job choice factors, and employees personal characteristics. For example, individuals who were intrinsically motivated in their job choice were more committed than those whose choice was extrinsically motivated (O'Reilly and Chadwell, 1980 cited in Mowday *et al.*, 1982). The argument is that intrinsic values of the jobs may increase needs of employees into the higher level as suggested by Herzberg *et al* (1959). Mowday *et al.*, 1982 also suggest that employees who enter organisations with more realistic expectations are less likely to leave voluntarily than employees whose expectations are unrealistic. In addition, individuals will develop more positive attitudes toward their chosen job in an effort to justify their decision. Salancik (1977) has identified

several important characteristics of behaviour that make them committing. First, the decision or behaviour must be explicit. In other words, the act is unequivocal and observable to others. Second, the choice must be difficult to revoke or change. Third, the decision is public in the sense that it is widely known to others. Finally, the decision or behaviour must have been reached on the employee's own volition. When job choices are characterised by these factors, then, says Salancik, employees will become behaviourally committed to the decision.

At the initiation stage, work experiences such as the job itself, supervision, work group, alternative job opportunities, pay and the characteristics of the organisation are also important for developing employee commitment. However, initial work experiences that reduce an employee's feeling of responsibility (Salancik, 1977) are likely to reduce commitment

At the entrenchment stage, Mowday *et al* (1982) argue that as time went on, side bets became an increasingly important determinant of organisational commitment. This is because as investments, social involvement, decrease in job mobility, and earlier sacrifices accumulate, it becomes more difficult for an employee to leave the organisation. The availability of alternative job opportunities at the entrenchment stage is likely to reduce commitment (O'Reilly and Caldwell, 1980).

### **3.5. The Components of Organisational Commitment**

Meyer and his colleagues (Allen and Meyer, 1990; Meyer and Allen, 1991; Hackett, Bycio, and Husdorf, 1994) classify organisational commitment into three components, namely affective, normative, and continuance commitment. *Affective commitment* refers to the employee's emotional attachment to, identification with,

and involvement in the organisation. Individuals, who are affectively committed to the organisation, are more likely to join an organisation because they want to do so.

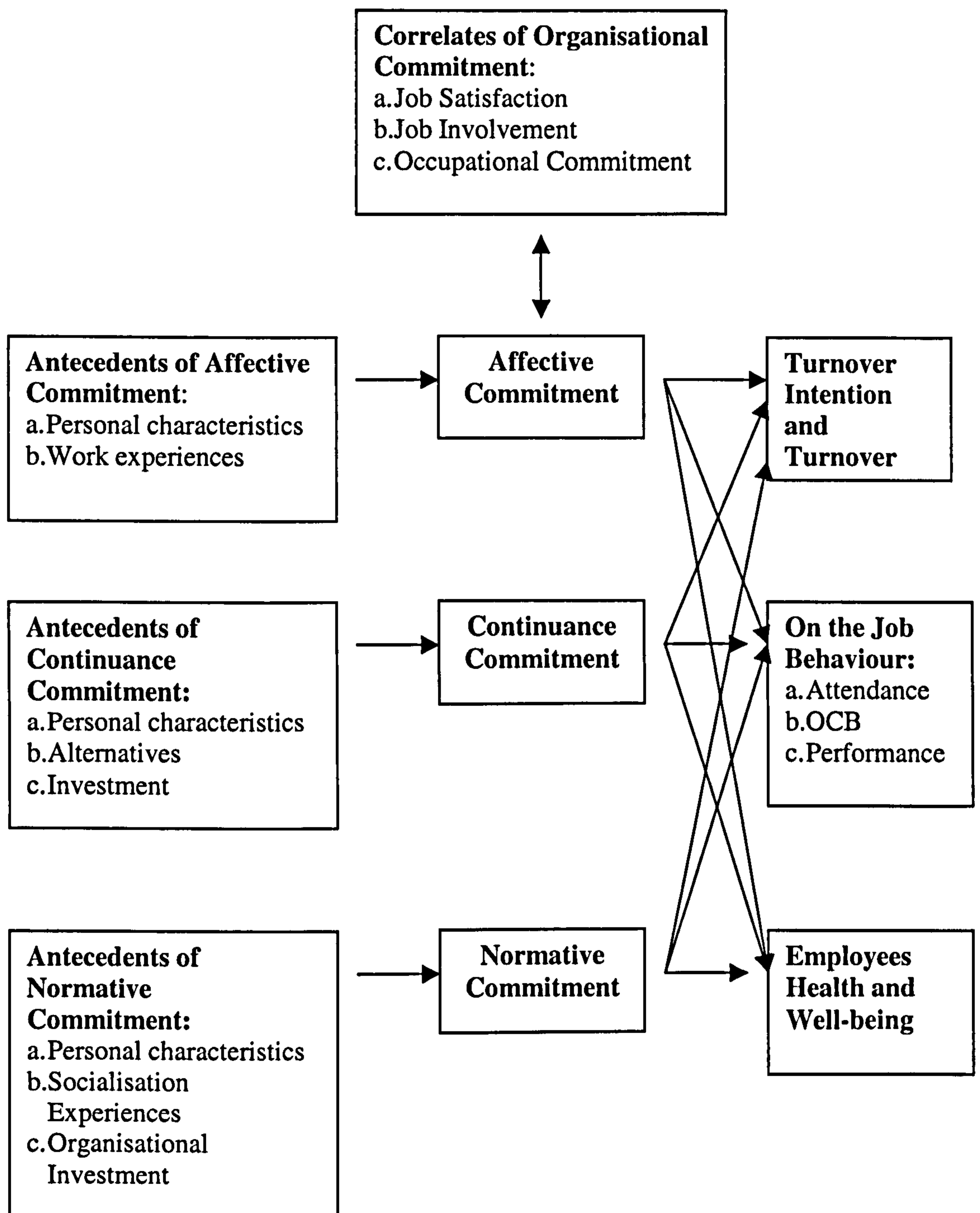
*Normative commitment* refers to a feeling of obligation to continue employment and a sense of loyalty towards the organisation (Meyer, Allen, and Smith, 1993). Individuals, who are normatively committed to the organisation, are more likely to stay with the organisation because they ought to do so.

*Continuance commitment* refers to an awareness of the cost of leaving the organisation. People with high level of continuance commitment are more likely to stay in the organisation because they need to do so.

### **3.6. Antecedents, correlates, and consequences of organisational commitment**

There have been many studies that have investigated organisational commitment, but they may be classified into three categories, namely antecedents, correlates, and consequences of organisational commitment. These studies are summarised in Figure 3.1.





**Figure 3.1. A Three-Component Model of Organisational Commitment**

Source: Meyer *et al.*, 2002, p. 22.

### **3.6.1. Antecedents of Affective Commitment**

#### **1. Personal characteristics**

##### ***Age***

Mowday et al., argue that an individual's opportunities for alternative employment decrease by increasing of their age. This decreasing employment alternative may increase the perceived attractiveness of the present work, thereby leading to increased psychological attachment. In addition, Meyer and Allen (1997) suggest that older employees might actually have more positive work experiences than younger employees, because they have longer positive experiences than the younger employees therefore they choose to remain with the organisation. If the older employees do not agree with the organisation, they would have moved to other organisations early.

Empirical studies suggest that age is, albeit weakly, positively correlated with affective commitment as evidenced by several empirical studies (Cheung, 2000; Meyer, Allen, and Smith, 1993; Martin, 1978; Mathieu and Zajac, 1990; Mowday, et al., 1982; Marsh and Mannari, 1977).

##### ***Tenure***

Tenure is positively correlated with affective organisational commitment and the strength of association is similar with that between affective organisational commitment and age. (An-najar, 1999; Mathieu and Zajac, 1990; Cheung, 2000; Rahim and Afza, 1993; Harrison and Hubbard, 1998). This means that employees need to acquire a certain amount of experience with an organisation to become strongly attached to the organisation. It may also mean that employees who have

been working for a period of time retrospectively develop affective commitment to their organisation (Meyer and Allen, 1997). Meyer and Allen argue that those who do not develop strong affective commitment choose to leave the organisation and thus only the highly committed employees remain with the organisation.

### *Gender*

Grusky (1966 cited in Mathieu and Zajac, 1990) argues that women would be more committed to an organisation because they have to overcome more barriers than men to gain membership. However, empirical studies show inconsistent findings. For example, several studies suggest that women are related to higher levels of affective commitment than men (Elizur, 1994; Melloer et al., 1994; Furnham, 1984). However, results of meta-analyses of research show that gender and affective commitment are unrelated (Aven, Parker, and Mc Evoy, 1993, Mathieu and Zajac, 1990). In addition, Meyer and Allen (1997) suggest that this relationship is more appropriately attributed to different work characteristics and experience. Their argument is that it is probably because there is another variable that intervenes in the relationship between gender and organisational commitment.

### *Salary*

Salary is predicted to be positively related to affective organisational commitment. For example, Mathieu and Zajac (1990) suggest that salary levels may increase feelings of self-esteem and thereby account for the positive relationship with affective commitment. Meyer *at al* (2002) suggested that paying employees to stay in an organisation could lead to higher affective commitment if it contributes to a perception of personal competence. But, it could also lead to continuance



commitment if it merely makes salient what employees have to lose if they leave the organisation. Therefore, salary may be related with both affective and continuance commitment.

### ***Education***

Allen and Meyer (1990) predict that education is negatively related to affective, continuance, and normative commitment. The argument is that as the education level of employees increase, the employees should have greater job options so that they are not “locked” in the organisation, weakening their moral attachment, which simultaneously raises job expectations that are unlikely to be met (Allen and Meyer, 1990; Hacket *et al.*, 1994). However, the empirical studies showed inconsistency. The empirical studies suggest that the relationship between the level of education and organisational commitment was inversely related particularly with regard to attitudinal commitment (Mathieu and Zajac, 1990; Mannari, 1977). The argument is that the more qualified employees are less committed because they have higher expectations toward the organisation that may not be fulfilled by the organisation. Thus, disappointment with organisation policies may have negative impact on commitment (Mowday, et al., 1982). Another argument is that educated people or professionals may be more committed to their occupational group than the organisation (Mathieu and Zajac, 1990). For example, De Oliveira (1996) observed that lawyers were more committed to their profession than the company.

On the other hand, the level of education was positively related with organisational commitment (Annajjar, 1999). He suggested that the level of

education of the employee was followed by higher social status. In return, the employee is more affectively committed to the organisation.

## **2. Organisational characteristics**

### ***Job level***

Staff at senior echelons generally receive more absorbing and challenging jobs than employees at the lower echelons. Consequently, staff at senior echelons tend to exhibit more commitment and satisfaction than employees at the lower echelons. Empirical studies suggest that organisation level is positively related to organisational commitment and the relationship is stronger with attitudinal rather than calculative commitment (Oshagbemi, 2001; Mathieu and Zajac, 1990; Koslowsky, 1990). The other reason is that higher-ranking employees are more involved in decision-making processes than employees at the operational level. This involvement may increase self-actualisation for senior echelon employees in return that they will more likely be affectively committed to the organisation (Griffeth, 2003). Moreover, empirical studies suggest that affective commitment is correlated positively to seniority (Allen, Shore, and Griffeth, 2003; Drummond, 1993; Cohen, 1991; Rhodes and Steers, 1981).

More specifically, Robinson *et al.*, (1969) suggest that among staff at senior echelons, intrinsic job characteristics are more important than extrinsic job characteristics, while among operative workers, extrinsic job characteristics are more important than intrinsic characteristics. This means that staff at senior echelon tend to be more motivated by the value of work itself that makes them likely to become more committed to the organisation than the rewards of the jobs. Voydanoff (1978) supports this contention.

### ***Job Scope***

Job scope is viewed as a summary construct composed of separate task dimensions such as skill variety, task identity, task significant, autonomy, and job feedback (Mowday *et al.*, 1982). Mowday *et al.*, further suggest that a higher level of organisational commitment is found among staff at senior echelons because their jobs require higher scope than those at the lower echelons.

Empirical studies suggested that, affective commitment was positively correlated with elements of job scope, such as the higher job-challenge, the higher degree of autonomy, and variety of skills the employee uses (Dunham, Grube, and Castaneda, 1994; Colarelli, Dean, and Konstants, 1987; Steers, 1977). In addition, Bishop and Scott (2000) reported that the higher level of job autonomy was strongly related to higher organisational commitment. Subsequent research has also reported the importance of the job scope predicting affective commitment (Bobocel, and Allen, 1991; Mathieu and Zajac, 1990; Heckett *et al.*, 1994; Meyer,).

### ***Perceived organisational support***

Perceived organisation support refers to employees' global beliefs concerning the extent to which the organisation values their contribution and cares about their well-being (Eisenberger *et al.*, 1986). Perceived organisation support may include conducive work environment, supportive leadership, and supporting the organisation's members with tangible and intangible assets. Eisenberger *et al.*, suggest that organisations seeking to build affective commitment of their members must demonstrate their own commitment by providing a supportive work environment for them. They argue that perceived organisation support may fulfil



needs for esteem, approval, and affiliation that lead to incorporation of organisation membership and role status into social identity. Unsurprisingly, the empirical studies showed that “perceived organisation support” (POS) was positively related to affective commitment (Allen, Shore, and Griffeth, 2003; Cheung, 2002; Rhoades, Eisenberger, and Arneli, 2001; Shore and Wayne, 1993).

### ***Person – Job Fit***

It was predicted that congruency between the characteristics of the employees and the organisation may have positive impact on attitudes and behaviours of employees (Finegan, 2000). Finegan further suggests that one fundamental characteristic that employees and organisations share is values. Values may be defined as evaluative standards relating to work or the work environment by which individuals discern what is “right” or assess the importance of preferences (Dose, 1997).

Research with the person-job fit tradition suggests that congruency between the job and one person’s values will be rewarding to the person and thus it will influence affective commitment (Meyer and Allen, 1997). Moreover, Finegan (2000) suggests that organisational commitment is related with congruence of values of organisations and their members. More specifically, Finegan suggests that organisations that rely highly on “humanity and vision values” were corresponded with affective and normative organisational commitment of their employees, whereas organisations that rely on “extrinsic values of the jobs” were typified by high levels of continuance commitment of their members.

Putti *et al* (1989) analysed the relationship between work values and organisational commitment. Their findings suggest that intrinsic values relate more

closely to organisational commitment than extrinsic values. This result is in line with Herzberg *et al*'s (1959) distinction between motivator and hygiene factors. That is, motivator or intrinsic values of the job may increase the employee's needs into the higher level of Maslow's hierarchical needs. Moreover, Elizur and Koslowsky (2001) observed that work values are predictors of affective commitment.

### ***Leadership***

Leadership has an important role in organisations for controlling followers and it has been correlated with organisational commitment. Recall, transformational leadership refers to the process of influencing the organisation's members to change their attitude, assumptions, and building commitment to the organisation's mission, strategies, and objectives (Bass, 1985). This implies that transformational leadership has an important role in the development of organisational commitment of the followers.

Pitman (1993, cited in Bass, 1998) showed that the commitment of 245 white-collar workers in six organisations is relatively more strongly correlated to transformational leadership than transactional leadership. Also, Koh (1990), who studied 846 teachers and principals of 80 secondary schools in Singapore, found that commitment to the organisation was significantly greater when the principals were described as more transformational in their leadership styles than transactional. Other empirical studies also suggest that transformational leadership is positively correlated with organisational commitment and the correlation is stronger than transactional leadership (Bycio, Hackett, and Allen, 1995; Barling, Weber, and Kelloway, 1996).

### **3.6.2. Antecedents of Continuance Commitment**

Recall, continuance commitment refers to the employee's awareness that costs are associated with leaving the organisation. There are mainly two antecedents of continuance commitment, namely accumulated investments and perceived alternatives (Meyer and Allen, 1991; Mowday et al., 1982). Employees can make investments in organisations in many ways, like spending time for obtaining organisation-specific skills, making social relationship with co-workers, and doing important and challenging work. Evidence suggests that tenure in the organisation was found to be strongly correlated to continuance commitment (Mathieu and Zajac, 1990; Cohen, 1993). In addition, Dunham, Grube, and Castaneda (1994) suggest that age and tenure are positively correlated with continuance commitment. Their argument is that older employees and employees who have been staying longer in an organisation are less intent to seek alternative jobs, because their investment was high, so it will be costly to leave the organisation.

Drummond and Chell (2001) investigated a phenomenon known as entrapment. They define entrapment as the situations where people are "locked into" decision through the passage of time as distinct from actively re-investing in failing projects. This study suggests that entrapment results from extraneous investments made during the course of employment, because employees fail to see the term implications for their decisions.

On the other hand, people will release their attachment to an organisation when the organisation does not consider their wants. For example, Randall and O'Driscoll (1997) observed that high level of continuance commitment was associated with



lower perceived organisational support, lower agreement with organisational policies, and fewer perceived organisation values.

The other antecedent of continuance commitment is the employee's perceptions of employment alternatives. Employees who think they have several viable alternatives, will have weaker continuance commitment than those who think their alternatives are limited. In other words, perceived availability of alternatives will be negatively correlated with continuance commitment (Allen and Meyer, 1990; Whitener and Waltz, 1993). Moreover, employees who think their education and training investment are less easily transferable elsewhere, will express stronger continuance commitment to their current organisation (Meyer and Allen, 1997).

### **3.6.3. Antecedents of Normative Commitment**

Recall, normative commitment refers to a perceived obligation to remain with the organisation. Employees with strong normative commitment will remain with an organisation by virtue of their belief that it is the "right and moral" thing to do (Meyer and Allen, 1991). Meyer and Allen argue that normative commitment to an organisation may develop on the basis of collective pressures that individuals feel during their early employment in the organisation from family and culture and during their socialisation as newcomers to the organisation that make individuals believe they "ought to stay in the organisation".

Comparatively little is known regarding how normative commitment develops, but several studies suggest that it is related with social values. For example, Vardi, Wiener and Popper (1989) suggested that normative commitment is related with the congruency between organisation mission and social values. Vardi, Wiener and Popper compared two organisations that were similar in all but one

respect: the extent to which the organisational value or mission was congruent with the core values of the society in which they operated. The study found that employees in the organisation whose mission was consistent with cultural values had stronger normative commitment to the organisation than those in the other organisations where their orientation is less consistent with society's values.

Socialisation occurs not only within the boundaries of organisations, but within the context of a society as a whole (Becker , 1960; Morrow, 1983). Wiener (1982) maintains that cultural socialisation is the basic determinant of all values. In his model of antecedents and consequences of organisational commitment, he suggested that feelings of obligation to remain with an organisation might result from the internalisation of normative pressure exerted on an individual through the society's values and beliefs. In a sense, societal socialisation takes place prior to the organisation's socialisation process that occurs when a person enters the organisation. This position is supported in Meyer and Allen's (1991) model of organisational commitment, which proposes that cultural socialisation is antecedent to normative organisation. More specifically, Meyer and Allen suggest that the importance which collectivist culture places on loyalty to the collective over the individual is likely to increase an employee's moral obligation to remain in the organisation. This is consistent with Randall (1993) who predicts that collectivism culture may be related to stronger normative organisational commitment.

Clugston, Howell and Dorfman (2000) expected that cultural dimensions are significant predictors of organisational commitment. They investigated the levels of organisational commitment of 175 employees in the tax revenue department in western United States. The employees have different ethnic origins as shown by the sample composition as 96% White, 2% Hispanic, 1% Black, and 1% Asian. Clugston



*et al* classify cultural dimensions according to Hofstede's (1980) framework that classifies cultural values into four dimensions: power distance, uncertainty avoidance, masculinity vs. femininity, and individualism vs. collectivism. Clugston *et al* observed that a cultural dimension (power distance) is related to normative organisational commitment. In other words, employees in collectivism culture tend to experience more normative organisational commitment than those in individualism culture.

Eisenberger *et al.* (1986) argued that there is an exchange between employee and organisation. Employees who perceive support from their organisation, are more likely to feel obligation to repay, such as commitment and work behaviour to the organisation (Meyer *et al.*, 2002; Cheung, 2000). Empirical studies suggest that perceived organisation support (POS) is positively correlated to normative organisation commitment. Moreover, Meyer *et al.* (2002) argued that positive experiences that contribute to strong affective commitment also contribute to "a feeling of obligation to reciprocate". Their argument is that "work experience variables" such as organisational support, role ambiguity, role conflict, and procedural justice that correlate with affective commitment also correlate positively with normative organisational commitment.

### **3.6.4. Correlates of Organisational Commitment**

#### ***Job Satisfaction***

Job satisfaction can be defined as a pleasurable or positive emotional state resulting from an appraisal of one's job (Locke, 1969). In order for a worker to experience job satisfaction, the job itself and the work-related aspects must offer for needs fulfilment of the worker. For example, Herzberg *et al.* (1959) hypothesised that



extrinsic job characteristics can prevent dissatisfaction, whilst intrinsic job characteristics can create job satisfaction. Several empirical studies, however, suggest that both intrinsic and extrinsic job characteristics can create job satisfaction (Wernimont, 1971; Hulin, 1971; Gurin et al., 1960). In addition, Hackman and Oldham (1980) suggest that job characteristics that satisfy the individual's growth needs will lead to job satisfaction. More specifically, Hackman and Oldham identify five core work characteristics, namely variety, task identity, task significance, autonomy, and feedback. If these job characteristics are present in the work, they will produce job satisfaction.

Individuals whose needs are fulfilled by the jobs, tend to continue their employment in the organisation. In other words, they will probably involve themselves in and exhibit commitment to the organisation. Moreover, Allen and Meyer (1990) argue that employees who are committed to the organisation, are likely to express positively to other work factors that include the job itself, because if they are not satisfied with their jobs, they will look for other jobs. Empirical studies suggest that organisational commitment is closely related to job satisfaction (Meyer et al, 2002; Randall and O'Driscoll, 1997; Mathieu and Zajac, 1990). Moreover, Mathieu and Zajac observed that job satisfaction correlates more strongly to attitudinal than calculative commitment.

### ***Job involvement***

Job involvement is defined as the extent to which employees psychologically identify with their jobs (Blau, 1985; Lodahl and Kejner, 1965). Randall and Cote (1991) suggest that job involvement is correlated with organisational commitment. Randall and Cote examined that the relationship between job involvement and

organisational commitment is based on social exchange theory, where people tend to reciprocate those who are a benefit to them. Hackett, Lapierre, and Hausdorf (2001) argue that employees who are highly involved in their job have positive work experiences. These positive work experiences tend to be attributable to efforts made by the employing organisation. It would follow that employees highly involved in their jobs are likely to increase their identification with and involvement in their organisation, thereby increasing their commitment to their organisation. Meyer and Allen (1997) support the argument of employee reciprocation. That is, higher affective commitment to the organisation is more likely among employees with positive work experience. Empirical studies suggest that job involvement is correlated to organisational commitment (Boshoff and Mels, 2000; Brown, 1996; Martin and Hafer, 1995).

### **3.6.5. Consequences of Organisational Commitment**

It is expected that organisational commitment is correlated with positive work behaviour and it is negatively related with the employee's intention to leave. More specifically, Meyer and Allen (1997) argue that affective, continuance, and normative organisational commitment have quite different consequences for the other work behaviour, because they have differences in the psychological nature of each component of organisational commitment. Given that an employee with strong affective commitment feels emotional attachment to the organisation, it follows that he or she will have a greater motivation or desire to contribute meaningfully to the organisation than would an employee with weak affective commitment. Thus, it is expected that employees with strong affective commitment will choose to be absent



from work less often and will be motivated to perform better on the job than those who are less affectively committed.

Employees whose link to the organisation is based on strong continuance commitment, stay with the organisation, not for reasons of emotional attachment, but because of a recognition that the cost of leaving the organisation is too high. Meyer and Allen (1991) predict that continuance will be either unrelated or negatively related to performance.

An employee with strong normative commitment is tied to the organisation by feelings of obligation and duty. Meyer and Allen (1991) argue that generally, such feelings will motivate individuals to behave appropriately and do what is right for the organisation. Thus, it is expected that normative commitment will be positively related to work behaviour.

Empirical studies suggest that there are negative correlations between organisational commitment and both employee intention to leave the organisation and actual turnover (Allen, Shore, and Griffeth, 2003; Meyer et al., 2002; Allen and Meyer, 1996; Mathieu and Zajac, 1990). Although the correlations are strongest for affective commitment, significant relations between organisational commitment and intention to leave the organisation and actual turnover are found for continuance and normative organisational commitment (Meyer et al., 2002; Meyer and Allen, 1997).

Several studies have examined the relationship between organisational commitment and attendance. As expected, affective commitment is positively related to attendance. For example, Mathieu and Zajac (1990) reported a positive relation between affective commitment and attendance. Although organisational commitment should be negatively correlated with voluntary absence from work, it is not ordinarily expected to be correlated with involuntary absence such as due to illness or family



emergencies. Mathieu and Zajac's meta-analysis included absence in their analysis, but they did not distinguish between voluntary and involuntary absence. In addition, empirical studies show as expected that organisational commitment was negatively correlated with voluntary absence (Gellatly, 1995; Hacket, Bycio, and Hausdorf, 1994; Meyer et al., 1993) and was not correlated with involuntary absence (Meyer et al., 1994; Hacket, Bycio, and Hausdorf, 1994).

Empirical studies suggest that organisational commitment was positively correlated with performance. For example, Kim and Mauborgne (1993) found that those with strong affective commitment to the organisation reported higher levels of compliance with strategic decisions made by the organisation than did those with weaker commitment. Similarly, Nouri (1994) found that managers with strong affective commitment reported that they were more likely to adhere to corporate policy by avoiding "budgetary slack" in their financial planning than those with low affective commitment. In addition, Meyer *et al* (1989) observed that affective commitment was positively related to job performance, whereas continuance commitment was negatively related. However, Johnston and Snizek (1991) found that continuance commitment was positively related to performance, whereas the relationship with moral commitment was negative.

Meyer, *et al* (2002) showed that the three components of organisational commitment are negatively related to turnover, withdrawal cognition, and absenteeism and positively related to organisational citizenship behaviour. Affective commitment correlated negatively with stress and work-family conflict, whilst continuance commitment correlated positively with the two variables. In addition, Begley and Czajka (1993) observed that stress increased job displeasure only when the level of organisational commitment of the employee was low.

### **3.7. Summary**

Organisational commitment refers to a psychological state that characterises the employee's relationship with the organisation and has implications for the decision to continue or discontinue membership in the organisation. Thus, committed employees are more likely to remain in the organisation than are uncommitted employees.

The concept has three components, namely affective, continuance, and normative commitment. Each of the components has different antecedents. The antecedents of affective commitment mainly include personal characteristics and work experiences. The antecedents of continuance commitment contain two main components, namely availability of job alternative and investment. The antecedents of normative commitment are personal characteristics and social process.

Organisational commitment is closely related to job satisfaction and job involvement. Organisational commitment is also related with positive work behaviour and a list of potential organisational outcomes.

## **Chapter 4**

# **Research Framework and Hypothesis Development**

### **4.1. Introduction**

This chapter explains the research framework and hypotheses for exploring Etzioni's propositions in so far as they apply to normative and utilitarian organisations. Recall, normative organisations refer to those where their orientations are generally value-based like a university, whereas utilitarian organisations refer to those that are mainly business-oriented, like a company.

Recall, Etzioni (1975) predicts that there are systematic differences of power and involvement between normative and utilitarian organisations. That is, normative organisations are typified by moral or high involvement of their lower participants and the leader relies mainly on normative power, whilst utilitarian organisations are characterised by calculative or moderate level of involvement of their lower participants and the leaders generally rely heavily on remunerative power.



Etzioni also predicts that systematic differences apply according to whether an organisation is an extreme or mild example of each type. For example, a bank's front officers are more likely to experience normative power than bus drivers, because the front officers are more professional than bus drivers. Again, a lecturer in a university is more likely to experience normative power than nurses in a general hospital, because according to Etzioni, a university is more normative than a general hospital.

Recall, Etzioni predicts that power and involvement are also related with seniority. More specifically, employees at the higher echelons tend to exhibit higher involvement and experience more normative power than employees at the lower echelons. The key function of this chapter is to develop these propositions into the research framework.

## **4.2. The Need for Research**

Etzioni (1975) suggests that every type of organisation requires different leadership styles. The argument is that leaders require different types of power for controlling different characteristics of followers. More specifically, Etzioni predicts that normative organisations rely mainly on *expressive leadership* for controlling their lower participants, whilst utilitarian organisations rely heavily on *instrumental leadership* for controlling their lower participants (see also Rossel, 1970; Rossel, 1971).

Etzioni's definitions of expressive and instrumental leadership styles are similar to Bass's (1985) notions of transformational and transactional leadership styles. Expressive leadership that relies mainly on moral aspects of follower and symbols, is similar to transformational leadership that relies mainly on intrinsic

values of the job and symbolic approaches, whereas instrumental leadership that emphasises heavily on material inducement, is similar to transactional leadership that relies mainly on contingent rewards. The main idea of the present research may be summarised in Figure 4.1.

**Figure 4.1. Comparisons of Etzioni's and Bass's idea**

	<b>Etzioni</b>	<b>Bass</b>
<b>Leadership style</b>	<ul style="list-style-type: none"> <li>▶ Expressive</li> <li>▶ Instrumental</li> </ul>	<ul style="list-style-type: none"> <li>▶ Transformational</li> <li>▶ Transactional</li> </ul>
<b>Leadership contingency</b>	<ul style="list-style-type: none"> <li>▶ Different between organisations</li> <li>▶ Different between echelons</li> </ul>	<ul style="list-style-type: none"> <li>▶ probable different between orgs.</li> <li>▶ probable different between echelons.</li> </ul>
<b>Role of followers</b>	<ul style="list-style-type: none"> <li>▶ involvement</li> </ul>	<ul style="list-style-type: none"> <li>▶ not stated, but see commitment literature.</li> </ul>
<b>Organisational effectiveness</b>	<ul style="list-style-type: none"> <li>▶ Leadership x involvement</li> </ul>	<ul style="list-style-type: none"> <li>▶ Leadership</li> </ul>

## **Transformational – Transactional Leadership styles**

Such is the level of correspondence between Etzioni's notion of expressive and instrumental leadership styles and Bass's definitions of transformational and transactional leadership styles, it seems reasonable to suggest that normative organisations are likely to be characterised by relatively high levels of transformational leadership, whereas the more utilitarian organisations seem to rely upon transactional leadership.

More specifically, Bass (1985) predicts that transformational leadership may be found in many organisations, however empirical studies suggest that transformational leadership is more likely to exist in certain organisations (Catano et al., 2001; Shamir and Howell, 1999; Bryman, 1996; Keller, 1992). For example, Shamir and Howell (1999) predict that transformational leadership is more likely to emerge and be effective in organisations where their goals are consistent with dominant social values and offer both leader and followers an opportunity for moral involvement.

Such studies, however, have not included the possibility of the organisation's type as a determinant factor of the existence of transformational and transactional leadership in different types of organisation. This question is important because the organisation's values and mission require different characteristics of the members and ways to control them. Accordingly, the present research includes transformational and transactional leadership styles into the research framework.

## **Organisational Commitment**

Organisational effectiveness, according to Etzioni, is not only related to leadership style, but the leadership style must be consistent with involvement of the



organisation's members. Therefore involvement is also an important variable of Etzioni's theory. Recall, involvement concerns the process whereby individuals become linked to the organisation and how these links become strengthened or broken (Etzioni, 1975). Etzioni's concept of involvement is similar to Meyer and Allen's notion of organisational commitment that may be defined as a psychological state that characterises the employee's relationship with the organisation and has implication for the decision to continue or discontinue membership in the organisation (Meyer and Allen, 1991). More specifically, Etzioni's notion of moral involvement is similar to Meyer and Allen's definition of affective commitment, whilst Etzioni's notion of calculative involvement is similar to Meyer and Allen's definition of continuance commitment.

However, studies of antecedents of organisational commitment (Meyer *et al.*, 2002; Meyer and Allen, 1997; Mowday *et al.*, 1982) have not investigated the importance of an organisation's goal as an antecedent of organisational commitment. Given the similarities between involvement and organisational commitment and the empirical studies, the present research expects that organisational commitment will vary systematically between organisations.

### **Job Satisfaction**

Job satisfaction refers to a pleasurable or positive emotional state towards one's job. The literatures suggest that job satisfaction is closely related to involvement (Drummond, 1993; Mathieu and Zajac, 1990; Mowday *et al.*, 1982). Moreover, studies of antecedents of job satisfaction (Connolly and Viswesvaran, 2000; Spector, 1997) have not included an organisation's goal as an important antecedent of job satisfaction, therefore the present research includes job satisfaction

in the research framework. Given the closeness between job satisfaction and involvement, we expect that the level of job satisfaction will vary between organisations.

### **4.3. The Research Framework**

The research framework is designed to compare the levels of leadership style, organisational commitment, and job satisfaction between normative and utilitarian organisations. It is also designed to compare the research variables within the organisations. The framework of the present study is summarised in the Figure 4.1.

**Figure 4.2. The present research framework**

<b>DESCRIPTION</b>	<b>ORGANISATION TYPE</b>	
	<b>NORMATIVE</b> (value-oriented)	<b>UTILITARIAN</b> (material-oriented)
<b>ETZIONI'S THEORY:</b>		
Power	Normative	Remunerative
Involvement	High (Moral)	Low (Calculative)
Leadership style	Expressive	Instrumental
<b>THE PRESENT STUDY:</b>		
Leadership style	Transformational	Transactional
Organisational Commitment	High	Low
Affective	High	Low
Normative	High	Low
Continuance	Low	High
Job Satisfaction	High	Low
Intrinsic	High	Low
Extrinsic	Low	High



**Research aim 1: To investigate systematic differences of leadership, organisational commitment and job satisfaction between organisations**

The first aim of this research is to investigate systematic differences of transformational and transactional leadership styles between normative and utilitarian organisations. The leadership styles will probably relate concomitantly to organisational commitment and job satisfaction. For example, nurses in a hospital will probably exhibit higher affective commitment and intrinsic job satisfaction, and experience more transformational leadership than bus conductors, likewise the bus conductors will probably exhibit higher continuance commitment and experience more transactional leadership than the nurses. The argument is that bus company is probably more business-oriented than hospital, whereas general the hospital is probably more value-oriented than bus company.

Moreover, the bus conductors will probably exhibit higher continuance commitment and extrinsic job satisfaction, and experience more transactional leadership than the bank's front officers, likewise the bank's officers will probably exhibit higher affective commitment and intrinsic job satisfaction, and experience more transformational leadership than the bus conductors, because the front officers are generally more educated than the bus conductors. Accordingly, we expect that there will be systematic differences of the research variables between the normative and the more utilitarian organisations.

**Research aim 2: To investigate systematic differences of leadership styles, organisational commitment, and job satisfaction within organisations**

The second aim of the present research is to investigate systematic differences of leadership styles, organisational commitment, and job satisfaction within organisations. Recall, staff at higher echelons tend to experience more absorbing and challenging jobs than staff at lower echelons. Consequently, staff at higher echelons tend to exhibit more commitment and job satisfaction than staff at lower echelons. Concomitant relationship between organisational commitment and leadership styles will probably also exist within organisations. Recall, Ehrhart and Klein (2001) observed that staff at higher echelons tend to appeal intrinsic job values and they tend to prefer transformational leadership, whilst employee at lower echelons tend to draw extrinsic job values and they prefer to transactional leadership. In addition, the literature suggests that transformational leadership is more likely to be found at higher echelon (Shamir and Howell, 1999; Lowe et al., 1996; Howell, 1982). Accordingly, we expect that there will be systematic differences of the research variables within organisations.

**Research aim 3: To investigate the relationships between leadership style, organisational commitment, and job satisfaction**

The third aim of this study is to investigate the relationship between the research variables. Transformational leadership will probably more relate strongly to organisational commitment and job satisfaction than transactional leadership, because transformational leadership relies mainly on intrinsic values of the jobs. Empirical studies suggest that employees who concern with intrinsic values of the job, tend to respond to transformational leaders, whereas employees who concern

with extrinsic values of the job, tend to respond to transactional leadership (see also Ehrhart and Klein, 2001; Centers and Bugental, 1966). Accordingly, we expect that transformational leadership will be more strongly correlated to affective and normative commitment and intrinsic job satisfaction than transactional leadership. Likewise, transactional leadership will be more strongly related to continuance commitment and extrinsic job satisfaction than transformational leadership.

#### **4.4. Prediction of the research variables**

Following the foregoing discussion, the following hypotheses were derived.

##### ***4.4.1. Prediction of the levels of leadership style, organisational commitment, and job satisfaction between normative and utilitarian organisations***

1. The level of transformational leadership is expected to be highest in the more normative organisations and decrease in the more utilitarian organisations.
2. The level of transactional leadership is expected to be lowest in the more normative organisations and increase in the more utilitarian organisations.
3. The level of affective organisational commitment is expected to be highest in the more normative organisations and decrease in the more utilitarian organisations.
4. The level of continuance organisational commitment is expected to be lowest in the more normative organisations and increase in the more utilitarian organisations.
5. The level of normative organisational commitment is expected to be highest in the more normative organisations and decrease in the more utilitarian organisations.



6. The level of extrinsic job satisfaction is expected to be lowest in the more normative organisations and increase in the more utilitarian organisations.
7. The level of intrinsic job satisfaction is expected to be highest in the more normative organisations and decrease in the more utilitarian organisations.

The predictions pertaining to variations of leadership style, organisational commitment, and job satisfaction between the organisations are summarised in Table 4.1.

**Table 4.1. Prediction of the levels of leadership style, organisational commitment and job satisfaction between organisation types**

	TR	TS	AC	CC	NC	EXT-JS	INT-JS
More normative	5	1	5	1	5	1	5
Mild normative	4	2	4	2	4	2	4
Mild utilitarian	3	3	3	3	3	3	3
Utilitarian	2	4	2	4	2	4	2
Extreme utilitarian	1	5	1	5	1	5	1

\*) 5 = highest; 1 = lowest

TR = Transformational leadership

TS = Transactional leadership

AC = Affective organisational commitment

CC = Continuance organisational commitment

NC = Normative organisational commitment

EXT-JS = Extrinsic job satisfaction

INT-JS = Intrinsic job satisfaction

**4.4.2. Prediction of the levels of leadership style, organisational commitment, and job satisfaction within organisations**

1. The level of transformational leadership is expected to be highest at the most senior echelon and decrease at the lower echelons.
2. The level of transactional leadership is expected to be lowest at the most senior echelon and increase at the lower echelons.
3. The level of affective organisational commitment is expected to be highest at the most senior echelon and decrease at the lower echelons.
4. The level of continuance organisational commitment is expected to be highest at the lowest participants and decrease at the higher echelons.
5. The level of normative organisational commitment is expected to be highest at the most senior echelon and decrease at the lower echelons.
6. The level of extrinsic job satisfaction is expected to be highest at the lowest participants and decrease at the higher echelons.
7. The level of intrinsic job satisfaction is expected to be highest at the most senior echelon and decrease at the lower echelons.

The predictions pertaining to variations of leadership style, organisational commitment, and job satisfaction within the organisations are summarised in Table 4.2.

**Table 4.2. Prediction of the levels of leadership style, organisational commitment and job satisfaction within organisation**

Echelons	TR	TS	AC	CC	NC	EXT-JS	INT-JS
Top	4	1	4	1	4	1	4
Middle	3	2	3	2	3	2	3
Low	2	3	2	3	2	3	2
Lowest participant	1	4	1	4	1	4	1

\*) 4 = highest ; 1 = lowest

TR = Transformational leadership

TS = Transactional leadership

AC = Affective organisational commitment

CC = Continuance organisational commitment

NC = Normative organisational commitment

EXT-JS = Extrinsic job satisfaction

INT-JS = Intrinsic job satisfaction

**4.4.3. Prediction of the relationships between leadership style, organisational commitment, and job satisfaction**

1. Transformational leadership is expected to be positively related with organisational commitment and job satisfaction.
2. Transactional leadership is expected to be positively related with organisational commitment and job satisfaction.
3. Organisational commitment is expected to be positively related with job satisfaction.



The predictions pertaining to the relationship of leadership style, organisational commitment, and job satisfaction are summarised in Table 4.3 and Table 4.4.

**Table 4.3. Prediction of the relationship between leadership style, organisational commitment and job satisfaction**

	Transformational leadership	Transactional leadership	Laissez-faire leadership
Affective organisational commitment	++	+	-
Continuance organisational commitment	++	+	-
Normative organisational commitment	++	+	-
Extrinsic job satisfaction	++	+	-
Intrinsic job satisfaction	++	+	-

\*) ++ = high positive; + = positive; - = negative

**Table 4.4. Prediction of the relationship between organisational commitment and job satisfaction**

	Affective organisational commitment	Normative organisational commitment	Continuance organisational commitment
Extrinsic job Satisfaction	++	++	+++
Intrinsic job Satisfaction	+++	++	+

\*) +++ = high positive; ++ = positive; + = low positive

## 4.5. Summary

This chapter describes the research framework and hypotheses development. The first aim of the research is to compare the leadership style, organisational commitment, and job satisfaction between the organisations. Secondly, it is to compare the research variables within organisations. Thirdly, it is directed to investigate the relationship between the research variables.

The research framework is based upon four main hypotheses. The first hypothesis expects that the levels of leadership style, organisational commitment, and job satisfaction would vary systematically between organisations. The second hypothesis expects that the levels of leadership style, organisational commitment, and job satisfaction would vary systematically between the organisational echelons. The third hypothesis expects that transformational and transactional leadership will be positively related to organisational commitment and job satisfaction. More specifically, transformational leadership style relates more strongly to organisational commitment and job satisfaction than transactional leadership. Finally, the hypothesis expects that job satisfaction would be positively related to organisational commitment.

## **Chapter 5.**

### **Measurement of Research Variables**

#### **5.1. Introduction**

This chapter describes the instruments that have been used to measure the research variables and the rationale choice of those measures. The hypotheses set out in the previous chapter required instruments for measuring the three variables namely leadership style, organisational commitment, and job satisfaction. The strategy for choosing the instruments was to use tried and tested scales for measuring all of these variables.

#### **5.2. Measurement of leadership styles**

Etzioni (1975) identifies two leadership styles, namely expressive and instrumental. Expressive leadership is characterised by normative approaches and using symbols, whilst instrumental leadership is characterised by the use of



performance contingent rewards for controlling the employees. Such characteristics are similar to Bass's transformational and transactional leadership styles, respectively. Recall, transformational leadership is typified by moral approaches, whereas transactional leadership is epitomised by rewards system as the basis for controlling the followers. Based upon the similarities between the two concepts of leadership styles, the present research uses Bass's transformational and transactional leadership styles for testing Etzioni's predictions that apply to normative and utilitarian organisations

Bass has not only developed the concept of transformational leadership, but he also has developed a scale for measuring the leadership style, so called "Multifactor Leadership Questionnaire (MLQ)". This scale has almost always been used for measuring the transformational leadership style in previous studies (Yukl, 2002; Bass, 1998; Lowe et al., 1996; Bass, 1985), because there is not any other scale for measuring it.

Bass and Avolio (1995) have developed two versions of "MLQ". The first version, so called "Rater Form", is designed to tap the leadership style of a leader according to the leader's colleagues or followers. The second version, so called "Leader Form" is designed to measure the leadership style of a leader according to the leader him or herself. The first version has been used more frequently than the second one in previous studies. The reason is probably because the perceptions of followers to rate leadership style of their leader are more precise than perception of the leader with regard to his or her leadership style.

The present research uses the first version because it has been used in previous studies and indicated that it had high validity and reliability. For example, Bass and Avolio's (1995) meta-analysis from nine studies that have been conducted

in many countries, such as the USA, Scotland, and Taiwan, suggests that the scale is reliable. The coefficients of Chronbach's alpha for the total items and for each leadership factor scale ranged from 0.74 to 0.94 by using sample 2080 respondents (Bass and Avolio, 1995). As regards validity, Bass and Avolio (1995) show that there were generally high positive correlations among the five transformational leadership scales (on average is 0.83). They have also recorded positive and significant correlations between the contingent reward scale of constructive transactions and each of the five scales comprising transformational leadership (the average is 0.71). Both transformational and transactional leadership correlate negatively to laissez-faire leadership. Bass (1998) shows that the hierarchy of correlations between the MLQ components with effectiveness is as follows: components of transformational scales > components of transactional scale > laissez-faire. Lowe et al's (1996) meta-analysis of data for 2,873 to 4,242 respondents also supports the model.

According to the previous studies, Bass and Avolio (1995) suggest that "MLQ Rater 5X" scale consists of three components, namely transformational leadership, transactional leadership, and laissez-faire leadership. The components consist of several items as follows.

### **Transformational leadership**

Transformational leadership is defined as aiming to stimulate performance beyond expectation (Bass, 1990). Broadly speaking, transformational leaders recognise existing followers' needs and tend to go further, seeking to arouse and satisfy higher needs. Transformational leadership is measured on five sub-scales. Each sub-scale is described briefly below:

**(1) Idealised Influence Attributed (4 items)**

Idealistic Influence Attributed is defined as having extraordinary capabilities identified by the followers. The scale items attempt to tap the leader's ability to instil pride, go beyond self-interest, and display a sense of power. For example: "Acts in ways that builds my respect."

**(2) Idealised Influence Behaviour (4 items)**

Idealistic influence behaviour refers to leaders behaving in ways that result in being role models for their followers. The scale items attempt to tap the leader's success in talking about their most important values and beliefs, having a strong sense of purpose, considering morals and ethics, and having a mission. For example: "Emphasises the importance of having a collective sense of mission"

**(3) Inspirational Motivation (4 items)**

Inspirational motivation is defined as providing symbols and simplified emotional appeals to increase awareness and understanding of mutually desired goals. The scale items attempt to tap the leader's ability to talk optimistically about the future, talk enthusiastically about what needs to be accomplished, articulate compelling vision, and feel confidence for their goal achievement. For example: "Articulates a compelling vision of the future"



**(4) Intellectual Stimulation (4 items)**

Intellectual stimulation is defined as encouraging a new look at old methods, and stressing the use of intelligence. The scale items attempt to tap the leaders success in encouraging and supporting followers to question their own way of doing things, questioning their own values, beliefs, and expectations, thinking on their own, addressing challenges, and considering creative ways to develop themselves. For example: “Suggests new ways of looking at how to complete assignment”.

**(5) Individual Consideration (4 items)**

Individual Consideration is defined as giving personal attention to all members, making each individual feels value and that each individual’s contribution is important. The scale items attempt to tap the leader’s success in treating followers differently but equally on a one-to-one basis, and also the leader’s success in providing the advice, feedback, and training needed for individual development. For example: “Treats me as an individual rather than just as a member of a group”.

**Transactional leadership**

Transactional leadership is defined as an exchange whereby the leader introduces economic and psychological rewards for performance (Bass, 1990). Transactional leadership is measured in three sub-scales as described in the following.

**(1) Contingent Reward (4 items)**

Contingent reward is defined as an exchange of rewards for effort and specific levels of performance agreed between superior and follower. The scale items attempt to tap the leader's ability in providing appropriate rewards when followers meet agreed objectives. For example: "Provides others with assistance in exchange for their efforts"

**(2) Management by Exception – Active (4 items)**

"Management by exception- active" is defined as actively monitoring the deviances and taking corrective action as necessary. The scale items attempt to tap the leader's ability in intervening when followers make mistakes, giving feedback, and recording the mistakes. For example: "Directs my attention towards failures to meet standard"

**(3) Management by Exception – Passive (4 items)**

"Management by exception-passive" is defined as intervening only if the standard was not met or if something was going wrong. The scale items attempt to tap the leader's action in intervening followers when they make mistakes. For example: "Demonstrates that problems must become chronic before taking action".

**Laissez-Faire (4 items)**

Laissez-faire leadership is defined as the avoidance or absence of leadership. The scale items attempt to tap the avoidance of leadership or the absence of

leadership where there is neither transaction nor agreements between leader and followers. For example: “Avoids getting involved when important issues arise”.

### **5.3. Measurement of Organisational Commitment**

Etzioni (1975) described involvement as the cathectic-evaluative orientation of an actor to an object, characterised in terms of intensity and direction. The intensity of involvement ranges from high to low. The direction is either positive or negative. The positive involvement refers to commitment, whereas the negative involvement refers to alienation. He classifies the involvement continuum into three categories, namely *alienative involvement*, *calculative involvement*, and *moral involvement*. The definition of Etzioni’s involvement is similar to the meaning of organisational commitment. Meyer and Allen (1991) define organisational commitment as a psychological state that characterises the employee’s relationship with the organisation and has implications for the employee’s decision to stay or leave. Based upon the similarities of meaning between Etzioni’s involvement and Meyer and Allen’s organisational commitment, the present research employs organisational commitment for testing Etzioni’s predictions

There are several scales for measuring organisational commitment. For example, Mowday et al (1979) have developed an organisational commitment scale (OCQ) which has been used intensively in the previous studies and has satisfactory psychometric properties (see Mowday, et al., 1982; Mathieu and Zajac, 1990; Meyer and Allen, 1997). However, the scale only measures organisational commitment in one dimension. For example, the result of the scale measurement shows that the employee is either very committed or less committed to the organisation. Similarly, Cook and Wall (1980) developed a scale for measuring organisational commitment



but it was designed to measure organisational commitment on a single scale. Moreover, since the 1990s, Meyer and Allen have developed a multi-dimensional scale for measuring organisational commitment. The scale has three components, namely affective, normative, and continuance. Since that time, many studies have been conducted to test the validity and reliability of this scale (Cheng and Stockdale, 2003; Meyer et al., 2002; Meyer and Herscovitch, 2001; Meyer and Allen, 1997; Allen and Meyer, 1996; Meyer, Allen, and Smith, 1993) and they suggest that this scale is valid and reliable.

The present research uses Meyer et al's (1993) scale for measuring organisational commitment. The argument is that there are similarities between Etzioni's definition of involvement and Meyer's notion of organisational commitment. More specifically, the meaning of Etzioni's calculative involvement is similar to the notion of Meyer's continuance commitment, whereas the meaning of Etzioni's moral involvement is similar to the notions of Meyer's affective and normative commitment. Moreover, Meyer et al's (1993) scale has satisfactory psychometric properties. For example, Meyer et al's (2002) meta-analysis of published articles, doctoral theses, and unpublished manuscripts using 155 independent samples, involving 50,146 employees shows that Cronbach's alpha coefficients of affective, continuance, and normative commitment are 0.82, 0.76, and 0.73 respectively. Again, Meyer and Allen (1996) studied 40 samples, representing more than 16,000 employees from a wide variety of organisations and occupations, for examining the validity and reliability of the scale. The result suggests that reliability coefficients of affective, continuance, and normative commitment are 0.85, 0.79, and 0.73 respectively. Test-retest reliability of the scale are also within an acceptable range, that is higher than 0.70.

With regard to validity, empirical studies suggest that organisational commitment is represented by three components, namely affective, continuance, and normative commitment (Meyer et al., 2002; Meyer and Herscovitch, 2001; Irving et al., 1997; Ko et al., 1997; Allen and Meyer, 1996). An internal validity test has also been conducted. For example, Meyer et al. (2002) show that correlation between affective commitment and normative commitment was 0.77, correlation between affective commitment and continuance commitment was 0.05, and correlation between continuance commitment and normative commitment was 0.18. Moreover, Meyer et al's meta-analysis shows that correlations between organisational commitment, measured by Mowday's scale, and Meyer's affective, continuance, and normative commitment were 0.88, - 0.02, and 0.50 respectively.

According to the previous studies, Meyer et al's (1993) scale consists of three components, namely affective, continuance, and normative commitment. The components of organisational commitment are examined below.

**(1). Affective commitment (6 items).**

Affective commitment is defined as positive feelings of identification with, attachment to, and involvement in the organisation. The scale items attempt to tap the loyalty to the organisations. For example: "This organisation has a great deal of personal meaning for me".

**(2). Continuance commitment (6 items).**

Affective commitment is defined as the extent to which employees feel committed to the employing organisation by virtue of the costs that they feel are associated with leaving. The scale items attempt to tap the feelings why

employees prefer to stay in the organisation rather than move to other organisations. For example: “It would be hard for me to leave my organisation right now, even if I wanted to”.

**(3). Normative commitment (6 items).**

Normative commitment refers to the extent to which employees feel morally obliged to remain with the organisation. The scale items attempt to tap the feeling why employees feel they have to stay in the organisation. For example: “The organisation deserves my loyalty”.

## **5.4. Measurement of Job Satisfaction**

Recall, Etzioni (1975) suggests that the compliance structure of an organisation may be related to job satisfaction, that is normative organisations are more intrinsically satisfying than utilitarian organisations, because orientations of normative organisations are generally value-oriented.

The present research is concerned to investigate the levels of intrinsic and extrinsic job satisfaction in the research organisations. For measuring these variables, therefore, we have to choose a job satisfaction scale that includes both intrinsic and extrinsic items.

There are several scales for measuring job satisfaction. For example, Smith, Kendall, and Hullin (1969) have developed the Job Descriptive Index (JDI), for measuring job satisfaction that contains 72 items. This scale has been the most popular scale among organisational researchers (see Spector, 1997; Mathieu and Zajac, 1990). Weiss et al. (1967) developed a scale for measuring job satisfaction, the so-called Minnesota Satisfaction Questionnaire (MSQ) that contains 100 items.



Hackman and Oldham (1975) have developed a Job Diagnostic Survey scale. This instrument was developed to study the effects of job characteristics on people. It contains subscales to measure job satisfaction. However, according to Warr et al (1979) these two scales were designed mainly to measure extrinsic job satisfaction. Therefore, Warr et al have developed a scale to measure not only extrinsic job satisfaction, but also intrinsic job satisfaction. More specifically, this scale is designed mainly for employees at the lower echelon.

The present research uses Warr et al's (1979) scale for measuring job satisfaction. The argument is that the present research is concerned with employees at the lowest participants, such as bus drivers, cleaning staff, and porters, therefore Warr et al's scale would be probably more effective than the other scales. Moreover, the scale has good psychometric properties, where the coefficient of Cronbach's alpha is 0.82 (Cook, Hepworth, Wall, and Warr, 1981). In addition, Warr, Cook, and Wall (1979) investigated 500 blue-collar workers in the UK for testing the reliability and validity of this scale. The results show that Cronbach's alphas for intrinsic and extrinsic job satisfaction are 0.88 and 0.85 respectively. With regard to validity of the scale, Warr et al (1979) show that correlation between extrinsic job satisfaction and intrinsic job satisfaction is 0.72. This means that job satisfaction is represented by extrinsic and intrinsic components.

The scale includes fifteen items: the odd numbers are questions for extrinsic job satisfaction, whilst the even numbers are questions for intrinsic job satisfaction. The sixteenth question is for measuring overall job satisfaction. The extrinsic job satisfaction scale items attempt to tap employees' feelings about various aspects of the job. For example: "Tell me your feeling about the physical work conditions". The intrinsic job satisfaction scale items attempt to explore aspects of the job itself. For

example: “Tell me your feeling about the freedom to choose your own method of working”. The overall job satisfaction scale item attempts encapsulate all aspects of the job. The question is: “Now, taking everything into consideration, how do you feel about your job as a whole”.

## **5.5. Measurement of Leadership Outcomes**

The outcomes of leadership are parts of Bass’s leadership study. The outcomes, therefore were measured by Multifactor Leadership Questionnaire “Rater Form” 5X (Bass and Avolio, 1995). The outcomes include extra effort, effectiveness, and satisfaction to the leader.

### ***a. Extra effort (3 items)***

Extra effort refers to the extent to which individuals do extra to the job because of the leadership style. The scale items attempt to tap the eagerness of individuals to work harder. For example: “the leader heightens my desire to succeed”.

### ***b. Effectiveness (4 items)***

Effectiveness refers to the extent to which the leadership style is perceived effective by the followers. The scale items attempt to tap the follower’s perception of how effective the leadership is. For example: “the leader is effective in meeting my job-related needs”.

### ***c. Satisfaction to the leader (2 items)***

Satisfaction to the leader refers to the extent to which the leadership is satisfying. The scale items attempt to tap how far the leadership is satisfying. For example: “the leader works with me in a satisfactory way”.

## **5.6. Testing the measures**

Pre-testing the measures is desirable in all circumstances (Fowler, Jr., 2002; Nachmias, 1992). Pre-testing methodology such as this, according to Fowler, Jr., evaluates both the survey instrument and the collection method to be used when a full survey is employed. The results of the survey instrument pre-test were used to revise and refine the final instrument and evaluate collection procedures. It is particularly important, according to Sudman, 1976 (cited in Bass, 1990), where the measure is to be introduced to respondents living and working in a different culture from those for whom the measure was originally designed. For doing so, the present study used the following procedures.

### **Stage 1**

In the first pre-test, the questionnaire was first tested with friends as respondents. The questionnaire is in English (Appendix 1.B). For the purpose of the present study, the questionnaire was translated into Indonesian (Appendix 1.A). The pre-test was conducted among several Indonesian students in Liverpool and Leeds. The purpose of the specific exercise was explained to each respondent. The researcher asked them to complete the questionnaire and discussed it afterwards. There were improvements made to this design that came from this pre-test, for example, the font scale should be printed bigger.



## **Stage 2**

In the second pre-test, the questionnaire was distributed informally to a pilot sample of twelve respondents. The respondents were cleaners, porters, and helpers in an Indonesian university. The aim of this stage was to evaluate the response of the respondents who are the lowest in terms of the level of education. The argument is that if they had no difficulties to answer the question, the other respondents would have no difficulties as well. The exercise suggested that there was a special term that should be translated into common language. For example: the term “industrial relation”, i.e. question number nine in section B, should be changed into the Indonesian term that means “work relation”. Accordingly the questionnaire was translated from English into Indonesian and then from Indonesian back into English, by a senior lecturer in The Department of Education, Leeds University, who is fluent both in writing and speaking Indonesian. The purpose of this procedure was to ensure that the Indonesian version was an accurate reproduction of the original.

## **Stage 3**

A formal pilot test was carried out in a research organisation. The organisation was “Banyumas” General Hospital. Stratified random sampling was conducted for selecting respondents from staff at senior echelon to the lowest participants, such as cleaning staff. The purpose of this pilot test was to imitate, as far as possible, the main research. The reliabilities of job satisfaction, organisational commitment, and leadership scales show that these scales are reliable. That is, alpha’s coefficients: 0.95; 0.67; and 0.92 respectively (see Appendix 6).

## **5.7. Summary**

This chapter described how the research variables were measured. The three sets of scales were chosen which have satisfied psychometric properties. The measures were translated into Indonesian and then translated back into English to ensure that the Indonesian version was an accurate reproduction of the original. A pilot test for assessing the measures was conducted. Following the pre-test and pilot test, the questionnaire was prepared to measure the research variables in the main research. The results of the research are presented in chapter seven.

## **Chapter 6. Research Methods**

### **6.1. Introduction**

The research aims to investigate whether systematic differences of the leadership style, organisational commitment and job satisfaction exist between and within organisations. As a consequence, the choice of design and methodology of this research were influenced by the need to make systematic comparisons between organisations and between different echelons within the research organisations.

The purpose of the chapter is to explain (1) how the research organisations were selected, (2) how organisational levels were identified, and (3) how the sampling was conducted for each echelon in the organisations.



## **6.2. Selection of Research Organisations**

The selection of organisations is based upon Etzioni (1975). Recall, Etzioni classifies organisations according to compliance structure of the organisation. That is power predominantly applied and involvement of the lower participants of the organisations. The present research organisations mainly consist of normative and utilitarian organisations and include the extreme and the mild examples of each organisation type. The purpose of this strategy is that it enables the study to compare not only between normative and utilitarian organisations, but also to compare between the extreme and mild examples of organisation's types.

In order to compare the research variables between echelons within organisations, it is necessary to utilise fairly large organisations. The argument was that there would be enough available samples in every echelon. Five organisations were selected in this study as shown in Table 6.1.

**Table 6.1. Research Organisations**

<b>No.</b>	<b>Organisation Type</b>	<b>Organisation Sample</b>
1.	Moderate Normative	University
2.	Moderate-low Normative	General Hospital
3.	Mild Utilitarian	Bank
4.	Utilitarian	Oil Refinery Company
5.	Extreme Utilitarian	City Bus Service Company

The rationale for the choice of those organisations in Table 6.1 was that the university and the hospital were normative organisations. Although these organisations are classified into the mild normative organisations, according to Etzioni, a university is placed at the more extreme example of normative than a hospital. The bank, oil and bus companies were samples of utilitarian organisations. Bank, according to Etzioni, is classified as a milder utilitarian organisation than the oil and bus service companies, because the lower participants in a bank are generally more educated than the lower participants in the oil and bus service companies. Bus service company is classified as a more extreme utilitarian organisation than the oil company, because the lower

participants in the oil company are generally more educated than those in the bus service company.

## **Description of the research organisations**

### **University**

The university was established in 1964 in Purwokerto, Central Java. The courses offered by the university range from diploma, stratum-1 degree, and post-graduate degree. There are approximately 20,000 students.

Generally there are three duties of a university in Indonesia, namely teaching, research, and public service. These duties are incorporated into both the recruitment and career development particularly for academic staffs. In the recruitment, the university asks applicants for their loyalty relevant to the three duties, particularly applicants must commit to the teaching process. The feature of a guru is not only the transfer of knowledge but also as a role model for their students and others. This is the most important characteristic of a lecturer in the university.

The university employs approximately 1,600 full-time academic and administrative staff. The academic staff include the rector, vice-rectors, deans, sub-deans, heads of department, heads of program, and lecturers. Non-academic staff include heads of bureau, heads of division, heads of sub-division, administrators, clerical, technical and secretarial staff, librarians, and technicians.

The academic staff and the administrative staff have different promotion systems. The educative staff usually start from junior lecturer. Career progress of the lecturer is based on a credit system ultimately in teaching and research. Besides that public service



is compulsory for academic staff. For example, a lecturer in the department of accounting helps small-scale businessmen to prepare a simple accounting system for their business. Career progression is more rapid for staff who are more active in teaching, research and public service. The promotion system for administrative staff is mainly based on work experience.

The university is managed by a rector and supported by three vice-rectors. They envision, co-ordinate and control the organisation. The first vice-rector is responsible for formulating education strategy. The second vice-rector concentrates on finance and administration. The third vice-rector focuses on studentship. The rector and vice-rectors are elected from professors or senior lecturers by the university senate and legalised by the President of the Republic of Indonesia. The other positions among the academic staff are elected from senior lecturers by their members. They stay in those positions for a maximum of eight years. Administrative staff are recruited from the labour market according to the job specification. Transfer between administrative and academic staff is very rare.

The university usually recruits both the academic and administrative staff through the announcement of vacancies in the newspapers or campus notice boards. The first step of selection particularly for the lecturer is based on the GPA. The selection is followed by written and oral tests and finally includes a moral education test. These procedures are also applied for the administrative staff, but the level of GPA is not so important.

Top management of the university consists of the rector, vice-rectors, deans, sub-deans, heads of education departments, and heads of bureau. They have the

responsibility for formulating organisation policy and controlling daily activities. Intermediate levels comprise of heads of division and sub division for administrative staff, and heads of program for education staff. Lower participants include heads of sections, heads of sub-section, heads of sub-program studies, and lecturers. The lowest participants comprise porters, cleaners, and general helpers.

The salary system in the university is based on the government standard. However, there is a little difference in the salary between academic and administrative staff. Salary for administrative staff is only based on work experience, whilst for educative staff, besides the basic salary as applied to the administrative staff, they also receive functional salary.

### **General hospital**

The hospital is situated in Purwokerto, Central Java. Since the middle of 2001, the hospital joined with the university mentioned above and it was classified as a university hospital, i.e. besides a health-centre it is also a medical education-centre.

The hospital functions as a social facility. Almost seventy-five percent of total bed capacity is utilised for low-income patients or those in the economic class. Generally, the patients in this class pay fees based on their income level or even free of charge for the unemployed.

The hospital is mainly financed by the government of Indonesia, but it also generate income by allocating twenty-five percent of the total bed capacity for the executive class. Patients in the executive class have to pay higher fees than those in economic class that receives government subsidy. The executive price rate is similar to

that in a private hospital. In other words the hospital combines a social service with a utilitarian element.

The hospital is managed by a director and employs approximately 1,000 medical and administrative staff. The medical staff comprise doctors, nurses, physicians and pharmacists. The administrative staff include the director of the hospital, managers, administrators, clerical and secretarial staff, technicians, and general helpers. The director and managers are qualified doctors. The senior management comprises the director, managers, heads of bureau, and heads of department. The intermediate level comprises heads of division and heads of sub-division. The lower participants include the nurses and installation operators. The lowest participants are the cleaners, porters, meal servers, and laundry staff.

The salary system is similar to the system in the university, but with a bonus. The administrative staffs receive a government salary plus bonus, whilst the doctors receive not only the basic salary but also functional salary and bonus. The bonus is created by the utilisation of twenty percent of the total executive bed capacity. The more income generated from the executive class, the more bonuses received by the employees.

## **Bank**

The present research was conducted in the central office of a bank located in Jakarta, capital of Indonesia. The bank has four main strategic business units, namely micro banking, retail banking, corporate banking, and investment banking. The bank mainly targets to small businesses, where the customer ranges from rural micro to retail business as their main target market, and there are also several mega industries.



Over 2,000 staff are employed at the central office. The top management comprises a board of directors, committees, the chief executive officer, and managers. The intermediate echelon consists of heads of division and heads of sub-division. The lower participants include heads of section, heads of sub-section, and front officers. The lowest participant includes porters, clerical staff, and cleaning staff.

The Indonesian economic crisis at the end of 1997 affected almost all sectors of the economy and mainly banks. Some banks and companies have closed down whilst some others, including this bank, have survived but with high cost economy. As part of the strategy to increase efficiency, the bank introduced an employment rationalisation program, which included withdrawal, early pension, and voluntary resignation, in July 1999. There were many employees from the central office, who were included in this program. After the staff rationalisation process, only the qualified staff remained in the office. It can be shown that the majority of staff are qualified as university graduates. (see Table A.3., Appendix 3).

The salary system of the bank is basically similar to government officials but the level of payment is higher than the standard. Besides salary, all staff receive a yearly bonus and other facilities i.e., house, car, and health allowances.

The bank usually recruits employees by announcing the vacancies in the national newspapers and recruits fresh graduates from the universities. The candidates are selected through several steps such as general written and oral tests and psychology and health tests. Before the candidates start their jobs, they must attend training courses, and there is also on the job training.

## **Oil Company**

The oil company is a part of the Indonesian state oil company and it is located in a small town called Cilacap on the southern coast of Central Java. The main operation is processing or refining of crude oil into several products. The crude oil comes from other Indonesian islands or other countries and is delivered by tankers that land in the seaport nearby. The main products (benzene and diesel oil) are distributed through pipe-lines for the Central and East Java, and Bali market segments.

The company employs over 3,000 staff. The senior management includes the general manager, the human resource, financial, distribution, research and development managers, and heads of bureau. The staff at intermediate level consist of staff ranging from heads of division to the foreman. The majority of the employees are processing workers. The working offices hours of the management are from at 8.00 am to 4.00pm. The production processing requires three shifts. The first shift is from 7.00am to 3.00pm, followed by the second shift from 3.00pm to 11.00pm and the last shift is from 11.00 pm to 7.00am.

Although the company is government owned, the salary system is different from the other organisations such as the hospital and the university. Besides salary, all employees receive a yearly bonus based on the performance of the employee and other facilities, i.e. house, car, health allowances, and pension.

The recruitment process is similar to the other organisations, i.e. it is advertised in the newspapers. The selection process is similar to the bank. The candidates who pass the selection, have to attend six month's training and testing. This testing is very

important because it is a basis for career development. Candidates who get high scores, progress faster in their career than those with lower scores in the test, whereas those who fail the test have to leave the organisation.

### **Bus-service company**

The bus company is family-owned and managed by a director who is the founder of the company. The main business of the company is city-centre bus service in Jakarta.

The company comprises two departments, namely the main department which provides the city-centre bus service and a support department. The main department is the operational department that concentrates on operating the core business. The support department contains engine and body workshops that are used the bus.

The main office activity starts at 4.00 – 8.00 am when bus-crews prepare trip documents and warm-up bus engines. The buses go back to the garages at 5.00 to 11.00 pm. The drivers park the buses in front of the garage and the conductors submit the “trip-reports” to the officer and brings the daily income to the cashier. At this place the “bus checker” checks the buses and send them for repairs if necessary. After that the cleaning staff wash the buses. Then, the “parking-boy” arranges the buses in a queuing position on “first in first serve” basis or according to the bargaining with the bus driver.

The company employs over 4,000 staff. Most of these are bus-crews. A bus crew consists of the driver, conductor, and helper as the main operating core of the company. Because they work away from the office, the company employs randomly “controllers” who monitor bus operations in every bus lane. Recently, the company conducted



training for the bus crews with the purpose to instil sense of belonging. This is very important for the company to decrease operating costs.

The salary system particularly for the bus crews is piece-rate. The more income they get from fares, the higher their wages. The bus crews are required to look after the bus in the event of an accident or breakdown.

The company recruits the staff that has a good reputation and experienced, or buys from the other company. Vacancies of the bus crews are informed to the employees in return they will look for their colleagues who need the job.

### **6.3. Defining Organisational Echelons**

Another aim of the research was to investigate the possibility of the systematic differences of leadership style, organisational commitment, and job satisfaction between echelons. The procedure for defining the echelons was guided by the theoretical models of Mintzberg (1979) and Etzioni (1975). Mintzberg's model of organisations consists of three echelons, namely strategic apex, middle level, and operating core. The strategic apex is concerned with policy formulation and co-ordination of the organisation. The middle echelon links the strategic apex to the operating core. This ranges from senior managers to first line supervisors. Its role is to collect feedback and intervene in decisions. The operating core consists of the techno-structure and support staff who enable the operation to function. This mainly includes young lecturers in the university, operators in the oil company, front officers in the bank, nurses in the hospital, and bus crews in the bus company.

Recall, Etzioni suggests that organisations are classified according to the characteristics of those at the lowest level of the occupational hierarchy. Accordingly, the lowest participants of the organisations are included in this research. The lowest participants of the research organisations were represented by helpers, porters, food service staff and cleaning staff. Table 6.2 shows the samples for all positions in the organisations.

**Table 6.2. Specification Of Organisational Echelons**

<b>ECHELON</b>	<b>UNIVERSITY</b>	<b>HOSPITAL</b>	<b>BANK</b>	<b>OIL COY.</b>	<b>BUS COY.</b>
<b>Top</b>	<ul style="list-style-type: none"> <li>- Rector</li> <li>- Vice-rectors</li> <li>- Deans</li> <li>- Sub deans</li> <li>- Heads of bureau</li> </ul>	<ul style="list-style-type: none"> <li>- Director</li> <li>- Managers</li> <li>- Heads of bureau</li> </ul>	<ul style="list-style-type: none"> <li>- President</li> <li>- Directors</li> <li>- Senior-Managers</li> </ul>	<ul style="list-style-type: none"> <li>- Director</li> <li>- GM</li> <li>- Managers</li> <li>- Heads of division</li> </ul>	<ul style="list-style-type: none"> <li>- Director</li> <li>- Managers</li> <li>- Heads of "bus-pool"</li> <li>- Heads of bureau</li> </ul>
<b>Middle</b>	<ul style="list-style-type: none"> <li>- Heads of division</li> <li>- Heads of sub division</li> <li>- Heads department</li> </ul>	<ul style="list-style-type: none"> <li>- Heads of division</li> <li>- Heads of sub division</li> <li>- Heads of nurse</li> </ul>	<ul style="list-style-type: none"> <li>- Heads of divisions</li> <li>- Heads of sub-division</li> </ul>	<ul style="list-style-type: none"> <li>- Heads of sub division</li> <li>- Heads of sections</li> </ul>	<ul style="list-style-type: none"> <li>- Heads of division</li> <li>- Heads of sub-divisions</li> <li>- Controllers</li> </ul>
<b>Low</b>	<ul style="list-style-type: none"> <li>- Heads of section</li> <li>- Heads of sub section</li> <li>- Heads of study program</li> <li>- Lecturers</li> </ul>	<ul style="list-style-type: none"> <li>- Heads of section</li> <li>- Heads of sub-section</li> <li>- Nurses</li> </ul>	<ul style="list-style-type: none"> <li>- Heads of section</li> <li>- Heads of sub-sections</li> <li>- Front officers</li> </ul>	<ul style="list-style-type: none"> <li>- Heads of sub section</li> <li>- Operators</li> </ul>	<ul style="list-style-type: none"> <li>- Heads of section</li> <li>- Head of sub-sections</li> <li>- Foreman</li> <li>- Bus crew</li> </ul>
<b>Lowest Participants</b>	<ul style="list-style-type: none"> <li>- Porters</li> <li>- Cleaners</li> <li>- Helper</li> </ul>	<ul style="list-style-type: none"> <li>- Food service</li> <li>- Porters</li> <li>- Cleaners</li> <li>- Laundry</li> </ul>	<ul style="list-style-type: none"> <li>- Helper</li> <li>- Porters</li> <li>- Cleaners</li> </ul>	<ul style="list-style-type: none"> <li>- Porters</li> <li>- Cleaners</li> <li>- Helper</li> </ul>	<ul style="list-style-type: none"> <li>- Job shop workers</li> <li>- Porters</li> <li>- Cleaners</li> <li>- Parking boy</li> <li>- Bus cleaner</li> </ul>



## 6.4. Sampling Strategy

Stratified random sampling was conducted to select respondents in the organisations. The aim of the sampling strategy is to achieve a representative picture of the whole organisation. The strategy enables the study to increase the accuracy. Then, each stratum in the organisations is approached by collecting the largest sample as possible. Procedures for determining the sample size for each organisation requires three steps:

1. Predicting the sample size for each organisation
2. Computing the proportion of the sample size in each echelon
3. Adjusting the sample to the response rate

### Sample size

The sample size for each organisation is determined by using the Moser and Kalton model (1971, p. 66). This model was chosen because it considers the normality of the data. The equation is as follows:

$$S.E(x) = \sqrt{\frac{\sigma^2}{n}} \times \frac{N-n}{N-1}$$

where:

N is the number of units in the population

'n is the number of units in the sample

$\sigma$  is the standard deviation

S.E(x) is the standard error of the mean

According to the formulae the sample size of each organisation can be calculated as shown in Appendix 2 and the result depicted in Table 6.3.

**Table 6.3. Sample size for each organisation**

<b>ORGANISATIONS SAMPLE</b>	<b>SAMPLE SIZE (n)</b>
1. University	178
2. General Hospital	170
3. Bank	186
4. Oil Company	192
5. Bus Company	194

### **Stratified sample size**

In order to capture respondents from the top to the lowest participants, the study uses stratified random sampling. The use of a stratified sample permitted the researcher to increase the accuracy of the overall population estimated. It also enabled the researcher to derive adequate data for analysing different subgroups of population (Yates, 1981).

There are two stratification methods, namely the proportionate and the disproportionate stratification method. The study uses the proportionate stratification

method. This method was chosen because of its simply reflecting the proportion population in each stratum.

Proportionate method:

$$'n'' = w_j \times n_j$$

where:

'n'' is the sample of each stratum

$w_j$  is the population relative of each stratum

$n_j$  is the sample size in each organisation type.

Based upon the proportionate stratification method, the sample size for each stratum of organisation can be depicted in fifth column in Table 6.4.



**Table 6.4. Sample size for each stratum in the organisations**

<b>Organisation</b>	<b>Organisation levels</b>	<b>Population (N)</b>	<b>Population relative (wj)</b>	<b>'n'</b>
<b>University</b>	Top	54	0.037	7
	Middle	136	0.094	17
	Lower	1112	0.765	136
	Lowest	152	0.104	19
	<b>Sub total</b>	<b>1454</b>		<b>178</b>
<b>Hospital</b>	Top	48	0.046	8
	Middle	124	0.119	20
	Lower	822	0.79	134
	Lowest	51	0.049	8
		<b>1045</b>		<b>170</b>
<b>Bank</b>	Top	52	0.023	5
	Middle	482	0.217	40
	Lower	1492	0.671	124
	Lowest	198	0.089	17
	<b>Sub Total</b>	<b>2224</b>		<b>186</b>
<b>Oil company</b>	Top	97	0.026	5
	Middle	263	0.069	13
	Lower	3091	0.818	157
	Lowest	327	0.087	18
	<b>Sub Total</b>	<b>3778</b>		<b>192</b>
<b>Bus company</b>	Top	44	0.010	2
	Middle	102	0.024	5
	Lower	4042	0.944	183
	Lowest	92	0.021	4
	<b>Sub Total</b>	<b>4280</b>		<b>194</b>

Roscoe (1975) suggests that of the minimum sampling size so called “central limit theorem”, is thirty. It means that the sample size in the fifth column in **Table 6.4** that is less than thirty should be increased to the amount of thirty.

Finally, the response rate is taken from the pilot test to estimate the final sample size using the formula as follows.

$$n' = \frac{n}{rr}$$

Where:

$n'$  is the final sample

$n$  is the sample size that comes from the stratified method

$rr$  is the response rate (it is based on discussion with experts in Indonesia: 50%).

The final sample size based upon the process above can be depicted in the sixth column in **Table 6.5** below.

**Table 6.5. Final sample size of each stratum in organisation**

<b>Organisation</b>	<b>Organisation levels</b>	<b>'n'</b>	<b>Central limit theorem</b>	<b>Population (N)</b>	<b>Response rate correction (50%)</b>
<b>University</b>	Senior	7	30	54	54
	Middle	17	30	136	60
	Lower	136	136	1112	272
	Lowest	18	30	152	60
	<b>Sub total</b>	<b>178</b>		<b>1454</b>	<b>446</b>
<b>Hospital</b>	Senior	8	30	48	48
	Middle	20	30	124	60
	Lower	134	134	822	268
	Lowest	8	30	51	51
		<b>170</b>		<b>1045</b>	<b>427</b>
<b>Bank</b>	Senior	5	30	52	52
	Middle	40	40	482	80
	Lower	124	124	1492	248
	Lowest	17	30	198	60
	<b>Sub Total</b>	<b>186</b>		<b>2224</b>	<b>440</b>
<b>Oil company</b>	Senior	5	30	97	60
	Middle	13	30	263	60
	Lower	156	156	3091	312
	Lowest	18	30	327	60
	<b>Sub Total</b>	<b>192</b>		<b>3778</b>	<b>492</b>
<b>Bus company</b>	Senior	2	30	44	44
	Middle	5	30	102	60
	Lower	183	183	4042	366
	Lowest	4	30	92	60
	<b>Sub Total</b>	<b>194</b>		<b>4280</b>	<b>530</b>



## **6.5. Data Collection Procedures**

Since summer 2000, formal letters were sent and telephone calls were made to many organisations asking for their participation in this research. There are five organisations that agree to participate in the research. Following their agreement to participate, the next step was to meet the head or contact persons in the research organisations. This is very important because tradition in Indonesia requires face-to-face contact particularly at the first time of meeting. At this first time of meeting, the researcher and the personnel manager or contact person of the organisation discussed how to administer the questionnaire. This step included determining to whom the questionnaire has to be sent, from whom the complete questionnaire has to be collected, and when the complete questionnaire should be returned.

Each questionnaire accompanied by a cover letter and a sealed envelope was sent to the respondents during their working time, except for the bus drivers, to whom the questionnaires were sent during the week-end training programme. It was agreed that the completed questionnaires would be collected in a certain place in their office. During the term, the researcher monitored if there were any difficulties in filling the questionnaire or if there were any technical problems. Besides that, the researcher also observed how many percent of the respondents had returned the questionnaires. There were no difficulties in answering the questionnaire, except that several respondents in the bank asked for the English version.

## **6.6. Summary**

This chapter describes the research method and sampling strategy. The selection of the research organisations was based on Etzioni's theory by investigating five different organisation types.

For comparing the research variables within organisations, the present research identified four echelons, namely top, middle, low, and the lowest participants. Stratified random sampling was conducted by using proportionate stratification method. According to this method, the sample size is 920. However, considering the response rate, 2,335 copies of the questionnaire were sent out.

## **Chapter 7.**

### **Analysis and Results**

#### **7.1. Introduction**

This chapter contains the results of the research. The results are classified into three groups. The first compares the levels of leadership style, organisational commitment, and job satisfaction between the organisations. The second compares the research variables within the organisations. The third explains the relationship between the research variables.

To compare the variables both between and within organisations, data were analysed mainly by One Way ANOVA (Analysis of Variance). Tukey's *a posteriori* tests were also conducted to compare the variance of a subject with the others, for example between the university and the bus company.

Brace et al (2000) suggest that in order to legitimately use ANOVA, the following conditions must be met. The conditions are (1) the dependent variables



comprised of interval or ratio data, (2) the populations are normally distributed, (3) in the case of independent group designs, independent random samples must have been taken from each population.

The data of the present research met these conditions. That is, data of the present research were collected by the scales that follow “Likert-type interval scales”. Although there is still a debate about the classification of “Likert-style” interval data, many studies have used the scale type for inferential statistics, such as ANOVA, correlation, and regression analyses (see Meyer et al., 2002; Meyer and Herscovitch, 2001; Bass, 1985, 1998; Bass and Avolio, 1995). Moreover, Sekaran (1984) suggests that data that were collected by “Likert-type interval scales” are classified as interval data. Therefore, the first condition has been met. The second condition has also been met by the present research, because the sample size of the present study was determined by using Moser and Kalton’s (1971) model that considers the normality of the data by including the standard deviation and standard error of the population mean. So, we assume that the data are distributed normally. In addition, the sample size from each echelon in the research organisations is more than thirty as a minimum standard of sample size for inference statistics. Again, the third condition has also been met, because the strategy of data collection in the research organisations uses independent random sampling.

Details of preliminary data analyses including test of means and standard deviations of the main study variables are included in Appendix 3 and Appendix 5. Reliability tests of variables are presented in Appendix 6.

## **7.2. Comparisons of leadership Style, Organisational Commitment, and Job Satisfaction between Organisations**

This section shows comparisons of the main research variables between organisations. Some additional analyses for supporting the comparative between the organisations are enclosed in Appendix 7 to Appendix 10.

### **7.2.1. Comparisons of leadership style between organisations**

Comparisons of transformational, transactional, and *laissez-faire* leadership styles between organisations are depicted in Table 7.1 to Table 7.6. Generally the results show, as expected, that the level of transformational leadership is higher in normative organisations than in utilitarian organisations.

Comparisons of transformational leadership styles between the organisations can be seen in Table 7.1. One-way ANOVA shows there is significant difference of transformational leadership styles between the organisations (F-ratios= 63.48;  $p < 0.0005$ ).

**Table 7.1. Comparison of transformational leadership between the organisations (full sample)**

<b>ORGANISATION</b>	<b>TRANSFORMATIONAL LEVEL</b>
1. UNIVERSITY (n=283)	2.57
2. HOSPITAL (n=189)	2.27
3. BANK (n=292)	1.99
4. OIL COMPANY (n=248)	2.07
5. BUS COMPANY (n=272)	1.66
F – ratio	63.48***
Tukey's post hoc test	1>2* 1>3* 1>4* 1>5* 2>3* 2>4* 2>5* 3<4 3>5* 4>5*

Notes:

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

Tukey's tests were also conducted in order to compare the levels of transformational leadership between the various organisations. The results also show that the levels of transformational leadership in the normative organisations are higher than in the utilitarian organisations. More specifically, the level of transformational leadership is highest in the university, the lowest in the bus company and forms descending order in the hospital, bank, and oil company. The level of transformational leadership in the university is significantly higher than in



the bank, oil company, and bus company. The same pattern also exists when comparing transformational leadership between the hospital and the utilitarian organisations.

Even though the university and hospital are both normative organisations, transformational leadership is significantly higher in the university than the hospital, as expected. Again, the level of transformational leadership in the bank is also higher than in the bus company, as expected. The level of transformational leadership in the bank is lower than in the oil company, but statistically insignificant. It is significantly higher than the bus company.

Table 7.2 compares the level of transactional leadership between the research organisations. One-way ANOVA shows there is significant difference of the level of transactional leadership between the organisations ( $F\text{-ratio} = 37.76$  with  $p < 0.0005$ ). It can be seen clearly that the level of transactional leadership is lowest in the university and significantly increases in the other organisations.

Tukey's tests show, as hypothesised, that the level of transactional leadership is lower in the normative organisations than in the utilitarian organisations. More specifically, the level of transactional leadership in the university is lower than that in the bank, oil, and bus companies. The level of transactional leadership in the hospital is lower than in the oil and bus companies, but it is insignificant when comparing between the hospital and the bank. Although both the university and hospital are normative organisations, the level of transactional leadership in the university is lower than in the hospital, as expected. The level of transactional leadership in the bank as an example of a mild utilitarian organisation is lower than that in the oil and bus companies. The comparison of transactional leadership between the bus and the oil company is not statistically significant.

**Table 7.2. Comparison of transactional leadership between the organisations (full sample)**

<b>ORGANISATION</b>	<b>TRANSACTIONAL LEVEL</b>
1. UNIVERSITY (n=283)	1.36
2. HOSPITAL (n=189)	1.54
3. BANK (n=292)	1.65
4. OIL COMPANY (n=251)	1.84
5. BUS COMPANY (n=272)	1.97
F – ratio	37.76***
Tukey's post hoc test	1<2* 1<3* 1<4* 1<5* 2<3 2<4* 2<5* 3<4* 3<5* 4<5

Notes:

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

**Table 7.3. Comparison of laissez-faire leadership between the organisations (full sample)**

<b>ORGANISATION</b>	<b>LAISSEZ FAIRE LEVEL</b>
1. UNIVERSITY (n=283)	0.68
2. HOSPITAL (n=190)	1.01
3. BANK (n=292)	1.04
4. OIL COMPANY (n=252)	1.06
5. BUS COMPANY (n=272)	1.39
F – ratio	29.86***
Tukey's post hoc test	1<2* 1<3* 1<4* 1<5* 2<3 2<4 2<5* 3<4 3<5* 4<5*

Notes:

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

Table 7.3 compares the level of laissez-faire leadership between research organisations. The one-way ANOVA shows that there is a significant difference of laissez-faire leadership between the organisations (F-ratio = 29.86 with  $p < 0.0005$ ).

The results show, as predicted, that the levels of laissez-faire leadership in the normative organisations are significantly higher than in the utilitarian organisations. The lowest level of laissez-faire leadership is in the university and the highest in the bus company. The levels of laissez-faire leadership in the hospital is lower than that



in the bank, oil, and bus companies, but the only statistically significant comparison is between the hospital and the bus company. Although both the university and hospital are normative organisations, the level of laissez-faire leadership in the university is lower than in the hospital. Again, in line with the prediction, the level of laissez-faire leadership in the bank is lower than the oil and bus companies, but the only statistically significant comparison is between the bank and the bus company. The level of laissez-faire leadership in the oil company is higher than in the bus company.

### **Comparisons of leadership style for the lowest participants between the organisations**

Recall to the theoretical review, Etzioni's (1975) theory also applies to the lowest participants in the organisations. The present study represents samples of the lowest participants such as cleaners, porters, helpers, food servers, job-shop workers, parking boys, and bus cleaners (see Table 5.2). Comparisons of leadership styles for the lowest participants between the organisations are presented in Tables 7.4 to 7.6.

The One-way ANOVA in Table 7.4 shows that there is significant difference of transformational leadership for the lowest participants between the organisations ( $F$ -ratio = 37.65 with  $p < 0.0005$ ). Furthermore, Tukey's tests show a pattern, as predicted, that transformational leadership is highest in the university and lowest in the bus company.

The results show that the level of transformational leadership for the lowest participants in the normative organisations is higher than in the utilitarian organisations. Transformational leadership in the university is higher than in the bank, oil company and bus company. It is also higher in hospital than in the bank and the bus company, but the comparison between the hospital and the oil company is not

statistically significant. Transformational leadership in the bank is higher than in the bus company, but insignificant when comparing it with the oil company. Although the oil and bus companies are utilitarian organisations, the level of transformational leadership in the oil company is higher than in the bus company.

**Table 7.4. Comparison of transformational leadership style for the lowest participant between the organisations**

<b>ORGANISATION</b>	<b>TRANSFORMATIONAL LEVEL</b>
1. UNIVERSITY (n = 72)	2.35
2. HOSPITAL (n = 33)	2.18
3. BANK (n = 46)	1.70
4. OIL COMPANY (n = 53)	1.91
5. BUS COMPANY (n = 34)	0.99
F- ratio	37.65***
Tukey's post hoc test	1>2 1>3* 1>4* 1>5* 2>3* 2>4 2>5* 3<4 3>5* 4>5*

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

Comparisons of transactional leadership for the lowest participants between organisations can be seen in Table 7.5. One-way ANOVA indicates there is a

significant difference of the level of transactional leadership between the organisations amongst the lowest participants (F-ratio = 86.7 with  $p < 0.0005$ ).

The pattern of transactional leadership is as predicted i.e., it is lower in the normative organisations than in the utilitarian organisations. The level of transactional leadership is lowest in the university and highest in the bus company. Although the level of transactional leadership in the university is lower than the other four organisations but the only statistically significant comparison is between the university and the bus company. Transactional leadership in the hospital is significantly lower than in the bus company. It is lower in the bank than in the oil and bus companies but the only statistically significant comparison is between the bank and the bus company. Again, it is significantly lower in the oil company than in the bus company. However, the comparisons of the level of transactional leadership between the university and the hospital, the hospital and bank, and the bank and the oil company are not statistically significant.

Comparisons of the level of laissez-faire leadership for the lowest participants between organisations can be seen in Table 7.6. The results show that there is a significant difference of laissez-faire leadership between organisations (F-ratio = 60.12 with  $p < 0.001$ ). As predicted, Tukey's tests show that the lowest level of laissez-faire leadership is in the university and the highest in the bus company.

The levels of laissez-faire leadership in the normative organisations are lower than in the utilitarian organisations. More specifically, laissez-faire leadership in the university is lower than the bus company. Laissez-faire leadership in the hospital is lower than in the bus company. As expected, the level of laissez-faire leadership in the university is lower than in the hospital. The level of laissez-faire leadership in the bank is lower than in the bus company. Laissez-faire leadership in the oil company is



lower than in the bus company. However, the comparisons of the level of laissez-faire between the university and the bank, the university and the oil company, the hospital and bank, the hospital and the oil company are statistically not significant.

**Table 7.5. Comparison of transactional leadership style for the lowest participant between the organisations**

<b>ORGANISATION</b>	<b>TRANSACTIONAL LEVEL</b>
1. UNIVERSITY (n = 72)	1.42
2. HOSPITAL (n = 34)	1.66
3. BANK (n = 46)	1.49
4. OIL COMPANY (n = 53)	1.65
5. BUS COMPANY (n = 34)	3.24
F- ratio	86.7***
Tukey's post hoc test	1<2 1<3 1<4 1<5* 2>3 2>4 2<5* 3<4 3<5* 4<5*

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

**Table 7.6. Comparison of laissez-faire leadership style for the lowest participant between the organisations**

<b>ORGANISATION</b>	<b>LAISSEZ FAIRE LEVEL</b>
1. UNIVERSITY (n = 72)	0.69
2. HOSPITAL (n = 34)	1.05
3. BANK (n = 46)	0.95
4. OIL COMPANY (n = 53)	0.87
5. BUS COMPANY (n = 34)	2.59
F- ratio	60.12***
Tukey's post hoc test	1<2* 1<3 1<4 1<5* 2>3 2>4 2<5* 3>4 3<5* 4<5*

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

### **7.2.2. Comparison of organisational commitment between the organisations**

It was predicted that the level of organisational commitment would be higher in the normative organisations than the utilitarian organisations. Table 7.7 compares the levels of organisational commitment for the full sample set between organisations. The one-way ANOVA shows that there is significant difference between organisations (F-ratio = 118.61 with  $p < 0.0005$ ). The results of Tukey's tests are, as predicted, that the highest level of organisational commitment is in the

university and the lowest is in the bus company. The results show that the level of organisational commitment in the normative organisation is higher than in the utilitarian organisations. More specifically, the level of organisational commitment in the university is higher than that all the other organisations. Again, organisational commitment in the hospital is higher than in the oil and bus companies. As predicted, the level of organisational commitment in the bank is higher than in the oil and bus companies.

**Table 7.7. Comparisons of organisational commitment between the organisations (full sample)**

<b>ORGANISATION</b>	<b>THE LEVEL OF ORGANISATIONAL COMMITMENT</b>
1. UNIVERSITY (n = 283)	5.23
2. HOSPITAL (n = 189)	5.03
3. BANK (n = 292)	5.08
4. OIL COMPANY (n = 251)	4.80
5. BUS COMPANY (n = 272)	4.10
F-ratio	118.61***
Tukey's test	1>2* 1>3* 1>4* 1>5* 2<3 2>4* 2>5* 3>4* 3>5* 4>5*

\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .



Table 7.8 compares the levels of affective, continuance, and normative organisational commitment between the organisations. One-way ANOVAs show there are significant differences of affective, continuance and normative commitment between the organisations (F-ratios are 29.55; 10.6; and 402.94 respectively with  $p < 0.0005$ ).

**Table 7.8. Comparison of organisational commitment between the organisations (full sample)**

ORGANISATION	ORGANISATIONAL COMMITMENT		
	AFFECTIVE	CONTINUANCE	NORMATIVE
1. UNIVERSITY (n = 283)	5.44	4.57	5.70
2. HOSPITAL (n = 189)	5.26	4.82	5.04
3. BANK (n = 292)	5.39	4.93	4.92
4. OIL COMPANY (n = 251)	5.37	5.12	3.93
5. BUS COMPANY (n = 272)	4.63	4.83	2.87
F – ratio	29.55***	10.6***	402.94***
Tukey's post hoc test	1>2	1<2*	1>2*
	1>3	1<3*	1>3*
	1>4	1<4*	1>4*
	1>5*	1<5*	1>5*
	2<3	2<3	2>3
	2<4	2<4*	2>4*
	2>5*	2<5	2>5*
	3>4	3<4	3>4*
	3>5*	3>5	3>5*
	4>5*	4>5*	4>5*

Notes:

\*\*\*. The mean difference is significant at  $p < 0.001$ .

\*. The mean difference is significant at  $p < 0.05$ .

The results form patterns as predicted. The levels of both affective and normative commitment in the normative organisations are higher than in the utilitarian organisations, whilst continuance commitment in the utilitarian organisations is higher than in the normative organisations.

More specifically, although the comparisons of affective commitment between the university and the other organisations are in the directed prediction, the result is statistically significant only when comparing the university and the bus company. Affective commitment in the hospital is higher than in the bus company.

The level of affective commitment in the bank is higher than in the bus company. Again, although the oil and bus companies are utilitarian organisations, affective commitment in the oil company is higher than in the bus company.

The level of normative commitment in the university is significantly higher than the other four organisations. Normative commitment in the hospital is higher than that in the oil and bus companies. Similarly, normative commitment in the bank is higher than in the oil and bus companies. Again, normative commitment in the oil company is also higher than in the bus company, even though they are utilitarian organisations.

As predicted, the levels of continuance commitment in the normative organisations are significantly lower than in the utilitarian organisations. More specifically, the level of continuance commitment is lowest in the university and highest in the oil company. The level continuance commitment in the oil company is significantly higher than in the hospital. Even though both the oil company and bus company are both categorised as utilitarian organisations, the level of continuance commitment in the oil company is significantly higher than in the bus company.

## Comparisons of organisational commitment for the lowest participants between the organisations

Table 7.9 reports the comparative analysis of organisational commitment of the lowest participants as a sub-set sample between the organisations. One-way ANOVA indicates that there is a difference of the level of organisational commitment of the lowest participants between organisations (F-ratios = 29.061 and  $p < 0.0005$ ).

**Table 7.9. Comparison of organisational commitment of the lowest participants between organisations**

ORGANISATION	ORGANISATIONAL COMMITMENT
1. UNIVERSITY (n = 72)	5.19
2. HOSPITAL (n = 33)	5.01
3. BANK (n = 46)	5.15
4. OIL COMPANY (n = 53)	4.85
5. BUS COMPANY (n = 34)	3.95
F-ratio	29.061***
Tukey's post hoc test	1>2 1>3 1>4* 1>5* 2<3 2>4 2>5* 3>4 3>5* 4<5*

\*\*\*. The mean difference is significant at  $p < 0.001$ .

\*. The mean difference is significant at  $p < 0.05$ .



As predicted, the level of organisational commitment is higher in the normative organisations than in the utilitarian organisations. The level of organisational commitment is higher in the university than in the other four research organisations, but the statistically significant comparisons are between the university and the oil and bus companies. The level of organisational commitment is higher in the hospital than in the oil and bus companies, but the only statistically significant comparison is between the hospital and the bus company. The level of organisational commitment is significantly higher in the bank than in the oil and bus companies. Again, the level of organisational commitment is significantly higher in the oil company than in the bus company.

Table 7.10 reports the comparative analysis of components of organisational commitment of the lowest participants as a sub-set sample between the research organisations. One-way ANOVA indicates that there are differences of the levels of organisational commitment of the lowest participants between organisations (F-ratios: 5.27; 6.93; and 193.62 and  $p < 0.0005$ ).

The results are mainly in the predicted direction. The level of normative commitment is higher in the normative organisations than in the utilitarian organisations. More specifically, normative commitment is highest in the university and lowest in the bus company. Normative commitment in the hospital is higher than in the oil company, it also higher than in the bus company. The level of normative commitment in the bank is higher than in the oil company, it also higher than in the bus company. Although both the oil and bus companies are classified into utilitarian organisations, normative commitment in the oil company is significantly higher than in the bus company.

**Table 7.10. Comparison of organisational commitment of the lowest participant between the organisations**

ORGANISATION	COMMITMENT		
	AFFECTIVE	CONTINUANCE	NORMATIVE
1. UNIVERSITY (n = 72)	5.11	4.85	5.61
2. HOSPITAL (n = 34)	5.25	4.86	4.95
3. BANK (n = 45)	5.30	5.16	4.98
4. OIL COMPANY (n = 53)	5.67	5.55	3.33
5. BUS COMPANY (n = 34)	4.84	5.12	1.88
F- ratio	5.27***	6.93***	193.62***
Tukey's post hoc test	1<2	1<2	1>2*
	1<3	1<3	1>3*
	1<4*	1<4*	1>4*
	1>5	1<5	1>5*
	2<3	2<3	2<3
	2<4	2<4*	2>4*
	2>5	2<5	2>5*
	3<4	3<4	3>4*
	3>5	3>5	3>5*
	4>5*	4>5	4>5*

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

Again as predicted, the level of continuance commitment is lower in the normative organisations than in the utilitarian organisations. Although comparisons of continuance commitment between the university and the other four organisations are in the predicted direction, the result is statistically significant only when comparing between the university and the oil company. Similarly, comparisons of continuance commitment between the hospital and the bank, oil and bus companies

are in the predicted direction, but the only statistically significant comparison is between the hospital and the oil company. The level of continuance commitment in the bank is lower than in the oil company.

Comparisons of affective commitment between organisations however, are in the opposite of the predicted direction. More specifically, the level of affective commitment in the university is lower than in the hospital, bank, and the oil company. The level of affective commitment in the hospital is also lower than in the bank and the oil company. It is also lower in the bank than in the oil company. The level of affective commitment in the oil company is higher than in the bus company.

### **7.2.3. Comparison of job satisfaction between organisations**

Table 7.11 compares the level of job satisfaction of the full sample set in research organisations. One-way ANOVA indicates that there is a significant difference in job satisfaction between the organisations (F-ratio = 29.09 at  $p < 0.0005$ ).

As predicted, the level of job satisfaction is higher in the normative organisations than in the utilitarian organisations. Job satisfaction in the university is significantly higher than in the hospital, bank, oil company, and bus company. Although comparisons of level of job satisfaction between the other organisations are in the predicted direction, the results are not statistically significant.



**Table 7.11. Comparison of job satisfaction between the organisations (full sample)**

<b>ORGANISATION</b>	<b>JOB SATISFACTION</b>
1. UNIVERSITY (n = 283)	5.32
2. HOSPITAL (n = 189)	4.81
3. BANK (n = 292)	4.79
4. OIL COMPANY (n = 251)	4.72
5. BUS COMPANY (n = 272)	4.72
F-ratio	29.09***
Tukey's post hoc test	1>2* 1>3* 1>4* 1>5* 2>3 2>4 2>5 3>4 3>5 4<5

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

Table 7.12 reports the result of the comparisons of extrinsic and intrinsic job satisfaction between the organisations. The one-way ANOVAs demonstrate that there are significant differences in both extrinsic and intrinsic job satisfaction between organisations (F-ratios= 12.98 and 48.29 at  $p < 0.0005$ ).

**Table 7.12. Comparison of extrinsic and intrinsic job satisfaction between the organisations (full sample)**

ORGANISATION	JOB SATISFACTION	
	EXTRINSIC	INTRINSIC
1. UNIVERSITY (n = 283)	5.19	5.46
2. HOSPITAL (n = 189)	4.83	4.80
3. BANK (n = 292)	4.92	4.67
4. OIL COMPANY (251)	5.01	4.44
5. BUS COMPANY (n = 272)	4.76	4.68
F – ratio	12.98***	48.29***
Tukey's post hoc test	1>2* 1>3* 1>4* 1>5* 2<3 2<4 2>5 3<4 3>5 4>5*	1>2* 1>3* 1>4* 1>5* 2>3 2>4* 2>5 3>4* 3<5 4<5*

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

The results are broadly as predicted, that is, the level of intrinsic job satisfaction is highest in the university and lowest in the oil company. The level of intrinsic job satisfaction in the university is significantly higher than in the other four organisations. Although the level of intrinsic job satisfaction in the hospital is higher than that in the bank, oil and bus companies, the only statistically significant comparison is between the hospital and the oil company. The level of intrinsic job satisfaction in the bank is higher than in the oil company, but it is lower than in the

bus company. Intrinsic job satisfaction in the oil company is significantly lower than in the bus company.

Comparisons of the levels of extrinsic job satisfaction between organisations are partly in the predicted direction. The level of extrinsic job satisfaction in the hospital is lower than in the bank and the oil company. The level of extrinsic job satisfaction in the bank is lower than in the oil company. However, the level of extrinsic job satisfaction in the university is higher than in the other four organisations. Extrinsic job satisfaction in the oil company is significantly higher than in the bus company.

### **Comparisons of job satisfaction for the lowest participants between the organisations**

Table 7.13 shows the comparison of job satisfaction for the sub-set sample containing the lowest participants in the research organisations. One-way ANOVA shows that there is a significant difference in job satisfaction between the organisations (F-ratio = 71.49 at  $p < 0.0005$ ). The results generally are in the predicted direction. That is, the level of overall job satisfaction in the university is higher than that in the other research organisations. The level of job satisfaction in the hospital is higher than in the oil and bus companies. The level of job satisfaction in the bank is higher than in the oil and bus companies. The level of job satisfaction in the oil company is higher than in the bus company. Although the level of job satisfaction in the hospital is lower than in the bank, it is not statistically significant.



**Table 7.13. Comparison of job satisfaction of the lowest participants between the organisations**

<b>ORGANISATION</b>	<b>JOB SATISFACTION</b>
1. UNIVERSITY (n = 72)	5.30
2. HOSPITAL (n = 34)	4.71
3. BANK (n = 46)	4.83
4. OIL COMPANY (n = 53)	4.08
5. BUS COMPANY (n = 34)	3.40
F-ratio	71.49***
Tukey's post hoc test	1>2* 1>3* 1>4* 1>5* 2<3 2>4* 2>5* 3>4* 3>5* 4>5*

\*\*\* The mean difference is significant at  $p < 0.0005$

\* The mean difference is significant at  $p < 0.05$

Table 7.14 compares both extrinsic and intrinsic job satisfaction for the lowest participants between organisations. The results are broadly in the predicted direction. That is, the level of intrinsic job satisfaction is higher in the normative organisations than in the utilitarian organisations. The level of intrinsic job satisfaction is highest in the university and lowest in the bus company. The level of intrinsic job satisfaction is higher in the hospital than in the oil and bus companies. Intrinsic job satisfaction is higher in the bank than in the oil and bus companies.

**Table 7.14. Comparison of extrinsic and intrinsic job satisfaction of the lowest participants between organisations**

ORGANISATION	SATISFACTION	
	EXTRINSIC	INTRINSIC
1. UNIVERSITY (n = 72)	5.29	5.31
2. HOSPITAL (n = 34)	4.83	4.63
3. BANK (n = 46)	4.96	4.69
4. OIL COMPANY (n = 53)	4.95	3.21
5. BUS COMPANY (n = 34)	3.68	3.12
F- ratio	35.49***	118.99***
Tukey's post hoc test	1>2*	1>2*
	1>3	1>3*
	1>4*	1>4*
	1>5*	1>5*
	2<3	2<3
	2<4	2>4*
	2>5*	2>5*
	3>4	3>4*
	3>5*	3>5*
	4>5*	4>5

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

The results for extrinsic job satisfaction are in opposite to the predicted direction. Extrinsic job satisfaction is higher in the normative organisations than in the utilitarian organisations. More specifically, extrinsic job satisfaction in the university is higher than in the oil and bus companies. Similarly, extrinsic job satisfaction in the hospital is higher than in the bus company, and it is also higher in the bank and the oil company than it is in the bus company.

### **7.3. Comparison of leadership Style, Organisational Commitment, and Job Satisfaction within Organisations**

The second objective of the research is to compare the levels of leadership style, organisational commitment, and job satisfaction within organisations. Accordingly, the organisations are classified structurally into four organisation echelons, namely top, middle, low management, and the lowest participants (Detailed of the echelons are shown in Table 5.2).

#### **7.3.1. Comparison of leadership style within the organisations**

In general, the results are as predicted in that the level of transformational leadership is higher in the top echelon than the other following echelons. The levels of transactional and laissez-faire leadership styles however, are generally lower in the top echelon than the lower echelons.

Table 7.15 compares the level of transformational leadership styles between echelons for the full sample. One-way ANOVA shows that there is a significant difference of transformational leadership between the echelons (F-ratio = 18.29 at  $p < 0.0005$ ). As predicted, the level of transformational leadership is higher at the top echelon than in the middle, lower, and the lowest echelonss. The level of transformational leadership at the middle echelon is higher than at the low echelon and lowest participant, but the only statistically significant comparison is between the top echelon and the lowest echelon. The level of transformational leadership at the low echelon is higher than at the lowest participants.



**Table 7.15. Comparison of transformational leadership styles within the organisations**

<b>ECHELONS (n)</b>	<b>LEVEL OF TRANSFORMATIONAL</b>
1. TOP (n = 189)	2.43
2. MIDDLE (n = 311)	2.15
3. LOW (n = 545)	2.05
4. LOWEST (237)	1.91
F – ratio	18.29***
Tukey's post hoc test	1>2* 1>3* 1>4* 2>3 2>4* 3>4

Notes:

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

Table 7.16 compares the level of transactional leadership within the organisations. The result shows that there is very little difference in the level of transactional leadership between organisational echelons (F-ratio = 2.88 at  $p < 0.035$ ). The level of transactional leadership is lower at the top echelon than at the middle, lower, and the lowest echelons, but the only statistically significant comparison is between the top echelon and the lowest participants. The level of transactional is higher at the middle echelon than at the lower and lowest echelons, but statistically insignificant. Again the level of transactional leadership is higher at the low echelon than at the lowest participants, but statistically insignificant.

**Table 7.16. Comparison of transactional leadership styles within the organisations**

<b>ECHELON (n)</b>	<b>LEVEL OF TRANSACTIONAL</b>
1. TOP (n = 189)	1.61
2. MIDDLE (n = 313)	1.63
3. LOW (n = 546)	1.67
4. LOWEST (n = 239)	1.78
F – ratio	2.88*
Tukey's post hoc test	1<2 1<3 1<4* 2<3 2<4 3<4

\*. The mean difference is significant at  $p < 0.05$ .

Table 7.17 compares the level of laissez-faire leadership within the organisations. One-way ANOVA indicates that there is significant difference of laissez-faire leadership between the organisational echelons (F-ratio = 8.13 at  $p < 0.0005$ ).

As predicted, the level of laissez-faire leadership is low in the top echelon and increases in the other organisational echelons. The results of Tukey's tests show that the level of laissez-faire leadership is significantly lower at the top echelon than at the middle and low echelons, and the lowest participants. The level of laissez-faire

leadership is higher at the middle echelon than at the lower and lowest echelons, but statistically insignificant. The level of laissez-faire leadership is higher at the low echelon than at the lowest participants, but statistically insignificant.

**Table 7.17. Comparison of laissez-faire leadership styles within the organisations**

<b>ECHELON (n)</b>	<b>LEVEL OF LAISSEZ-FAIRE</b>
1. TOP (n = 189)	0.79
2. MIDDLE (n = 314)	1.00
3. LOW (n = 547)	1.11
4. LOWEST (n = 239)	1.10
F – ratio	8.13***
Tukey's post hoc test	1<2* 1<3* 1<4* 2<3 2<4 3>4

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

### **7.3.2. Comparison of organisational commitment within the organisations**

Table 7.18 compares the level of organisational commitment within the organisations. One-way ANOVA shows that there is significant difference of organisational commitment between the different echelons (F-ratio = 24.29 at  $p < 0.0005$ ). The level of organisational commitment is significantly higher at the top echelon than in the middle, low, and lowest organisational echelons. Similarly, the level of organisational commitment in the middle echelon is higher than the low and



the lowest echelons, but the only statistically significant comparison is between the middle and the low echelons. However, the level of organisational commitment is significantly higher at the lowest participants than in the low echelon.

**Table 7.18. Comparisons of organisational commitment between the organisational levels**

<b>ECHELON (n)</b>	<b>LEVEL OF COMMITMENT</b>
1. TOP (n = 189)	5.16
2. MIDDLE (n = 313)	4.95
3. LOW (n = 545)	4.66
4. THE LOWEST (n = 237)	4.90
F-ratio	24.29***
Tukey's test	1>2* 1>3* 1>4* 2>3* 2>4 3<4*

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

Table 7.19 reports the results of the comparison of affective, continuance, and normative organisational commitment within organisations. One-way ANOVAs show that there are significant differences of affective, continuance, and normative commitment between the organisational echelons (F-ratios = 12.25; 7.32, and 35.92 respectively at  $p < 0.0005$ ).

In addition, the results of Tukey's tests are broadly as predicted. The level of normative commitment at the highest echelon is significantly higher than at the

middle, low, and the lowest echelons. Similarly, the level of normative commitment is higher at the middle echelon than at the low echelon and the lowest participants. The level of normative commitment at the low echelon is lower than at the lowest participant, but it is not statistically significant.

The level of affective commitment at the top echelon is significantly higher than at the middle, low, and the lowest echelons. The level of affective commitment at the middle echelon is higher than at the low echelon and it is lower than at the lowest participants, but they are not statistically significant. Again, the level of affective commitment at the low echelon is lower than at the lowest participants, but it is not statistically significant.

The level of continuance commitment at the top echelon is lower than at the other organisational echelons, but the only statistically significant comparison is between the top echelon and the lowest participants. The level of continuance commitment at the middle echelon is significantly lower than at the lowest participants. Again, the level of continuance commitment at the low echelon is significantly lower than at the lowest echelon.

**Table 7.19. Comparison of affective, continuance, and normative organisational commitment within the organisations**

ECHELON (n)	COMMITMENT		
	AFFECTIVE	CONTINUANCE	NORMATIVE
1. TOP (n = 189)	5.59	4.71	5.19
2. MIDDLE (n = 313)	5.24	4.87	4.74
3. LOW (n = 545)	5.06	4.78	4.14
4. LOWEST (n = 237)	5.25	5.11	4.36
F – ratio	12.25***	7.32***	35.92***
Tukey's post hoc test	1>2*	1<2	1>2*
	1>3*	1<3	1>3*
	1>4*	1<4*	1>4*
	2>3	2>3	2>3*
	2<4	2<4*	2>4*
	3<4	3<4*	3<4

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

### 7.3.3. Comparison of job satisfaction within the organisations

Table 7.20 compares the level of job satisfaction within the organisations. One-way ANOVA shows there is a significant difference in job satisfaction between the echelons (F-ratio = 20.93 at  $p < 0.0005$ ).

The result of Tukey's test shows that the level of job satisfaction at the top echelon is significantly higher than at the middle, low, and lowest echelons. The level of job satisfaction at the middle level is lower than at the low echelon, but it is significantly higher than the lowest participants. Again the level of job satisfaction amongst the low echelon is significantly higher than at the lowest participants.



**Table 7.20. Comparison of job satisfaction within the organisations**

<b>ECHELON</b>	<b>JOB SATISFACTION</b>
1. TOP (n = 188)	5.18
2. MIDDLE (n = 313)	4.84
3. LOW (n = 548)	4.94
4. THE LOWEST (n = 239)	4.58
F-ratio	20.93***
Tukey's test	1>2* 1>3* 1>4* 2<3 2>4* 3>4*

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*. The mean difference is significant at  $p < 0.05$ .

Table 7.21 shows the comparisons of extrinsic and intrinsic job satisfaction between the echelons. The one-way ANOVAs show there are significant differences in both extrinsic and intrinsic job satisfaction between the echelons (F-ratios = 5.16 at  $p < 0.005$  and 37.63 at  $p < 0.0005$  respectively).

**Table 7.21. Comparison of extrinsic and intrinsic job satisfaction within the organisations**

ECHELON (n)	JOB SATISFACTION	
	EXTRINSIC	INTRINSIC
1. TOP (n = 188)	5.14	5.23
2. MIDDLE (n = 313)	4.91	4.76
3. LOW (n = 548)	4.94	4.93
4. LOWEST (n = 239)	4.86	4.32
F – ratio	5.16**	37.63***
Tukey's post hoc test	1>2* 1>3* 1>4* 2<3 2>4 3>4	1>2* 1>3* 1>4* 2<3 2>4* 3>4*

\*\*\*. The mean difference is significant at  $p < 0.0005$ .

\*\*. The mean difference is significant at  $p < 0.005$ .

\*. The mean difference is significant at  $p < 0.05$ .

The results of Tukey's tests for intrinsic job satisfaction are broadly as predicted. That is, the level of intrinsic job satisfaction is highest at the top echelon. The level of intrinsic job satisfaction amongst the middle echelon is significantly higher than at the lowest echelons. The level of intrinsic job satisfaction at the middle echelon is lower than amongst the low echelon, but it is not statistically significant.

The similar pattern applies to extrinsic job satisfaction. More specifically, the level of extrinsic job satisfaction at the top echelon is significantly higher than at the middle, low, and lowest echelons. There is a little difference in the level of extrinsic

job satisfaction between the other echelons, however the results are not statistically significant.

#### **7.4. The relationship between leadership style, organisational commitment, and job satisfaction**

Table 7.22 reports the results of a correlation analysis between leadership style, organisational commitment, and job satisfaction. As predicted, transformational leadership is positively related to affective and normative organisational commitment and both extrinsic and intrinsic job satisfaction (The correlation coefficients are 0.24; 0.44; 0.34; and 0.46 respectively), but it is negatively related to continuance commitment. Transactional leadership is positively related to continuance organisational commitment (0.26), but it is negatively related to affective commitment (-0.17), and normative commitment (-0.26). Laissez-faire leadership is negatively related to affective, continuance, and normative organisational commitment and job satisfaction (The correlation coefficients are -0.32; -0.09; -0.33; -0.23; -0.25 respectively). Affective commitment is positively related to normative commitment (0.45), extrinsic job satisfaction (0.21) and intrinsic job satisfaction (0.22). Continuance commitment is positively related to normative commitment (0.07) and extrinsic job satisfaction (0.24). Normative commitment is positively related to extrinsic job satisfaction (0.30), and intrinsic job satisfaction (0.42). Extrinsic job satisfaction is positively correlated to intrinsic job satisfaction (0.73).



**Table 7.22. Correlation between leadership style, organisational commitment, and job satisfaction**

	TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. TR	1	0.281**	-0.166**	0.240**	-0.730**	0.437**	0.337**	0.459**
2. TS		1	.445**	-0.173**	0.262**	-0.265**	0.044	-0.041
3. LF			1	-0.322**	-0.095**	-0.327**	-0.226**	-0.254**
4. AC				1	0.009	0.449**	0.207**	0.222**
5. CC					1	0.070*	0.240**	0.027
6. NC						1	0.305**	0.424**
7. JS-EXT							1	0.731**
8. JS-INT								1

\*\* . Correlation is significant at the level 0.01 (2-tailed)

\* . Correlation is significant at the level 0.05 (2-tailed)

- TR = Transformational leadership
- TS = Transactional leadership
- LF = Laissez-faire leadership
- AC = Affective Commitment
- CC = Continuance Commitment
- NC = Normative Commitment
- JS-EXT = Extrinsic Job Satisfaction
- JS-INT = Intrinsic Job Satisfaction

## **7.5. The relationship between leadership style and other outcomes**

Table 7.23 shows that transformational leadership is positively correlated to extra effort (0.75), effectiveness of the leadership (0.78), and satisfaction with the leadership (0.75). Similarly, transactional leadership is also positively correlated to extra effort (0.32), effectiveness of the leadership (0.31), and satisfaction to the leadership (0.25). Laissez-faire leadership is negatively correlated to leadership extra effort (-0.07), effectiveness (-0.16), and satisfaction to the leadership (-0.15). Extra

effort is positively related to effectiveness of the leadership (0.80) and satisfaction with the leadership (0.78). Effectiveness of the leadership is positively related to satisfaction with the leadership (0.81).

**Table 7.23. Correlations between leadership style and other outcomes**

	TR	TS	LF	EXT-EFF	EFF-NESS	SATISFY
1. TR	1	0.281**	-0.166**	0.753**	0.776**	0.746**
2. TS		1	0.445**	0.324**	0.315**	0.250**
3. LF			1	-0.074**	-0.158**	-0.155**
4. EXT-EFF				1	0.804**	0.781**
5. EF-NESS					1	0.814*
6. SATISFY						1

\*\* . Correlation is significant at the level 0.01 (2-tailed)

\* . Correlation is significant at the level 0.05 (2-tailed)

TR = Transformational leadership

TS = Transactional leadership

LF = Laissez-faire leadership

EXT-EFF = Extra Effort

EFF-NESS = Effectiveness of the leadership

SATISFY = Satisfaction of the leadership

## 7.6. Summary

This chapter presents the results for testing the hypotheses. One-way ANOVAs and Tukey's tests were used to distinguish the systematic differences of leadership style, organisational commitment, and job satisfaction between organisations and within them. A correlational analysis was also conducted to test the relationship between the research variables.

As expected, the results show that transformational leadership, affective and normative commitment, and intrinsic job satisfaction are generally significantly higher in normative organisations than in utilitarian organisations. Moreover, transactional and laissez-faire leadership, and continuance commitment are generally higher in utilitarian organisations than in normative organisations. However, extrinsic job satisfaction is generally higher in the normative organisations than in the utilitarian organisations.

Comparison of the research variables within the organisations shows that transformational leadership, organisational commitment, and job satisfaction at the senior echelons are generally significantly higher than at the lower echelons. However, the levels of transactional and laissez-faire leadership are not that different between echelons.

A correlational analysis shows that transformational leadership is positively correlated to affective and normative organisational commitment and job satisfaction, and it is negatively correlated to continuance commitment, whilst transactional leadership is positively correlated to continuance organisational commitment, and it is negatively correlated to affective and normative organisational commitment. Organisational commitment is positively correlated to job satisfaction. The results are discussed in the following chapter.



## **Chapter 8.**

### **Discussion and Conclusion**

#### **8.1. Introduction**

Recall, the present study aims to test the validity of Etzioni's propositions in so far as they apply to normative and utilitarian organisations. Broadly speaking, the results support Etzioni's predictions, in that normative organisations rely more upon transformational leadership approach than utilitarian organisations. In addition, the levels of commitment and job satisfaction are generally higher in normative organisations than in utilitarian organisations.

This study also shows that Etzioni may be correct in suggesting that systematic differences exist between the more extreme or milder examples of each type of organisation. For example, the present research suggests that the university relies more upon transformational leadership than the general hospital. It also indicates that the levels of affective and normative commitment are higher in the university than in the hospital. In addition, the bank relies more upon

transformational leadership than the bus company. Again, the level of organisational commitment in the bank is higher than in the bus company.

More importantly, the present research shows that the systematic differences along the same variables exist between the lowest participants of the various research organisations. For example, the university relies more upon transformational leadership for controlling the lowest participants than do the other research organisations. It also indicates that the lowest participants in the university are more committed to the organisation than those in the bank, oil, and bus companies. By the same token, the utilitarian organisations appear to place more upon transactional leadership for controlling their lowest participants than normative organisations. The level of continuance commitment of the lowest participants in utilitarian organisations is higher than in normative organisations. For example, the level of continuance commitment of the lowest participants in the oil company is higher than in the university and the hospital.

In addition, the data suggest that the level of job satisfaction varies systematically between the research organisations. More specifically, staff in the university appear to be more extrinsically and intrinsically satisfied to their jobs than those in the utilitarian organisations. More importantly, the cleaning staff in the university are more satisfied with their jobs than those with similar jobs in the bus company.

The results also support Etzioni's predictions that systematic differences of leadership style, organisational commitment, and job satisfaction are likely to be found within organisations. More specifically, the data show that staff at higher echelons experience more transformational leadership than employees at the lower

echelons. In addition, senior staff exhibit more commitment to the organisation and are more satisfied to their jobs than employees at the lower echelons.

Before discussing these results, it is necessary to be clear about the limitations of the present research. More specifically, the research is restricted by the number of the research organisations, the selection of the organisations, and manner in which the research variables are measured. This research focuses upon only one example in each organisation type. Although the selection of the organisation types closely resembles those suggested by Etzioni as examples of extreme and mild types, it has not considered the most extreme example of normative organisation such as religious sects. Nor has there been any attempt to examine Etzioni's theory in coercive organisations. It cannot therefore, be claimed that this research confirms Etzioni's theory. The most that can be said is that it adduces evidence that is consistent with Etzioni's propositions. Moreover, this research employs surrogate measures of Etzioni's concepts. That is, this research employs transformational and transactional scales for assessing expressive and instrumental leadership styles. In addition, the present study measures concepts of involvement by using organisational commitment and job satisfaction scales.

## **8.2. Differences of the leadership style, organisational commitment, and job satisfaction between organisations**

### **Differences of the leadership style between organisations in general**

This study suggests that university lecturers experience more transformational leadership than bus drivers. One may argue that the way to control professionals is different from that for non-professionals, because professionals are highly motivated by intrinsic values of their jobs (Meyer and Allen, 1997).



Professionals whose attitudes are positive to intrinsic job values tend to respond to transformational leadership, because transformational leadership relies heavily on the job's values than transactional leadership (see also Lord and Brown, 2001; Krishnan, 2001). Similarly, Ehrhart and Klein(2001) observed that the followers whose orientation is high on intrinsic values of the jobs prefer to choose transformational leadership.

### **Differences of the leadership style of *the lowest participant* between organisations**

The present research suggests that the cleaning staff in the more normative organisations experience more transformational leadership than the lowest participants with similar jobs in the utilitarian organisations. By the same token, the lowest participants in the more utilitarian organisations experience more transactional leadership than those in the normative organisations. This indicates that there is a consistent pattern of leadership style in each type of organisation. Recall, Etzioni does not suggest that leadership style causes organisational commitment. Nor does he really suggest that the orientation of lowest participants determines the leader's style. Etzioni's main point is that in effective organisations, the leader's style and organisational commitment are reciprocally related. For example, highly committed followers will probably be ineffective when they are controlled by transactional leadership that relies heavily on contingent rewards, because material rewards are inconsistent for the followers who high committed to the organisation. Therefore, the present study suggests that transformational leadership will be effective if it is followed by high commitment of their followers.

This thesis may be seen as contradicting popular management theories that imply transformational leadership holds the key to organisational effectiveness. More specifically, the so called “excellent literature” (Peters and Waterman, 1982), promulgated in North America in the wake of intensifying competition from Japan, argues that the leader’s role in utilitarian organisations should be to promote shared values and beliefs, creating meaning in work, making work satisfying and emotionally rewarding, and empowering employees to give of their best. Fun and meaning in work, argue Peters and Waterman, go hand in hand with profit, as they say:

*Excellent companies are among the most fiscally sound of all. But their values set integrates the notions of economic health, serving customers, and making meaning down the line. As one executive said to us, ‘Profit is like health. You need it, and the more the better. But it’s not why you exist’ (Peter and Waterman, 1982:102).*

Peters and Waterman seem to imply that the “excellent company” is linearly related to transformational leadership. The success of the company is influenced mainly by transformational leadership.

However, critical theorists (e.g., Alvesson and Willmott, 1996) suggest that transformational leadership theory is not a scientific breakthrough so much as a celebration and reaffirmation of masculine values. One dimension of masculine values is the implication that strong leadership conquers all. According to Pfeffer (1977) the literature overstates the role of leadership. He argues that leaders can influence only a fraction of the organisation, but they have no control over commodity prices, currency fluctuations, and labour market conditions. Evidence suggests that transformational leaders are constrained by time and context (Bryman, 1996).

The effectiveness of an organisation is not only influenced by transformational leadership, but also by other factors, such as the organisational mission and the characteristics of the followers. Moreover, Osborn, Hunt, and Jauch's (2002) statement is probably correct that transformational leadership theory is not invalid, but incomplete. Recall, Shamir and Howell (1999) suggest that transformational leadership is more likely to be found and be effective in organisations whose orientation is intrinsic and consistent with social values. More specifically, Etzioni predicts that members of normative organisations tend to be controlled by leadership which employs moral approaches, whereas employees in utilitarian organisations tend to be controlled by material approaches. Accordingly, the present research suggests that transformational leadership is more likely to be found in normative organisation, whilst transactional leadership is more likely to be found in utilitarian organisations and such organisations may actually be undermined by high levels of transformational leadership through being pulled towards incongruency. Transactional leadership may be unfashionable but that does not necessarily mean that it is ineffective.

### **Differences of organisational commitment between organisations in general**

It may hardly come as a surprise to discover that university lecturers are more committed to their organisation than bus drivers. One may argue that this is probably because the lecturer's job needs more variety of skills, offers more autonomy and challenge than the bus driver's job as empirical studies suggest that organisational commitment is positively correlated with job challenge, degree of autonomy, and variety of skills the employee uses (Meyer and Allen, 1997; Dunham, Grube, and Castaneda, 1994; Mathieu and Zajac, 1990). However, this argument is probably less



relevant for the comparison of organisational commitment of the lowest participants between the organisations, because their job characteristics are similar.

### **Differences of organisational commitment of *the lowest participant* between organisations**

The present research suggests that the lowest participants like cleaning staff in the university are more committed to their organisation than the lowest participants with similar jobs in the oil and bus companies. More specifically, the levels of affective and normative commitment of the lowest participants in the university are higher than those in the hospital, bank, oil company, and bus company, whereas the level of continuance commitment is higher in the oil company than in the university. This indicates that every type of organisation requires different levels of organisational commitment of their members.

In addition, the result of the regression analysis (see Appendix 9.) suggests that organisation type contributes to the level of organisational commitment. This means that normative organisations are typified by higher commitment of their members than utilitarian organisations. Therefore, Etzioni's prediction that normative organisations, where their orientation is value, are characterised by highly affective and normative commitment of their members, whereas utilitarian organisations, where their orientation is material, are typified by continuance commitment of their employees, is supported. Although there have been many studies investigating antecedents of organisational commitment, there is no study that suggests that organisation type is closely related with organisational commitment (see also Meyer et al., 2002; Meyer and Allen, 1997; Mathieu and Zajac, 1990).

Accordingly, the present research suggests that orientation of the organisation is probably an important antecedent of organisational commitment.

Moreover, every organisation needs commitment of the members (Meyer Allen, 1997; Mowday et al., 1982), but Randall (1979) suggests that maintaining employees who are too committed will have negative impact to the organisation. That is, it makes employees resistant to change. Further, Randall suggests that for an organisation's effectiveness, the organisation needs a moderate level of commitment of their members. This suggestion is consistent with the present research, particularly for utilitarian organisations that are characterised by moderate level of organisational commitment of their employees. The argument is that utilitarian organisations tend to be "cost-benefit" oriented, therefore procuring employees who are too committed is inefficient for the organisations.

### **Differences of job satisfaction between organisations in general**

As expected, the results suggest that there are systematic differences in the level of job satisfaction between organisations. Respondents in the more normative organisations are more satisfied with their jobs than those in the utilitarian organisations. More specifically, lecturers in the university are more intrinsically satisfied with their jobs than front officers in the bank, operators in the oil company, and bus drivers in the bus company. One may argue that content and nature of the job in the university are more motivating for the occupants to enjoy their jobs, as the theory of job characteristic (Hackman and Oldham, 1976, 1980) suggests that people can be motivated by the intrinsic satisfaction they find in doing their jobs. Hackman and Oldham further identified five job characteristics that increase job satisfaction, namely skill variety, task identity, task significance, and job feedback. Another

argument is that the respondents in the university who are highly committed to their organisations, have attitudes that are positive to their jobs, as empirical studies suggest that organisational commitment is closely related to job satisfaction (Meyer et al, 2002; Meyer and Allen, 1997).

### **Differences of job satisfaction of *the lowest participant* between organisations**

The present research shows that the systematic differences in job satisfaction occur for the lowest participants in the research organisations. The lowest participants in the more normative organisation are more satisfied than the lowest participants in the utilitarian organisations. For example, the results suggest that the cleaning staff in the university are more intrinsically satisfied than the lowest participants undertaking similar work in the hospital, bank, oil and bus companies. Therefore, Etzioni's prediction is probably accurate that normative organisations are intrinsically satisfying. Although there have been many studies investigating antecedents of job satisfaction (Conolly and Viswesvaran, 2000; Testa, 1999; Spector, 1997), they have not included the organisation type. Accordingly, the present research suggests that the organisation's goal is probably an important antecedent of job satisfaction.

The data also suggest that the lowest participants in normative organisations are not only more intrinsically but also extrinsically satisfied with their jobs than those in utilitarian organisations. The reason is probably "positive thinking" of the respondents in the normative organisations. This means that their attitudes are not only positive to the intrinsic nature of the jobs, but their attitudes are also positive to their physical work condition, fellow workers, immediate boss, rate of pay, industrial



relation, firm management, work hours, job security and orientation of the organisation.

### **8.3. Differences of the leadership style, organisational commitment, and job satisfaction within organisations**

The second aim of the present research is to test Etzioni's proposition within organisations. As expected, the results suggest that staff at the senior echelons exhibit higher levels of commitment and job satisfaction. One may argue that jobs at senior echelons require wider job scope than those at the junior echelons as empirical studies suggest that characteristics of jobs at senior echelon offer more autonomy, and variety of skills, and are challenging, and strategically oriented. These variables are important for development of organisational commitment and job satisfaction (see also Meyer and Allen, 1997; Spector, 1997; Mowday, et l., 1982).

More specifically, staff at senior echelons exhibit greater affective and normative organisational commitment and job satisfaction than employees at the junior echelons, whereas employees at the lowest echelon exhibit high continuance commitment. Recall, Robinson *et al.*, (1969) suggest that among staff at senior echelon, intrinsic job characteristics are more important, while among employees at the lower echelons, extrinsic job characteristics are more important. The difference of work orientations between senior staff and employees at the lower echelon probably influences their organisational commitment and job satisfaction.

More importantly, the results of the present research suggest that there are concomitant relationships between leadership style, organisational commitment and job satisfaction. That is, senior staff who exhibit high levels of organisational commitment and job satisfaction, experience more transformational leadership,

whilst employees at the lowest echelons who exhibit moderate organisational commitment and job satisfaction, experience more transactional leadership. Therefore, Etzioni's prediction may be correct in suggesting that there is a concomitant relationship between leadership style and organisational commitment within organisations.

#### **8.4. Relationship between leadership style, organisational commitment, and job satisfaction**

##### *Relationship between leadership style and organisational commitment*

As expected, transformational leadership is more strongly correlated to organisational commitment than transactional leadership (see also Rowden, 2000; Bass, 1998; Barling et al, 1996; Bycio et al, 1995; Koh et al., 1995)). Recall, Bass (1990) suggests that transformational leadership relies more on emotional and normative approaches, whereas transactional leadership relies more on contingent rewards for controlling their followers. This may mean that by emphasising the symbolic and expressive aspects of task-goal efforts and the important values involved, the transformational leader makes a moral statement. In contrast, the transactional leader stresses benefit to satisfy the self-interest of the follower. Under the transformational leader, participation in the efforts becomes an expression of membership and identity with a social collective. The salient of that identity is increased in the follower's self-concept enhancing commitment. By articulating a vision or a mission, the transformational leader increases the intrinsic value of goal accomplishment. The transformational leader also emphasises the importance of the goal as a basis for group identity, further connecting self-identity with group identity. Accordingly, transformational leadership is strongly correlated to higher

commitment of their followers (see also Rowden, 2000; Barling, Weber, and Kelloway, 1996; Bycio et al., 1995; Koh et al., 1995).

However, the result of the correlation analysis does not mean that transformational leaders influence organisational commitment of their followers. Recall, Pfeffer (1977) suggests that leaders can influence only a fraction of organisational exigencies. Again, evidence suggests that transformational leaders are constrained by time and context (Bryman, 1996), and preferences of their followers (Ehrhart and Klein, 2001). Therefore, the correlation may mean that individuals who are highly committed to their organisations respond more to transformational leadership, whereas employees who are moderately committed to their organisations respond more to transactional leadership. This is consistent with Etzioni's prediction in terms of congruency of leadership style and organisational commitment.

### ***Relationship between leadership style and job satisfaction***

The same observation applies to the relationship between transformational leadership and job satisfaction. More specifically, transformational leadership is positively correlated to extrinsic and intrinsic job satisfaction, whilst transactional leadership is positively correlated to extrinsic job satisfaction but negatively correlated to intrinsic job satisfaction. In other words, transformational leadership is more strongly correlated to job satisfaction than transactional leadership. (see also Wofford, *et al.*, 1998; Lowe *et al.*, 1996; Bass, 1990; Hater and Bass, 1988). Recall, Bass (1990) suggests that transformational leaders motivate followers to do more than originally expected. Such a transformation can be achieved by raising an awareness of the importance and value of designated outcomes, getting followers to transcend their own self-interests, and altering or expanding followers' needs on



Maslow's hierarchy of needs. Locke (1976) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Accordingly, the result may be interpreted that transformational leadership that motivates followers more on the emotional aspect and increase in their hierarchy of needs will possibly increase not only their extrinsic but also intrinsic job satisfaction. On the other hand, transactional leaders who rely more on contingent rewards probably could not accommodate the emotional aspect of their followers, such as no freedom for choosing the work method. This suggests that job satisfaction is more strongly related to transformational leadership than transactional leadership. This means that transformational leadership is congruent with intrinsic and extrinsic job satisfaction, whilst transactional leadership is congruent with extrinsic job satisfaction.

### ***Relationship between organisational commitment and job satisfaction***

As expected, organisational commitment is strongly positively correlated to job satisfaction. This means that people who are highly committed to their organisations tend to be highly satisfied with their jobs. It may also mean that people who are highly satisfied with their jobs tend to be committed to their organisations. Recall, Meyer and his colleagues (Meyer et al., 2002; Meyer and Allen, 1997) argue that people who are highly committed to their organisations tend to be highly satisfied with their jobs. In addition, Mathieu (1991) indicates that commitment and job satisfaction are reciprocally related, whereas Batteman and Strasser (1984) argue that job satisfaction is not a cause of organisational commitment but as a result of it. We speculate that this high correlation is probably because of the role of the third variable. The overarching variable may be leadership style. That is, arguably

transformational leaders empower their followers which make them become highly committed to the organisation and satisfied to their jobs. Therefore, transformational leadership is congruent with high levels of organisational commitment and job satisfaction, whereas transactional leadership is congruent with moderate levels of organisational commitment and job satisfaction. Accordingly, Etzioni's compliance theory links not only with leadership style and organisational commitment, but also with job satisfaction.

## **8.5. Summary**

This research suggests that there is a concomitant relationship between leadership style, organisational commitment, and job satisfaction between organisations. That is, members of the more normative organisations exhibit higher levels of organisational commitment and job satisfaction and experience more transformational leadership, whilst employees in the utilitarian organisations exhibit moderate levels of organisational commitment and job satisfaction and experience more transactional leadership.

More importantly, these patterns do indeed apply to the lowest participants as Etzioni suggests. The lowest participants in the more normative organisations exhibit higher levels of affective and normative organisational commitment, and higher level of job satisfaction, and experience more transformational leadership, whilst the lowest participants in utilitarian organisations exhibit higher level of continuance commitment and experience more transactional leadership.

This research also suggests that concomitant relationships between leadership style, organisational commitment, and job satisfaction are also found within organisations. More specifically, the levels of transformational leadership,

organisational commitment, and job satisfaction are found to be higher among employees at senior echelon than employees at the junior echelons. On the other hand, the levels of transactional leadership and continuance commitment are found to be higher among the lowest participants than at the higher echelons.

The results of the correlation analyses also support Etzioni's theory. More specifically, transformational and transactional leadership styles were positively correlated with both organisational commitment and job satisfaction, but transformational leadership was correlated stronger to organisational commitment and job satisfaction than transactional leadership. This means that transformational leadership is congruent with high levels of organisational commitment and job satisfaction, whereas transactional leadership is congruent with moderate levels of organisational commitment and job satisfaction.

Moreover, this research suggests that leadership style, organisational commitment, and job satisfaction are positively correlated. The most interesting of this correlation analysis is the role of the leadership style in explaining the correlation between organisational commitment and job satisfaction.

## **8.6. Implications**

### **8.6.1. Implication for future research**

The present research adduces Etzioni's theory, but it does not include the extreme example of normative organisations nor coercive organisations in the research as in Etzioni's study. Therefore, this suggests for future research to investigate religious sects and political parties as examples of extreme organisations and prison or concentration camps for coercive organisations. By including these



organisations into the research framework it would probably give more complete features for testing Etzioni's theory.

In addition, Etzioni conducted his study based upon research organisations in North America, whereas the present research was conducted in Indonesia. Future research, therefore, may include studies to investigate whether or not these results will have a similar pattern in the United Kingdom.

This research does not explain *why* the lowest participants in the university are more committed to the organisation than the lowest participants in the utilitarian organisations. In order to do so, future studies might seek to penetrate the surface by taking a more qualitative approach. For example, how is transformational leadership experienced? What does it feel like to be a cleaner in a university compared to say, a bus company? Why do people in normative organisations feel they "ought to stay" in the organisation? These questions are probably more relevant to be answered by using qualitative approaches.

Popular management literature suggests that transformational leadership and high organisational commitment are key successes of an organisation (Peters and Waterman, 1982). Future studies might investigate the existence of transformational leadership and organisational commitment in organisations and identify which is the more important for the organisation, i.e. individuals committed to the organisation or transformational leadership, or both?

The present research shows that transformational leadership is more likely to exist in normative organisations than in utilitarian organisations, likewise transactional leadership is more likely to exist in utilitarian organisations than in normative organisations. Therefore, the future research is suggested to investigate how far the effectiveness of transformational leadership is in utilitarian organisations.

With regard to organisational commitment, Randall (1979) argues that too much commitment can be counterproductive because it makes employees reluctant to change. Again, what we need to know is how much is too much? Etzioni has provided us with a crude answer to the question. That is, not too little and not too much. An issue for future research is whether it is possible to give a more precise estimate.

The result of correlational analysis suggests that there is a closely relationship between organisational commitment and job satisfaction. The relationship is possibly a reflection of leadership style. Therefore, it is suggested for future research to develop research models by including leadership style as moderating variable in the relationship between organisational commitment and job satisfaction. .

### **8.6.2. Issue for Practice**

Popular management literature seems to suggest that organisations should do their utmost to procure high level of affective commitment. The popular management literature also implies that transformational leadership styles are superior to all others. Pfeffer (1982) argues that this is because the leader's role has been glamorised. Perhaps the time has come to redress the balance and to point out that in certain circumstances a transactional approach may be more effective. The question that this study cannot answer is how much emphasis do utilitarian organisations need on transformational leadership to be effective?

The question is important because Pfeffer (1982) argues that leaders do not have as much influence over organisations as the popular management literature leads us to believe. According to Pfeffer seemingly successful leaders only succeed because they manage to identify themselves with the organisation's success and

avoid becoming tarnished with the organisation's failures. If Pfeffer is correct, it might be more important for organisations to focus upon commitment and job satisfaction than leadership.

This research suggests that members of normative organisations experience more affective and normative commitment than employees in utilitarian organisations who experience high continuance commitment. This indicates that there is a consistency between the organisation's goal and the level of organisational commitment. The implication is that recruitment and development of the organisation's members should consider the orientation of the organisation. For normative organisations, enrichment of job's values is probably the key factor for developing commitment of their members, whereas extrinsic values of the jobs is probably an important factor for developing commitment of employees in utilitarian organisations.

The present research also has implications for contracting out work in normative organisations like universities. That is, if, for example, contract cleaning companies adopt a more utilitarian approach to lower participants than the parent organisations, this may be a detrimental impact to the organisations as a whole. The use of contractors may introduce risk if, for example, a high level of alienation is reflected in use for working practices. The present study offers evidence for keeping such services in house.

### **8.6.3. Culture issue**

Is it possible but unlikely that the findings of the present study are culturally specific? This seems unlikely, given that the results are consistent with studies carried out in North America (Bass, 1998; Meyer and Allen, 1997; Etzioni, 1975).



This suggests that the requirements of organisations may be very similar regardless of national differences. This could have important implications for multi-national companies moving into developing economies as it suggests that management and leadership styles are transferable from western to developing countries like Indonesia.

What we need to know further is whether some utilitarian organisations, like IBM may be led by transformational leadership styles and high commitment of their employees, whilst some normative organisations, like a hospital may be controlled by leadership styles that rely on contingent rewards that may disturb the commitment of their members. Etzioni suggests that for effective organisations, there is a congruency between leadership style and commitment.

### **Final Remarks**

Money is an important factor of life, but some people believe that “*money is not everything*”. This proverb is probably correct that we cannot buy happiness with money. We need “something else” in our life. For example, some people work not merely for money, they also receive intrinsic values of their job that make them persistent with their jobs.

There are two portraits of people at work that can be drawn from this research. The first portrait represents a group of people who work for value-oriented rewards, whilst the second portrait exemplifies a group of people who work for money oriented. The first group of people do jobs not merely for money, but they tend to rely on intrinsic-values of the jobs. For example, a nurse in a hospital requires a higher level of education than a bus conductor, however, the nurse’s salary is lower than the bus conductor’s salary. Also, a lecturer in a university requires a higher level

of education than a bank's front officer, but the lecturer's salary is less than the bank officer's salary. This indicates that there are differences in the orientations of work between them. The differences of their orientation require different leadership styles for controlling them.

Perhaps the most important finding to emerge from the present study's objectives is that the lowest participants in the more normative organisations experience more transformational leadership and exhibit more commitment and job satisfaction than their counterparts in the more utilitarian organisations.

Ki Hajar Dewantara, a javanese scientist says "*jer basuki mawa bea*" (there is no result without effort). The preparation for this thesis started from scratch several years ago, from formulating the ideas, and then contacting people to participate in the research, and finally interpreting behind the statistical significance. Living far away from family for several years is also very hard. All of these efforts are for the writing of the thesis. There are many things can be learned from it for future studies. As an academician, I believe that this research is only a starting point for what is still a long journey in scientific life.

**APPENDIX 1.A.  
INDONESIAN QUESTIONNAIRE**





THE UNIVERSITY  
*of* LIVERPOOL

DEPARTMENT OF LIVERPOOL INSTITUTE PUBLIC  
ADMINISTRATION AND MANAGEMENT

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## SURAT PENGANTAR

**Yth. Bapak / Ibu**

Saya seorang mahasiswa PhD di The University of Liverpool. Sedang melakukan penelitian tentang gaya kepemimpinan atasan anda, komitmen anda terhadap organisasi dan kepuasan kerja anda.

Saya mengharap kesediaan anda untuk berpartisipasi dalam penelitian ini. Saya sampaikan bahwa informasi yang saya peroleh akan saya gunakan dengan berhati-hati (hanya untuk keperluan pendidikan semata), sehingga anda tidak perlu mencantumkan namanya.

Informasi yang anda berikan akan membantu studi saya dan hasilnya akan sangat bermanfaat bagi instansi dan karyawan.

Luangkanlah waktu untuk melengkapi kuesioner ini dan setelah selesai, kembalikan dalam amplop tertutup ke tempat yang telah disediakan.

Terima kasih atas kerjasama dan bantuan anda.

Hormat saya,

Achmad Sudjadi

**KUESIONER**

CODE:

**A. LATAR BELAKANG RESPONDEN:**

1.	Nama pekerjaan / jabatan	: .....	<i>For office only</i> ↓
2.	Usia	: .....tahun	
3.	Posisi jabatan anda dalam struktur organisasi	: [ ] Paling bawah [ ] Bawah [ ] Menengah [ ] Atas	
4.	Jenis kelamin	: [ ] Laki-laki [ ] Perempuan	
5.	Tingkat pendidikan	: [ ] SD [ ] SLTP [ ] SLTA [ ] Sarjana Muda [ ] Sarjana [ ] Pasca Sarjana	
6.	Jumlah tanggungan/anak	: .....orang	
7.	Pengalaman kerja di instansi ini	: .....tahun	



## B. KEPUASAN KERJA:

### Instruksi:

Berikut ini adalah serangkaian pertanyaan berkaitan dengan berbagai aspek pekerjaan saudara.

Saya mohon saudara bersedia menceritakan seberapa jauh kepuasan atau ketidakpuasan saudara untuk masing-masing item di bawah ini berkaitan dengan pekerjaan saudara sekarang.

Isilah dengan tanda (√) pada skala yang saudara anggap tepat antara 7 – 1 untuk masing-masing item di bawah ini.

7 <i>Saya amat sangat puas</i>	6 <i>Saya sangat puas</i>	5 <i>Saya agak puas</i>	4 <i>Saya tidak yakin</i>	3 <i>Saya agak tidak puas</i>	2 <i>Saya sangat tidak puas</i>	1 <i>Saya amat sangat tidak puas</i>
-----------------------------------	------------------------------	----------------------------	------------------------------	----------------------------------	------------------------------------	---

NO.	FAKTOR-FAKTOR PEKERJAAN	Saya Amat sangat puas							Saya amat sangat tidak puas							Hanya untuk kami ↓
		7	6	5	4	3	2	1	7	6	5	4	3	2	1	
1.	Kondisi fisik pekerjaan															
2.	Kebebasan memilih metoda kerja menurut saudara sendiri															
3.	Teman-teman sekerja															
4.	Penghargaan terhadap saudara bila saudara bekerja dengan baik															
5.	Hubungan dengan atasan/pimpinan langsung saudara															
6.	Besarnya tanggung jawab yang diberikan kepada saudara															
7.	Tingkat upah/gaji saudara															
8.	Kesempatan untuk menggunakan kemampuan yang saudara miliki															
9.	Hubungan kerja antara pimpinan dan pegawai di dalam organisasi ini															

NO.	FAKTOR-FAKTOR PEKERJAAN	Saya Amat sangat puas						Saya amat sangat tidak puas		Hanya untuk kami ↓
		7	6	5	4	3	2	1		
10.	Kesempatan untuk memperoleh promosi/naik jabatan									
11.	Cara pengelolaan organisasi ini									
12.	Perhatian organisasi ini terhadap saran-saran yang saudara berikan									
13.	Jam kerja saudara									
14.	Banyaknya variasi kerja dalam pekerjaan saudara									
15.	Keamanan kerja (misal pemecatan)									
16.	Sekarang, bila mempertimbangkan segala aspek, bagaimana perasaan saudara terhadap pekerjaan ini secara keseluruhan?									

### C. KOMITMENT TERHADAP ORGANISASI:

Dalam kaitannya dengan perasaan pribadi anda terhadap instansi dimana saudara bekerja sekarang, mohon tunjukkan sejauh mana saudara setuju atau tidak setuju terhadap masing-masing pernyataan di bawah ini dengan mencantumkan tanda (√) pada skala yang tepat antara 7 - 1.

NO	URAIAN	Sangat setuju						Sangat tak setuju		For office only ↓
		7	6	5	4	3	2	1		
1.	Saya akan sangat senang untuk tetap berkarier di dalam organisasi ini.									
2.	Saya benar-benar merasakan bahwa masalah perusahaan merupakan masalah saya juga.									
3.	Organisasi ini sangat berarti bagi pribadi saya.									

NO	URAIAN	Sangat setuju							Sangat tak setuju	For office only ↓
		7	6	5	4	3	2	1		
4.	Saat ini bertahan di dalam organisasi ini adalah kebutuhan dan keinginan saya.									
5.	Sangat berat bagi saya untuk meninggalkan organisasi ini saat ini, meskipun saya menginginkan.									
6.	Kehidupan saya akan sangat terganggu, jika saya memutuskan untuk meninggalkan organisasi ini sekarang.									
7.	Saya merasa bahwa saya hanya mempunyai sangat sedikit pilihan bila sayamempertimbangkan untuk keluar dari organisasi ini.									
8.	Jika saya belum terlalu banyak berkecimpung dalam organisasi ini, saya mungkin telah memilih kerja di tempat lain.									
9.	Salah satu konsekuensi negatif meninggalkan organisasi ini adalah kelangkaan alternatif yang tersedia.									
10.	Bahkan bila ada hal-hal yang menguntungkan, saya merasa adalah hal yang tidak tepat untuk meninggalkan organisasi ini sekarang.									
11.	Saya akan merasa bersalah jika saya meninggalkan organisasi saya sekarang.									
12.	Organisasi ini pantas menerima loyalitas saya.									
13.	Saya tidak akan meninggalkan organisasi saya saat ini, karena saya merasa memiliki tanggung jawab terhadap orang-orang di dalam organisasi ini.									



NO	URAIAN	Sangat setuju							Sangat tak setuju							For office only ↓
		7	6	5	4	3	2	1	7	6	5	4	3	2	1	
14.	Saya berhutang budi pada organisasi ini.															
15.	Saya tidak mempunyai rasa sangat "memiliki" organisasi ini.															
16.	Saya tidak merasa "terkait batin" terhadap organisasi ini.															
17.	Saya tidak merasa "merupakan bagian dari keluarga" dalam organisasi ini.															
18.	Saya tidak merasa mempunyai kewajiban untuk tetap bekerja pada instansi ini.															

#### D. KEPEMIMPINAN

Kuesioner ini untuk menggambarkan gaya kepemimpinan atasan langsung anda, menurut pandangan anda.

Mohon jawaban semua pernyataan ditulis dalam lembar jawaban ini.

Jika suatu pernyataan tidak relevan, atau bila saudara tidak yakin atau tidak tahu jawabannya, kosongkan saja.

Terdapat empat puluh lima pernyataan tertulis pada halaman berikut. Tentukan seberapa sering masing-masing pernyataan tersebut sesuai dengan orang yang saudara terangkan di atas.

Gunakan skala berikut dengan memberi tanda centang (√) pada skala antara 4 – 1 yang sesuai.

<b>4</b> Seringkali, jika tidak selalu	<b>3</b> Agak sering	<b>2</b> Beberapa kali	<b>1</b> Sesekali	<b>0</b> Tak pernah sama sekali
---	-------------------------	---------------------------	----------------------	---------------------------------------

Orang yang saudara terangkan:

No	Items	Seringkali atau selalu					Tak pernah sama sekali					For office only ↓
		4	3	2	1	0	4	3	2	1	0	
1	memberikan bimbingan sebagai imbalan atas usaha saya.											
2	menguji kembali asumsi-asumsi kritis dengan cara menanyakan apakah hal-hal itu sudah tepat.											
3	tidak berhasil mengatasi masalah sehingga masalah tersebut menjadi serius.											
4	memberikan perhatian pada hal-hal yang tak lazim, kekeliruan, perkecualian, dan penyimpangan dari standar.											
5	menghindar untuk terlibat ketika timbul masalah penting.											
6	membicarakan nilai-nilai dan keyakinan-keyakinan saya yang paling penting.											

No	Items	Seringkali atau selalu					Tak pernah sama sekali					For office only ↓
		4	3	2	1	0	4	3	2	1	0	
7	tidak ada bila dibutuhkan.											
8	mencari titik pandang/pemikiran yang lain ketika memecahkan masalah.											
9	Bicara secara optimis tentang masa depan.											
10	Membangkitkan kebanggaan saya karena bekerja dengannya.											
11	mendiskusikan dengan jelas siapa yang bertanggung jawab terhadap pencapaian kinerja yang ditetapkan.											
12	menunggu terjadinya kekeliruan sebelum bertindak.											
13	berbicara dengan penuh semangat tentang hal-hal yang harus dibereskan.											
14	menegaskan pentingnya mempunyai semangat mencapai tujuan.											
15	meluangkan waktu untuk mengajari dan melatih.											
16	menjelaskan tentang apa yang bisa diharapkan jika sasaran kinerja tercapai.											
17	menunjukkan keyakinan "jika sesuatu tidak ada yang rusak, jangan diperbaiki".											
18	bertindak jauh dari sekedar kepentingan pribadi untuk kebaikan kelompok.											
19	memperlakukan saya lebih "sebagai pribadi" dari pada hanya sekedar sebagai anggota kelompok.											



No	Items	Seringkali atau selalu		Tak pernah sama sekali			For office only ↓
		4	3	2	1	0	
20	menunjukkan bahwa masalah harus menjadi parah, sebelum saudara bertindak.						
21	bertingkah laku yang membuat saya hormat.						
22	mencurahkan perhatian penuh terhadap kekeliruan, keluhan, dan kegagalan.						
23	mempertimbangkan konsekuensi moral dan etika dalam mengambil keputusan.						
24	Merunut seluruh kesalahan.						
25	Menampakkan kekuasannya dan percaya diri.						
26	Menyuarakan visi masa depan yang menjanjikan.						
27	Mengarahkan perhatian saya terhadap saudara terhadap kegagalan mencapai standar.						
28	menghidar untuk mengambil keputusan.						
29	mempertimbangkan bahwa saya mempunyai kebutuhan, kemampuan dan aspirasi yang berbeda dari yang lain.						
30	Mengarahkan saya untuk melihat masalah dari berbagai segi.						
31	membantu saya untuk mengembangkan kelebihan-kelebihan saya.						
32	menyarankan cara-cara baru untuk menyelesaikan tugas.						

No	Items	Seringkali atau selalu			Tak pernah sama sekali		For office only ↓
		4	3	2	1	0	
33	Menunda merespon masalah-masalah yang mendeksa.						
34	Menekankan pentingnya mempunyai rasa kebersamaan untuk mencapai tujuan kolektif.						
35	menunjukkan rasa puas jika saya memenuhi harapan.						
36	Memiliki keyakinan bahwa tujuan akan tercapai.						
37	efektif memenuhi kebutuhan yang berkaitan dengan pekerjaan saya.						
38	menggunakan metoda-metoda kepemimpinan yang memuaskan.						
39	Menyuruh saya melakukan pekerjaan lebih dari yang saya harapkan.						
40	efektif dalam mewakili saya berkaitan dengan kekuasaan yang lebih tinggi.						
41	bekerja dengan saya dengan cara yang memuaskan.						
42	Meningkatkan gairah saya untuk berhasil/sukses.						
43	efektif memenuhi persyaratan organisasi.						
44	meningkatkan kemauan saya untuk berusaha/mencoba lebih keras.						
45	memimpin kelompok secara efektif.						

*Terima kasih atas partisipasi saudara*

*Hormat saya,  
Achmad sudjadi*

**APPENDIX 1.B.  
ENGLISH QUESTIONNAIRE**





THE UNIVERSITY  
*of* LIVERPOOL

DEPARTMENT OF LIVERPOOL INSTITUTE PUBLIC  
ADMINISTRATION AND MANAGEMENT

## *QUESTIONNAIRE*

**Achmad Sudjadi**

Office Address:  
Faculty of Economics  
Jenderal Soedirman University  
PURWOKERTO – 53122  
Tel. 0281-637970 (office hour) or 0281- 633252

## COVER LETTER

Dear Sir/Madame,

I am a PhD student in The University of Liverpool and doing research about leadership style of your superior, your organisational commitment and job satisfaction.

For doing so, I am waiting to ask you to participate in my research. The information you provide will contribute to an important study and the result could be of considerable interest to both managers and employees. The information obtained will be used in strictly confidence, therefore your name is not required.

Please complete the questionnaire and then return it in a sealed envelope to the place provided.

Thank you very much for your co-operation.

Yours sincerely,

Achmad Sudjadi.

## QUESTIONNAIRE

### A. RESPONDENT BACKGROUND:

1.	Name of your job/position	: .....
2.	Age	: .....years
3.	Your position level of the organisation structure	<input type="checkbox"/> Lowest participant <input type="checkbox"/> Lower management <input type="checkbox"/> Middle mgt. <input type="checkbox"/> Top management
4.	Sex	: <input type="checkbox"/> Male <input type="checkbox"/> Female
5.	Level of education	: <input type="checkbox"/> Primary School <input type="checkbox"/> Junior Secondary <input type="checkbox"/> Senior Secondary <input type="checkbox"/> First Degree <input type="checkbox"/> Post Graduate
6.	Number of dependants	: .....person(s)
7.	Work experience in the organisation	: .....years

*For office only*  
 ↓




**B. JOB SATISFACTION:**

**Instruction:**

The next set of items deals with various aspects of your present job. I would like you to tell me how satisfied or dissatisfied you feel with each of these features of your present job.

Please put tick (✓) into the appropriate scale between 1 – 7 in each item below.

Description:

<b>7</b> <i>I'm extremely satisfied</i>	<b>6</b> <i>I'm very satisfied</i>	<b>5</b> <i>I'm moderately satisfied</i>	<b>4</b> <i>I'm not sure</i>	<b>3</b> <i>I'm moderately dissatisfied</i>	<b>2</b> <i>I'm very dissatisfied</i>	<b>1</b> <i>I'm extremely dissatisfied</i>
--	---------------------------------------	---	---------------------------------	--	--	---

NO	DESCRIPTION	I'm Extremely satisfied				I'm Extremely dissatisfied				For office only ↓
		7	6	5	4	3	2	1		
1.	The physical work condition									
2.	The freedom to choose your own method of working									
3.	Your fellow workers									
4.	The recognition you get for good work									
5.	Your immediate boss									
6.	The amount of responsibility you are given									
7.	Your rate of pay									
8.	Your opportunity to use your ability									
9.	Industrial relations between management and workers in your firm									
10.	Your chance of promotion									

Continued...

NO	DESCRIPTION	I'm Extremely satisfied			I'm Extremely dissatisfied			For office only ↓
		7	6	5	4	3	2	
11.	The way your firm is managed							
12.	The attention paid to suggestions you make							
13.	Your hours of work							
14.	The amount of variety in your job							
15.	Your job security							
16.	Now, talking everything into consideration, how do you feel about your job as a whole?							

### C. ORGANISATIONAL COMMITMENT:

With respect to your own feelings about the particular organisation for which you are now working, please indicate the degree of your agreement or disagreement with each statement by put tick (√) in an appropriate scale between 7 to 1.

NO	DESCRIPTION	Strongly Agree			Strongly Disagree			For office only ↓
		7	6	5	4	3	2	
1.	I would be very happy to spend the rest of my career with this organisation.							
2.	I really feel as if this organisation's problems are my own.							
3.	This organisation has a great deal of personal meaning for me.							
4.	Right now, staying with my organisation is a matter of necessity as much as desire.							

NO	DESCRIPTION	Strongly Agree							Strongly Disagree							For office only ↓
		7	6	5	4	3	2	1	7	6	5	4	3	2	1	
5.	It would be very hard for me to leave my organisation right now, even if I wanted to.															
6.	Too much of my life would be disrupted if I decided I wanted to leave my organisation now.															
7.	I feel that I have too few options to consider leaving this organisation.															
8.	If I had not already put so much of myself into this organisation, I might consider working elsewhere.															
9.	One of the few negative consequences of leaving this organisation would be the scarcity of available alternatives.															
10.	Even if it were to my advantage, I do not feel it would be right to leave my organisation now.															
11.	I would feel guilty if I left my organisation now.															
12.	This organisation deserves my loyalty.															
13.	I would not leave my organisation right now because I have a sense of obligation to the people in it.															
14.	I owe a great deal to my organisation.															
15.	I do not feel a strong sense of "belonging" to my organisation.															
16.	I do not feel "emotionally attached" to this organisation.															



NO	DESCRIPTION	Strongly Agree							Strongly Disagree							For office only ↓
		7	6	5	4	3	2	1	7	6	5	4	3	2	1	
17.	I do not feel like "part of the family" at my organisation.															
18.	I do not feel any obligation to remain with my current employer.															

### D. LEADERSHIP

*Note: This scale is under copyright, therefore, we only present examples of the questions.*

This questionnaire is to describe the leadership style of your direct superior. Please answer all items on this answer sheet.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing.

Use the following rating scale:

<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>
Frequently, if not always	Fairly often	Sometimes	Once in a while	Not at all

### THE PERSON I AM RATING:

No	Items	Frequently, if not always					Not at all					For office only ↓
		4	3	2	1	0	4	3	2	1	0	
1	<i>Example of idealised influence (attributed):</i> Instils pride in me for being associated with him/her.											
2	<i>Example of idealised influence (behaviour):</i> Specifies the importance of having a strong sense of purpose.											

No	Items	Frequently, if not always					Not at all	For office only ↓
		4	3	2	1	0		
3	<i>Example of inspirational motivation:</i> Talks optimistically about the future.							
4	<i>Example of intellectual stimulation:</i> Re-examines critical assumptions to question whether they are appropriate.							
5	<i>Example of individual consideration:</i> Spends time teaching and coaching.							
6	<i>Example of contingent rewards:</i> Provides me with assistance in exchange for my efforts.							
7	<i>Example of MBE - active:</i> Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.							
8	<i>Example of MBE - passive:</i> Fails to interfere until problems become serious.							
9	<i>Example of laissez-faire leadership:</i> Avoids getting involved when important issues arise.							
11	<i>Example of extra effort:</i> Gets me to do more than I expected to do.							
12	<i>Example of effectiveness:</i> Is effective in representing me to higher authority.							
13	<i>Example of satisfaction to the leadership:</i> Works with me in a satisfactory way.							

*Thank you very much for your participation.  
Yours sincerely,  
Achmad Sudjadi.*

## APPENDIX 2. DEFINING THE SAMPLE SIZE

The sample size for each organisation is determined by using the formulation as follows:

$$S.E(x) = \sqrt{\frac{\sigma^2}{n}} \times \frac{N-n}{N-1}$$

where:

**N** is the number of units in the population

**n** is the number of units in the sample

$\sigma$  is the standard deviation

S.E(x) is the standard error of the mean

According to the formulae, we have known the number of population, whilst the standard deviation and standard error of the mean may be found from the pilot test. Standard error and standard deviation of transformational leadership: 0.05 and 0.71. Therefore, the sample size can be found as follows.

### 1. University:

$$0.05 = 0.71 / (\sqrt{n-1}) \times \sqrt{(N-n)/(N-1)}$$

$$0.0025 = (0.5041 / n - 1) \times (1454 - n) / 1453$$

$$(0.0025 n - 0.0025) \times 1453 = 0.5041 (1454 - n)$$

$$3.6325 n - 3.6325 = 732.9614 - 0.5041 n$$

$$4.1366 n = 736.5939$$

$$n = 178.07$$

Sample size of the university = 178 respondents.

### 2. Hospital:

$$0.05 = 0.71 / (\sqrt{n-1}) \times \sqrt{(N-n)/(N-1)}$$

$$0.0025 = (0.5041 / n - 1) \times (1045 - n) / 1044$$

$$(0.0025 n - 0.0025) \times 1044 = 0.5041 (1045 - n)$$

$$2.61n - 2.61 = 526.7845 - 0.5041 n$$



$$3.1141 n = 529.3945$$

$$n = 169.99$$

Sample size of the hospital = 170 respondents.

### 3. Bank:

$$(0.05 = 0.71 / (\sqrt{n - 1}) \times \sqrt{(N - n) / (N - 1)})$$

$$0.0025 = (0.5041 / n - 1) \times (2224 - n) / 2223$$

$$(0.0025 n - 0.0025) \times 2223 = 0.5041 (2224 - n)$$

$$5.5575 n - 5.5575 = 1121.1184 - 0.5041 n$$

$$6.0616 n = 1126.6759$$

$$n = 185.87$$

Sample size of the bank = 186 respondents.

### 4. Oil company:

$$(0.05 = 0.71 / (\sqrt{n - 1}) \times \sqrt{(N - n) / (N - 1)})$$

$$0.0025 = (0.5041 / n - 1) \times (3778 - n) / 3777$$

$$(0.0025 n - 0.0025) \times 3777 = 0.5041 (3778 - n)$$

$$9.4425 n - 9.4425 = 1904.4898 - 0.5041 n$$

$$9.9466 n = 1913.9323$$

$$n = 192.42$$

Sample size of the oil company = 192 respondents.

### 5. Bus service company:

$$(0.05 = 0.71 / (\sqrt{n - 1}) \times \sqrt{(N - n) / (N - 1)})$$

$$0.0025 = (0.5041 / n - 1) \times (4280 - n) / 4279$$

$$(0.0025 n - 0.0025) \times 4279 = 0.5041 (4280 - n)$$

$$10.6975 n - 10.6975 = 2157.548 - 0.5041 n$$

$$11.2016 n = 2168.2455$$

$$n = 193.57$$

Sample size of the bus service company = 194 respondents.

**APPENDIX 2.B.  
SAMPLING PERCENTAGE AND RESPONSE RATE**

ORGANISATIONAL ECHELON		UNIVERSITY	HOSPITAL	BANK	OIL COMPANY	BUS COMPANY
TOP	N	54	48	52	97	44
	n	42	31	44	42	30
	%	78%	65%	85%	43%	68%
MIDDLE	N	136	124	482	263	102
	n	76	52	82	71	33
	%	56%	42%	17%	27%	32%
LOWER	N	1112	822	1492	3091	4042
	n	93	74	120	86	175
	%	8%	9%	8%	3%	4%
LOWEST	N	152	51	198	327	92
	n	72	34	46	52	34
	%	47%	67%	23%	16%	37%
POPULATION		1454	1045	2224	3778	4280
SAMPLED SIZE		446	427	440	492	530
RETURNED COMPLETED QUESTIONNAIRE		283	191	292	251	272
RESPONSE RATE (%)		63	45	66	51	51

Notes:

N = Population within the levels

n = sample size within the levels

% = percentage sampled in each level

**APPENDIX 3.  
DEMOGRAPHIC PROPERTIES OF RESPONDENTS IN THE  
ORGANISATIONS**

**Table A.3.1. Description of age of respondents in each echelon in the organisations**

ORGANISATION	ORGANISATIONAL ECHELON	N	AGE (YEAR)			
			MIN	MAX	AVG.	SD.
1. UNIVERSITY	1	42	38	60	46.83	5.3
	2	76	28	63	41.83	7.22
	3	93	27	54	39.49	5.74
	4	72	25	53	39.25	6.31
2. HOSPITAL	1	31	26	59	43.29	7.52
	2	52	27	53	41.57	6.71
	3	74	23	54	33.45	8.03
	4	34	26	53	40.04	7.62
3. BANK	1	44	31	51	41.14	4.82
	2	82	29	47	37.44	3.65
	3	120	27	49	35.43	4.29
	4	46	28	50	39.85	5.26
4. OIL COMPANY	1	42	34	55	43.63	5.28
	2	71	22	55	41.39	8.3
	3	86	24	54	43.33	6.8
	4	53	29	51	41.29	5.83
5. BUS COMPANY	1	30	23	58	38.5	10.15
	2	33	26	48	35.88	6.08
	3	175	22	74	37.92	7.82
	4	34	24	50	33.74	7.09
<b>TOTAL</b>		<b>1290</b>				



**Table A.3.2. Description of education levels of respondents in each echelon in the organisations**

ORGANISATION	ORGANISATIONAL ECHELON	N	LEVELS OF EDUCATION			
			MIN	MAX	AVG.	SD.
1. UNIVERSITY	1	42	5	6	5.15	0.38
	2	76	3	6	4.05	0.92
	3	93	5	6	5.53	0.5
	4	72	1	3	2.89	0.4
2. HOSPITAL	1	31	3	6	5.39	0.67
	2	52	3	5	3.51	0.61
	3	74	2	4	3.76	0.49
	4	34	1	3	2.58	0.72
3. BANK	1	44	5	6	5.59	0.49
	2	82	4	6	5.22	0.45
	3	120	3	6	4.82	0.43
	4	46	1	4	3.02	0.45
4. OIL COMPANY	1	42	4	6	5.14	0.42
	2	71	3	6	4.32	0.63
	3	86	3	4	3.12	0.32
	4	53	2	3	2.95	0.21
5. BUS COMPANY	1	30	3	6	3.41	1.47
	2	33	2	4	2.91	0.46
	3	175	0	4	2.1	0.89
	4	34	1	2	1.47	0.51

**Level of education**

- 1 = Primary School (Year 6)
- 2 = Junior High School (Year 9)
- 3 = Senior High School (Year 12)
- 4 = Academy /Bachelor
- 5 = Under Graduate (Stratum-1)
- 6 = Post Graduate (Stratum 2 or 3)

**Organisational Echelon:**

- 1 = Top echelon
- 2 = Middle echelon
- 3 = Lower echelon
- 4 = The lowest participants

**Table A.3.3. Description of number of dependant of respondents in each echelon in organisations**

ORGANISATION	ORGANISATIONAL ECHELON	N	N-DEPENDANT (PERSON)			
			MIN	MAX	AVG.	SD.
1. UNIVERSITY	1	42	0	6	2.6	1.38
	2	76	0	4	2.12	1.08
	3	93	0	6	2.08	1.26
	4	72	0	7	2.21	1.35
2. HOSPITAL	1	31	0	5	2.52	1.43
	2	52	0	5	2.18	1.1
	3	74	0	5	1.56	1.15
	4	34	0	4	2.21	1.1
3. BANK	1	44	0	4	2.02	0.93
	2	82	0	5	1.91	1.09
	3	120	0	4	1.61	1.08
	4	46	0	5	2.28	1.22
4. OIL COMPANY	1	42	1	5	2.75	0.84
	2	71	0	7	2.31	1.19
	3	86	1	7	2.99	1.15
	4	53	1	5	2.62	0.93
5. BUS COMPANY	1	30	0	6	3.41	1.47
	2	33	1	5	2.63	1.43
	3	175	1	3	2.38	0.5
	4	34	0	5	1.76	1.33

N-DEPENDENT = Number of dependants

Organisational Echelon:

1 = Top echelon

2 = Middle echelon

3 = Lower echelon

4 = The lowest participants

**Table A.3.4. Description of work experience of respondents in the organisations**

ORGANISATION	ORGANISATION LEVEL	N	WORK EXPERIENCE (YEAR)			
			MIN	MAX	AVG.	SD.
1. UNIVERSITY	1	42	8	28	18.26	5.05
	2	76	2	33	16.43	6.59
	3	93	1	27	12.37	5.11
	4	72	1	28	14.9	5.82
2. HOSPITAL	1	31	5	33	16.26	6.89
	2	52	1	36	17.94	8.02
	3	74	3	32	11.01	7.45
	4	34	1	33	17.36	8.87
3. BANK	1	44	8	27	15.48	4.83
	2	82	3	25	11.7	3.74
	3	120	2	22	10.41	4.21
	4	46	2	25	16.33	5.93
4. OIL COMPANY	1	42	2	34	18.04	7.68
	2	71	1	34	17.31	8.52
	3	86	8	33	21.01	5.86
	4	53	8	33	19.21	5.79
5. BUS COMPANY	1	30	2	24	13.04	6.3
	2	33	2	25	11.16	6.05
	3	175	1	28	8.98	5.51
	4	34	1	10	4.15	2.25

Organisational Echelon:

1 = Top echelon

2 = Middle echelon

3 = Lower echelon

4 = The lowest participants



**Table A.3.5. Composition of sex of respondents in each echelon in organisations**

ORGANISATION	ORGANISATIONAL ECHELON	N	SEX		PERCENTAGE	
			MALE	FEMALE	MALE	FEMALE
1. UNIVERSITY	1	42	34	8	81%	19%
	2	76	54	22	71%	29%
	3	93	60	33	65%	35%
	4	72	45	27	63%	38%
2. HOSPITAL	1	31	28	3	90%	10%
	2	52	24	28	46%	54%
	3	74	28	46	38%	62%
	4	34	9	25	26%	74%
3. BANK	1	44	32	12	73%	27%
	2	82	60	22	73%	27%
	3	120	75	45	63%	38%
	4	46	24	22	52%	48%
4. OIL COMPANY	1	42	40	2	95%	5%
	2	71	63	8	89%	11%
	3	86	85	1	99%	1%
	4	53	50	4	94%	8%
5. BUS COMPANY	1	30	29	1	97%	3%
	2	33	32	1	97%	3%
	3	175	173	2	99%	1%
	4	34	34	0	100%	0%

**Organisational Echelon:**

1 = Top echelon

2 = Middle echelon

3 = Lower echelon

4 = The lowest participants

## **APPENDIX 4**

### **PROCEDURES OF DATA ANALYSIS**

This appendix aims to explain the procedures of data analysis. Data were sorted from the completed returned questionnaire. Every item of the question is compiled according to the relevant variable as shown below.

#### **1. Job Satisfaction**

The questions related with job satisfaction were placed in the questionnaire on Section B. Job satisfaction was classified into two criteria: extrinsic job satisfaction (JS-EXT) and intrinsic job satisfaction (JS-INT). Formulae of the two criteria are as follow.

$$\text{JS-EXT} = \sum \text{scores (items of section B, no. 1 + 3 + 5 + 7 + 9 + 11 + 13 + 15)} / 8$$

$$\text{JS-INT} = \sum \text{scores (items of section B, no. 2 + 4 + 6 + 8 + 10 + 12 + 14)} / 7$$

#### **2. Organisational Commitment**

Items for measuring organisational commitment were plotted in the questionnaire on section C. Organisational commitment was grouped into three elements: affective commitment (AC), continuance commitment (CC), and normative commitment (NC) with the formulae as follow.

$$\text{AC} = \sum \text{scores (items of section C, no. 1 + 2 + 3 + r15 + r16 + r17)} / 6$$

$$\text{CC} = \sum \text{scores (items of section C, no. 4 + 5 + 6 + 7 + 8 + 9)} / 6$$

$$\text{NC} = \sum \text{scores (items of section C, no. 10 + 11 + 12 + 13 + 14 + r18)} / 6$$

'r = reverse score of the items

For example score  $c15 = 1 \rightarrow rc15 = 7$

$c15 = 2 \rightarrow rc15 = 6$

$c15 = 3 \rightarrow rc15 = 5$

$c15 = 4 \rightarrow rc15 = 4$

$c15 = 5 \rightarrow rc15 = 3$

$c15 = 6 \rightarrow rc15 = 2$

$c15 = 7 \rightarrow rc15 = 1$

### 3. Leadership style

Section D of the questionnaire was assessed the leadership style of the superior of and the outcomes of the leadership perceived by respondent. There were 45 questions that can be classified with their formulae as follow:

#### Transformational leadership:

1. Idealised influence attitude (ii\_a) =  $\sum \text{scores } (d10 + d18 + d21 + d25) / 4$
2. Idealised influence behaviour (ii\_b) =  $\sum \text{scores } (d6 + d14 + d23 + d34) / 4$
3. Inspirational motivation (im) =  $\sum \text{scores } (d9 + d13 + d26 + d36) / 4$
4. Intellectual stimulation (is) =  $\sum \text{scores } (d2 + d8 + d30 + d32) / 4$
5. Individualised consideration (ic) =  $\sum \text{scores } (d15 + d19 + d29 + d31) / 4$

Transformational leadership (TR) =  $\sum \text{scores } (ii\_a + ii\_b + im + is + ic) / 5$

#### Transactional leadership:

1. Contingent reward (cr) =  $\sum \text{scores } (d1 + d11 + d16 + d35) / 4$
2. Management by exception active (mbe\_a) =  $\sum \text{scores } (d4 + d22 + d24 + d27) / 4$
3. Management by exception passive (mbe\_p) =  $\sum \text{scores } (d3 + d12 + d17 + d20) / 4$

Transactional leadership (TS) =  $\sum \text{scores } (cr + mbe\_a + mbe\_p) / 3$

#### Laissez-faire leadership

L-F =  $\sum \text{scores } (d5 + d7 + d28 + d33) / 4$

#### Outcomes:

1. Extra Effort (ext\_eff) =  $\sum \text{scores } (d39 + d42 + d44) / 3$
2. Effectiveness (ef\_ness) =  $\sum \text{scores } (d37 + d40 + d43 + d45) / 4$
3. Satisfaction to the leadership (satisfac) =  $\sum \text{scores } (d38 + d41) / 2$



## **Statistics Analysis**

**Variables of the research were analysed by using software Statistical Package for Social Science (SPSS). The data were mainly analysed by using Analysis of Variance (ANOVA), correlation analysis, Tukey's multiple comparison test, and regression analysis.**

## APPENDIX 5. MEANS AND STANDARD DEVIATIONS OF THE RESEARCH VARIABLES

**Table A.5.1. Means and standard deviation of leadership of the organisations**

ORGANISATION		LEADERSHIP STYLE		
		TR	TS	LF
1. UNIVERSITY	Avg.	2.57	1.36	0.68
	Sd.	0.69	0.6	0.49
	n	283	283	283
2. HOSPITAL	Avg.	2.27	1.54	1.01
	Sd.	0.61	0.43	0.73
	n	189	189	190
3. BANK	Avg.	1.99	1.65	1.04
	Sd.	0.71	0.53	0.8
	n	285	292	292
4. OIL COMPANY	Avg.	2.07	1.84	1.06
	Sd.	0.64	0.57	0.77
	n	248	251	252
5. BUS COMPANY	Avg.	1.66	1.97	1.39
	Sd.	0.79	0.93	0.98
	n	272	272	272

TR = Transformational leadership  
 TS = Transactional leadership  
 LF = Laissez-faire leadership

**Table A.5.2. Means and standard deviation of organisational commitment of the organisations**

ORGANISATION		COMMITMENT		
		AC	CC	NC
1. UNIVERSITY	Avg.	5.44	4.57	5.7
	Sd.	0.98	1.13	0.74
	n	283	283	283
2. HOSPITAL	Avg.	5.26	4.82	5.04
	Sd.	0.99	0.94	0.88
	n	191	190	189
3. BANK	Avg.	5.39	4.93	4.92
	Sd.	0.88	0.87	0.89
	n	292	292	292
4. OIL COMPANY	Avg.	5.37	5.12	3.93
	Sd.	1.09	0.89	0.93
	n	252	252	252
5. BUS COMPANY	Avg.	4.63	4.83	2.87
	Sd.	1.15	1.15	1.06
	n	272	272	272

AC = Affective Organisational Commitment  
 CC = Continuance Organisational Commitment  
 NC = Normative Organisational Commitment



**Table A.5.3. Means and standard deviation of job satisfaction of the organisations**

ORGANISATION		JOB SATISFACTION	
		EXTRINSIC	INTRINSIC
1. UNIVERSITY	Avg.	5.19	5.46
	Sd.	0.74	0.7
	n	283	283
2. HOSPITAL	Avg.	4.83	4.8
	Sd.	0.77	0.76
	n	191	188
3. BANK	Avg.	4.92	4.67
	Sd.	0.62	0.79
	n	292	292
4. OIL COMPANY	Avg.	5.01	4.44
	Sd.	0.63	1.02
	n	251	251
5. BUS COMPANY	Avg.	4.76	4.68
	Sd.	1	1.19
	n	272	272

**Table A.5.4. Means and standard deviation of leadership outcomes of the organisations**

ORGANISATION		EXT-EFF	EF-NESS	SATISFY
1. UNIVERSITY	Avg.	2.39	2.67	2.66
	Sd.	0.94	0.92	1.05
	n	283	283	283
2. HOSPITAL	Avg.	2.28	2.47	2.48
	Sd.	0.81	0.83	0.86
	n	191	191	191
3. BANK	Avg.	1.98	2.12	2.07
	Sd.	0.84	0.84	0.97
	n	289	286	291
4. OIL COMPANY	Avg.	2.22	2.2	2.27
	Sd.	0.8	0.82	0.89
	n	251	252	252
5. BUS COMPANY	Avg.	1.87	1.85	1.87
	Sd.	1.13	1.03	1.19
	n	272	272	272

EXT-EFF = Extra Effort

EF-NESS = Leadership effectiveness

SATISFY = Satisfaction to the leadership

## APPENDIX 5.a. MEANS AND STANDARD DEVIATIONS OF THE RESEARCH VARIABLES IN EACH ORGANISATIONAL ECHELON

**Table A.5.a.1. Means and standard deviations of research variables of the top echelon in the organisations**

ORGANISATION	TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. UNIVERSITY	N.	42	42	42	42	42	42	42
	Avg.	2.89	0.39	5.56	4.17	6.26	5.3	5.88
	SD	0.31	0.33	0.94	0.63	0.43	0.67	0.44
2. HOSPITAL	N	31	31	31	31	31	31	31
	Avg.	2.63	1.32	5.41	4.59	5.48	5.09	5.31
	SD	0.46	0.42	0.86	0.95	0.51	0.59	0.48
3. BANK	N	41	44	44	44	44	44	44
	Avg.	2.23	1.85	5.56	4.77	5.00	5.07	4.9
	SD	0.75	0.51	0.98	1.12	0.91	0.65	0.79
4. OIL COMPANY	N	40	42	42	42	42	41	41
	Avg.	2.19	1.87	5.53	4.8	4.54	4.92	4.62
	SD	0.66	0.5	0.87	1.03	0.75	0.78	0.97
5. BUS COMPANY	N	30	30	30	30	30	30	30
	Avg.	2.16	2.07	5.97	5.35	4.56	5.37	5.57
	SD	0.65	0.97	0.74	0.58	0.66	0.62	1.00



**Table A.5.a.2. Means and standard deviations of research variables of the middle echelon in the organisations**

ORGANISATION		TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. UNIVERSITY	N	76	76	76	76	76	76	76	76
	Avg.	2.41	1.33	0.62	5.42	4.67	5.45	5.16	5.14
	SD	0.67	0.59	0.51	0.88	0.94	0.89	0.81	0.78
2. HOSPITAL	N	52	52	52	52	52	52	52	50
	Avg.	2.14	1.5	1.1	5.07	4.97	4.82	4.74	4.66
	SD	0.73	0.46	0.71	1.05	0.97	0.87	0.67	0.78
3. BANK	N	79	82	82	82	82	82	82	82
	Avg.	1.98	1.62	1.02	5.43	4.73	4.90	4.86	4.56
	SD	0.72	0.55	0.87	0.86	0.83	0.97	0.59	0.82
4. OIL COMPANY	N	71	70	71	71	71	71	71	71
	Avg.	2.14	1.89	1.14	5.38	4.94	4.42	5.07	4.8
	SD	0.72	0.54	0.84	1.01	0.8	0.78	0.71	0.89
5. BUS COMPANY	N	33	33	33	33	33	33	33	33
	Avg.	2.04	2.03	1.39	4.32	5.41	3.27	4.44	4.48
	SD	0.72	0.82	0.66	1.03	0.9	0.69	0.83	0.82

**Table A.5.a.3. Means and standard deviations of research variables of the lower echelon in the organisations**

ORGANISATION	TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. UNIVERSITY	N	93	93	93	93	93	93	93
	Avg.	2.72	0.84	5.67	4.44	5.73	5.09	5.64
	SD	0.8	0.52	1.01	1.51	0.6	0.69	0.5
2. HOSPITAL	N	73	73	74	74	72	74	74
	Avg.	2.25	0.98	5.33	4.81	5.03	4.77	4.76
	SD	0.48	0.77	1.01	0.97	0.97	0.85	0.81
3. BANK	N	120	120	120	120	120	120	120
	Avg.	2.04	1.08	5.34	5.04	4.87	4.88	4.66
	SD	0.71	0.79	0.85	0.76	0.80	0.59	0.77
4. OIL COMPANY	N	84	86	86	86	86	86	86
	Avg.	2.04	1.08	5.09	5.16	3.59	5.04	4.82
	SD	0.61	0.75	1.31	0.84	0.87	0.55	0.79
5. BUS COMPANY	N	175	175	175	175	175	175	175
	Avg.	1.63	1.34	4.41	4.57	2.69	4.93	4.87
	SD	0.8	0.94	1.17	1.27	0.91	1.00	1.13

**Table A.5.a.4. Means and standard deviations of research variables of the lowest echelon in the organisations**

ORGANISATION		TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. UNIVERSITY	N	72	72	72	72	72	72	72	72
	Avg.	2.35	1.42	0.69	5.11	4.85	5.61	5.29	5.31
	SD	0.63	0.67	0.44	0.98	0.85	0.69	0.76	0.78
2. HOSPITAL	N	33	34	34	34	33	34	34	33
	Avg.	2.18	1.66	1.05	5.25	4.86	4.95	4.83	4.63
	SD	0.67	0.43	0.82	0.99	0.79	0.81	0.84	0.62
3. BANK	N	45	46	46	46	46	46	46	46
	Avg.	1.69	1.49	0.94	5.30	5.16	4.98	4.96	4.69
	SD	0.58	0.49	0.70	0.91	0.88	0.95	0.70	0.74
4. OIL COMPANY	N	53	53	53	53	53	53	53	53
	Avg.	1.91	1.65	0.87	5.67	5.55	3.33	4.96	3.21
	SD	0.53	0.37	0.72	0.91	0.84	0.68	0.48	0.45
5. BUS COMPANY	N	34	34	34	34	34	34	34	34
	Avg.	0.99	3.24	2.59	4.84	5.12	1.88	3.68	3.12
	SD	0.14	0.22	0.34	0.35	0.33	0.17	0.34	0.32



## Appendix 6. Reliability test of scales in the pilot test:

### 1. Apha' coefficient of job satisfaction scale

		Mean	Std Dev	Cases
1.	B1	6.0385	.7892	182.0
2.	B2	5.7747	.7572	182.0
3.	B3	5.9286	.8542	182.0
4.	B4	5.8681	.8305	182.0
5.	B5	5.8846	.8094	182.0
6.	B6	5.8791	.8899	182.0
7.	B7	5.8462	.8972	182.0
8.	B8	5.8516	.8888	182.0
9.	B9	5.8956	.8764	182.0
10.	B10	5.9011	.8482	182.0
11.	B11	5.6593	.7466	182.0
12.	B12	5.8242	.9530	182.0
13.	B13	5.6593	.8885	182.0
14.	B14	5.7692	.9173	182.0
15.	B15	5.7857	.8689	182.0
16.	B16	5.9121	.8999	182.0

#### Reliability Coefficients

N of Cases = 182.0

Alpha = .9546

N of Items = 16

### 2. Apha' coefficient of organisational commitment scale

		Mean	Std Dev	Cases
1.	C1	6.1429	.8220	182.0
2.	C2	5.7363	.8052	182.0
3.	C3	5.9231	.8761	182.0
4.	C4	6.0165	.8242	182.0
5.	C5	5.5934	.8601	182.0
6.	C6	5.9121	.8999	182.0
7.	C7	5.6154	1.0487	182.0
8.	C8	5.5549	1.2459	182.0
9.	C9	5.5220	1.2469	182.0
10.	C10	5.6978	1.0522	182.0
11.	C11	5.6978	1.0626	182.0
12.	C12	5.8516	.8888	182.0
13.	C13	5.8462	.9683	182.0
14.	C14	4.8626	1.1929	182.0
15.	C15	2.9670	1.8860	182.0
16.	C16	2.9231	1.9651	182.0
17.	C17	2.9945	2.0532	182.0
18.	C18	2.9396	2.0005	182.0

#### Reliability Coefficients

N of Cases = 182.0

Alpha = .6688

N of Items = 18

### 3. Apha' coefficient of MLQ scale

		Mean	Std Dev	Cases
1.	D1	3.0934	.6869	182.0
2.	D2	2.6978	.7447	182.0
3.	D3	2.4396	.9007	182.0
4.	D4	2.4011	1.0238	182.0
5.	D5	2.3407	1.1146	182.0
6.	D6	2.5495	.8828	182.0
7.	D7	2.0659	3.3301	182.0
8.	D8	2.4066	.7650	182.0
9.	D9	2.7088	.7780	182.0
10.	D10	2.4615	.8251	182.0
11.	D11	2.4890	.9088	182.0
12.	D12	2.0879	.9651	182.0
13.	D13	2.6484	.8327	182.0
14.	D14	2.7527	.8600	182.0
15.	D15	2.7033	.8276	182.0
16.	D16	2.6484	.8193	182.0
17.	D17	2.3681	1.0037	182.0
18.	D18	2.4780	.9443	182.0
19.	D19	2.4890	1.0392	182.0
20.	D20	2.1209	1.0389	182.0
21.	D21	2.3407	.8104	182.0
22.	D22	2.4286	.8296	182.0
23.	D23	2.5440	.7694	182.0
24.	D24	1.9286	1.0301	182.0
25.	D25	2.2363	.9249	182.0
26.	D26	2.6758	.8070	182.0
27.	D27	2.4670	.8119	182.0
28.	D28	2.1593	1.0574	182.0
29.	D29	2.5659	.7606	182.0
30.	D30	2.7418	.8306	182.0
31.	D31	2.7363	.8188	182.0
32.	D32	2.8407	.8680	182.0
33.	D33	2.0330	1.7929	182.0
34.	D34	2.5330	.7842	182.0
35.	D35	2.5934	.7577	182.0
36.	D36	2.6758	.7862	182.0
37.	D37	2.6648	.7815	182.0
38.	D38	2.7527	.8001	182.0
39.	D39	2.5824	.8418	182.0
40.	D40	2.6703	.8547	182.0
41.	D41	2.8901	1.6145	182.0
42.	D42	2.8901	.8067	182.0
43.	D43	3.2253	3.2821	182.0
44.	D44	3.0495	1.6663	182.0
45.	D45	2.9945	.9776	182.0

—  
**Reliability Coefficients**

**N of Cases = 182.0**

**Alpha = .9190**

**N of Items = 45**

## APPENDIX 6.A

### RELIABILITIES ESTIMATES FOR THE RESEARCH VARIABLES (COEFFICIENT ALPHA)

SCALE		ORGANISATIONS				
		1. UNIVERSITY	2. HOSPITAL	3. BANK	4. OIL COMPANY	5. BUS COMPANY
JOB SATISFACTION	JS-EXT (8 ITEMS)	0.78	0.79	0.77	0.77	0.82
	JS-INT (7 ITEMS)	0.80	0.89	0.84	0.90	0.86
	JS-OVERALL (16 ITEMS)	0.88	0.89	0.90	0.91	0.91
ORGANISATIONAL COMMITMENT	AC (6 ITEMS)	0.75	0.80	0.83	0.89	0.73
	CC (6 ITEMS)	0.82	0.70	0.77	0.76	0.77
	NC (6 ITEMS)	0.62	0.62	0.76	0.73	0.66
	OVERALL (18 ITEMS)	0.67	0.79	0.86	0.83	0.73
LEADERSHIP STYLES	TR (20 ITEMS)	0.93	0.90	0.93	0.92	0.91
	TS (12 ITEMS)	0.83	0.63	0.69	0.79	0.88
	LF (4 ITEMS)	0.62	0.71	0.78	0.79	0.75
	EXT-EFF (3 ITEMS)	0.74	0.65	0.69	0.71	0.78
	EF-NESS (4 ITEMS)	0.82	0.84	0.85	0.83	0.79
	SATISFAC (2 ITEMS)	0.77	0.64	0.74	0.80	0.68
OVERALL (45 ITEMS)	0.94	0.92	0.94	0.93	0.94	



## APPENDIX 7.1. COMPARISONS OF AGGREGATE VARIABLES BETWEEN ORGANISATIONS

**Table A.7.1.1. COMPARISON OF LEADERSHIP, ORGANISATIONAL COMMITMENT, AND JOB SATISFACTION BETWEEN ORGANISATIONS**

ORGANISATION	N	TR	TS	L-F	COMMITMENT	JOB SATISFACTION
1. UNIVERSITY	283	2.57	1.36	0.68	5.23	5.32
2. HOSPITAL	189	2.27	1.54	1.01	4.81	4.81
3. BANK	292	1.99	1.65	1.04	4.79	4.79
4. OIL COMPANY	251	2.07	1.84	1.06	4.72	4.72
5. BUS COMPANY	272	1.66	1.97	1.39	4.72	4.72
F-ratio		63.48***	37.76***	29.86***	118.61***	29.09***
Tukey's test		1>2* 1>3* 1>4* 1>5* 2>3* 2>4* 2>5* 3<4 3>5* 4>5*	1<2* 1<3* 1<4* 1<5* 2<3 2<4* 2<5* 3<4* 3<5* 4<5	1<2* 1<3* 1<4* 1<5* 2<3 2<4 2<5* 3<4 3<5* 4<5*	1>2* 1>3* 1>4* 1>5* 2<3 2>4* 2>5* 3>4* 3>5* 4>5*	1>2* 1>3* 1>4* 1>5* 2>3 2>4 2>5 3>4 3>5 4<5

\*\*\* significant at  $p < 0.0005$  level

\* significant at  $p < 0.05$  level

**Table A.7.1.2. COMPARISONS OF LEADERSHIP, ORGANISATIONAL COMMITMENT, AND JOB SATISFACTION BETWEEN ECHELONS**

ORGANISATION LEVEL	N	TR	TS	L-F	COMMITMENT	JOB SATISFACTION
1. TOP	189	2.43	1.61	0.78	5.16	5.18
2. MIDDLE	313	2.15	1.63	1	4.95	4.84
3. LOWER	545	2.05	1.67	1.11	4.66	4.94
4. THE LOWEST	237	1.91	1.78	1.1	4.9	4.58
F-ratio		18.288***	2.88*	8.13***	24.29***	20.93***
Tukey's test		1>2*	1<2	1<2*	1>2*	1>2*
		1>3*	1<3	1<3*	1>3*	1>3*
		1>4*	1<4*	1<4*	1>4*	1>4*
		2>3	2<3	2<3	2>3*	2<3
		2>4*	2<4	2<4	2>4	2>4*
		3>4	3<4	3>4	3<4*	3>4*

\*\*\* significant at  $p < 0.0005$  level

\* significant at  $p < 0.05$  level

## APPENDIX 7.2. COMPARISONS OF RESEARCH VARIABLES FOR EACH ECHELON BETWEEN ORGANISATIONS

Table A.7.2.1. Comparisons of research variables of the top echelon between organisations

ORGANISATION	TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. UNIVERSITY(n=42)	2.89	0.97	0.39	5.56	4.17	6.26	5.3	5.88
	Sd	0.34	0.33	0.94	0.63	0.43	0.67	0.44
2. HOSPITAL(n=31)	2.63	1.32	0.9	5.41	4.59	5.48	5.1	5.31
	Sd	0.42	0.56	0.86	0.95	0.51	0.6	0.48
3. BANK(n=41)	2.23	1.85	1.04	5.56	4.77	5	5.07	4.91
	Sd	0.51	0.79	0.98	1.12	0.91	0.65	0.79
4. OIL COMPANY(n=40)	2.19	1.87	1.14	5.53	4.81	4.54	4.92	4.62
	Sd	0.5	0.74	0.87	1.03	0.75	0.78	0.98
5. BUS COMPANY(n=30)	2.17	2.07	0.35	5.97	5.35	4.56	5.38	5.57
	Sd	0.97	0.46	0.74	0.58	0.66	0.62	1
F- ratio	11.64***	24.62***	13.57***	1.73	7.7***	43.163***	2.77	17.29***
Tukey's post hoc test	1>2	1<2	1<2*	1>2	1<2	1>2*	1>2	1>2*
	1>3*	1<3*	1<3*	1<3	1<3*	1>3*	1>3	1>3*
	1>4*	1<4*	1<4*	1>4	1<4*	1>4*	1>4	1>4*
	1>5*	1<5*	1>5	1<5	1<5*	1>5*	1<5	1>5
	2>3*	2<3*	2<3	2<3	2<3	2>3*	2>3	2>3
	2>4*	2<4*	2<4	2<4	2<4	2>4*	2>4	2>4*
	2>5*	2<5*	2<5*	2<5	2<5*	2>5*	2<5	2<5
	3>4	3<4	3<4	3>4	3<4	3>4*	3>4	3>4
	3>5	3<5	3<5*	3<5	3<5	3>5	3<5	3<5*
	4>5	4<5	4>5*	4<5	4<5	4<5	4<5*	4<5*

\*. The mean difference is significant at p< 0.05.

\*\*\*. The mean difference is significant at p< 0.0005.



**Table A.7.2.2. Comparisons of research variables of the middle echelon between organisations**

ORGANISATION	TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. UNIVERSITY(n=76)	X 2.41	1.33	0.62	5.42	4.66	5.45	5.16	5.14
	Sd 0.67	0.59	0.51	0.88	0.94	0.89	0.81	0.78
2. HOSPITAL(n=52)	X 2.14	1.5	1.11	5.07	4.97	4.82	4.74	4.66
	Sd 0.73	0.46	0.71	1.05	0.97	0.87	0.67	0.78
3. BANK(n=79)	X 1.98	1.62	1.02	5.44	4.73	4.9	4.87	4.56
	Sd 0.72	0.55	0.87	0.86	0.83	0.98	0.59	0.82
4. OIL COMPANY(n=71)	X 2.14	1.89	1.14	5.39	4.94	4.42	5.07	4.8
	Sd 0.73	0.54	0.84	1	0.8	0.79	0.71	0.89
5. BUS COMPANY(n=33)	X 2.04	2.03	1.39	4.32	5.41	3.27	4.45	4.48
	Sd 0.72	0.82	0.66	1.03	0.9	0.69	0.83	0.82
F- ratio	3.86*	13.24***	8.06***	.9.98***	4.96***	39.29***	7.33***	6.49***
Tukey's post hoc test	1>2 1>3* 1>4 1>5 2>3 2>4 2>5 3<4 3<5 4>5	1<2 1<3* 1<4* 1<5* 2<3 2<4* 2<5* 3<4* 3<5* 4<5	1<2* 1<3* 1<4* 1<5* 2>3 2<4 2<5 3<4 3<5 4<5	1>2 1<3 1>4 1>5* 2<3 2>4 2>5* 3>4 3>5* 4>5*	1<2 1<3 1<4 1<5* 2>3 2>4 2<5 3<4 3<5* 4<5*	1>2* 1>3* 1>4* 1>5* 2<3 2>4 2>5* 3>4* 3>5* 4>5*	1>2* 1>3* 1>4 1>5* 2<3 2<4 2>5 3<4 3>5* 4>5*	1>2* 1>3* 1>4 1>5* 2>3 2<4 2>5 3<4 3>5 4>5

\*. The mean difference is significant at p< 0.05.

\*\*\*. The mean difference is significant at p< 0.0005.

**Table A.7.2.3. Comparisons of research variables of the lower echelon between organisations**

ORGANISATION	TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. UNIVERSITY(n=93)	2.72	1.5	0.84	5.67	4.44	5.73	5.1	5.65
	Sd	0.57	0.53	1.02	1.51	0.61	0.69	0.5
2. HOSPITAL(n=72)	2.25	1.6	0.98	5.32	4.81	5.03	4.77	4.76
	Sd	0.38	0.77	1.01	0.97	0.98	0.85	0.81
3. BANK(n=120)	2.04	1.66	1.08	5.34	5.04	4.87	4.88	4.66
	Sd	0.51	0.79	0.85	0.76	0.79	0.59	0.77
4. OIL COMPANY(n=86)	2.04	1.9	1.08	5.09	5.16	3.59	5.04	4.82
	Sd	0.7	0.75	1.31	0.85	0.87	0.55	0.8
5. BUS COMPANY(n=175)	1.63	1.69	1.34	4.41	4.58	2.69	4.93	4.87
	Sd	0.81	0.94	1.17	1.28	0.91	1.01	1.13
F- ratio	36.81***	4.52*	6.93***	25.94***	7.51***	262.03***	2.26	19.53***
Tukey's post hoc test	1>2*	1<2	1<2	1>2	1<2	1>2*	1>2	1>2*
	1>3*	1<3	1<3	1>3	1<3*	1>3*	1>3	1>3*
	1>4*	1<4*	1<4	1>4*	1<4*	1>4*	1>4	1>4*
	1>5*	1<5	1<5*	1>5*	1<5	1>5*	1>5	1>5*
	2>3	2<3	2<3	2<3	2<3	2>3	2<3	2>3
	2>4	2<4*	2<4	2>4	2<4	2>4*	2<4	2<4
	2>5*	2<5	2<5*	2>5*	2>5	2>5*	2<5	2<5
	3<4	3<4	3<4	3>4	3<4	3>4*	3<4	3<4
	3>5*	3<5	3<5*	3>5*	3>5*	3>5*	3<5	3<5
	4>5*	4>5	4<5*	4>5*	4>5*	4>5*	4>5	4<5

\*. The mean difference is significant at p< 0.05.

\*\*\*. The mean difference is significant at p< 0.0005.

**Table A.7.2.4. Comparisons of research variables of the lowest participants between organisations**

ORGANISATION	TR	TS	LF	AC	CC	NC	JS-EXT	JS-INT
1. UNIVERSITY(n=72)	X 2.35	1.42	0.69	5.11	4.85	5.61	5.29	5.31
	Sd 0.63	0.68	0.44	0.98	0.85	0.7	0.76	0.78
2. HOSPITAL(n=33)	X 2.18	1.66	1.05	5.25	5.86	4.95	4.83	4.63
	Sd 0.67	0.43	0.82	0.99	0.79	0.81	0.84	0.62
3. BANK(n=45)	X 1.7	1.49	0.95	5.3	5.16	4.98	4.96	4.69
	Sd 0.58	0.49	0.7	0.91	0.88	0.96	0.7	0.74
4. OIL COMPANY(n=53)	X 1.91	1.65	0.87	5.67	5.55	3.33	4.95	3.21
	Sd 0.54	0.37	0.72	0.91	0.84	0.68	0.48	0.45
5. BUS COMPANY(n=34)	X 0.99	3.24	2.59	4.84	5.12	1.88	3.68	3.12
	Sd 0.14	0.22	0.34	0.36	0.33	0.17	0.34	0.32
F- ratio	37.65***	86.7***	60.12***	5.27***	6.93***	193.62***	35.49***	118.99***
Tukey's post hoc test	1>2 1>3* 1>4* 1>5* 2>3* 2>4 2>5* 3<4 3>5* 4>5*	1<2 1<3 1<4 1<5* 2>3 2>4 2<5* 3<4 3<5* 4<5*	1<2* 1<3 1<4 1<5* 2>3 2>4 2<5* 3>4 3<5* 4<5*	1<2 1<3 1<4* 1<5 2<3 2<4 2>5 3<4 3>5 4>5*	1<2 1<3 1<4* 1<5 2<3 2<4* 2<5 3<4 3>5 4>5	1>2* 1>3* 1>4* 1>5* 2<3 2>4* 2>5* 3>4* 3>5* 4>5*	1>2* 1>3* 1>4* 1>5* 2<3 2>4* 2>5* 3>4* 3>5* 4>5	

\*. The mean difference is significant at  $p < 0.05$ .

\*\*\*. The mean difference is significant at  $p < 0.0005$ .



## APPENDIX 7.3. COMPARISONS OF ELEMENTS OF LEADERSHIP BETWEEN ORGANISATIONS

Table A.7.3.1. Comparison of elements of transformational-transactional leadership between organisations (full sample)

ORGANISATION	TRANSFORMATIONAL						TRANSACTIONAL		
	II-A	II-B	IM	IS	IC	CR	MBE-A	MBE-P	
1. UNIVERSITY (N=283)	Mean	2.58	2.87	2.45	2.68	2.27	1.59	1.52	0.95
	SD	0.81	0.74	0.71	0.83	0.84	0.62	0.77	0.75
2. HOSPITAL (N=191)	Mean	2.26	2.48	2.58	2.13	1.86	1.81	1.74	1.06
	SD	0.77	0.69	0.78	0.72	0.8	0.56	0.58	0.65
3. BANK (291)	Mean	1.91	2.15	2.21	2.05	1.65	2.08	1.85	1.02
	SD	0.76	0.79	0.87	0.84	0.81	0.91	0.69	0.66
4. OIL COMPANY (N=249)	Mean	1.86	2.26	2.26	2.11	1.78	2.36	1.92	1.24
	SD	0.69	0.74	0.73	0.72	0.81	0.81	0.76	0.69
5. BUS COMPANY (N=272)	Mean	1.6	1.86	1.76	1.6	1.46	2.37	1.9	1.64
	SD	0.88	0.94	0.98	0.96	0.91	1.05	1.21	0.91
F-RATIO	62.23***	62.35***	35.04***	60.56***	35.63***	44.79***	10.55***	37.32***	
Tukey's test	1>2*	1>2*	1<2	1>2*	1>2*	1>2*	1<2*	1<2*	1<2
	1>3*	1>3*	1>3*	1>3*	1>3*	1>3*	1<3*	1<3*	1<3
	1>4*	1>4*	1>4	1>4*	1>4*	1>4*	1<4*	1<4*	1<4*
	1>5*	1>5*	1>5*	1>5*	1>5*	1>5*	1<5*	1<5*	1<5*
	2>3*	2>3*	2>3*	2>3	2>3	2>3	2<3*	2<3	2>3
	2>4*	2>4*	2>4*	2>4	2>4	2>4	2<4*	2<4	2<4
	2>5*	2>5*	2>5*	2>5*	2>5*	2>5*	2<5*	2<5	2<5*
	3>4	3<4	3<4	3<4	3<4	3<4	3<4*	3<4	3<4*
	3>5*	3>5*	3>5*	3>5*	3>5*	3>5*	3<5*	3<5	3<5*
	4>5*	4>5*	4>5*	4>5*	4>5*	4>5*	4<5	4>5	4<5*

\*. The mean difference is significant at  $p < .05$ .

\*\*\*. The mean difference is significant at  $p < .001$ .



**Table A.7.3.2. Comparison of elements of transformational-transactional leadership between organisations (the lowest participants)**

ORGANISATION	TRANSFORMATIONAL						TRANSACTIONAL			
	II-A	II-B	IM	IS	IC	CR	MBE-A	MBE-P		
1. UNIVERSITY (N=72)	Mean	2.61	2.18	2.5	2.04	1.72	1.49	1.07		
	SD	0.76	0.67	0.71	0.72	0.8	0.8	0.84		
2. HOSPITAL (34)	Mean	2.29	2.18	2.63	1.83	1.87	1.65	1.25		
	SD	1.01	0.63	0.7	0.72	0.89	0.6	0.68		
3. BANK (45)	Mean	1.54	1.94	1.93	1.69	1.38	1.63	0.97		
	SD	0.66	0.66	0.73	0.77	0.67	0.6	0.67		
4. OIL COMPANY(N=53)	Mean	1.77	2.14	2.07	1.94	1.63	1.58	1.04		
	SD	0.65	0.65	0.57	0.63	0.71	0.6	0.52		
5. BUS COMPANY(N=34)	Mean	1.68	1.39	0.68	0.43	0.79	3.6	2.55		
	SD	0.36	0.45	0.43	0.26	0.35	0.26	0.45		
F-RATIO	15.54***	23.05***	45.80***	57.15***	19.70***	55.37***	71.27***	36.38***		
Tukey's test	1>2	1>2*	1<2*	1>2*	1>2	1<2*	1<2	1<2		
	1>3	1>3*	1>3	1>3*	1>3*	1<3	1<3	1>3		
	1>4	1>4*	1>4	1>4*	1>4*	1<4*	1<4	1>4		
	1>5	1>5*	1>5*	1>5*	1>5*	1<5*	1<5*	1<5*		
	2>3	2>3*	2>3	2>3	2>3*	2>3	2>3	2>3		
	2>4	2>4*	2>4	2>4	2>4	2>4	2>4	2>4		
	2>5	2>5*	2>5*	2>5*	2>5*	2<5*	2<5*	2<5*		
	3<4	3<4	3<4	3<4	3<4	3<4*	3>4	3<4		
	3<5	3<5	3>5*	3>5*	3>5*	3<5*	3<5*	3<5*		
	4>5	4>5	4>5*	4>5*	4>5*	4<5*	4<5*	4<5*		

\*. The mean difference is significant at p <.05.

\*\*\*. The mean difference is significant at p <.001.

## Appendix. 8. Correlational Analysis

### Correlations

	TRANSFOR	TRANSAC	L_F	AC	CC	NC	JS_EXTR	JS_INTR
TRANSFOR	1	.281**	-.166**	.240**	-.073**	.437**	.337**	.459**
		.000	.000	.000	.009	.000	.000	.000
	1277	1274	1276	1277	1276	1275	1276	1273
TRANSAC	.281**	1	.445**	-.173**	.262**	-.265**	.044	-.041
	.000	.000	.000	.000	.000	.000	.118	.144
	1274	1287	1287	1287	1286	1285	1286	1283
L_F	-.166**	.445**	1	-.322**	.095**	-.327**	-.226**	-.254**
	.000	.000	.000	.000	.001	.000	.000	.000
	1276	1287	1289	1289	1288	1287	1288	1285
AC	.240**	-.173**	-.322**	1	.009	.449**	.207**	.222**
	.000	.000	.000	.000	.735	.000	.000	.000
	1277	1287	1289	1290	1289	1288	1289	1286
CC	-.073**	.262**	.095**	.009	1	.070*	.240**	.027
	.009	.000	.001	.000	.000	.012	.000	.339
	1276	1286	1288	1289	1289	1287	1288	1285
NC	.437**	-.265**	-.327**	.449**	.070*	1	.305**	.424**
	.000	.000	.000	.000	.012	.000	.000	.000
	1275	1285	1287	1288	1287	1288	1287	1284
JS_EXTR	.337**	.044	-.226**	.207**	.240**	.305**	1	.731**
	.000	.118	.000	.000	.000	.000	.000	.000
	1276	1286	1288	1289	1288	1287	1289	1285
JS_INTR	.459**	-.041	-.254**	.222**	.027	.424**	.731**	1
	.000	.144	.000	.000	.339	.000	.000	.000
	1273	1283	1285	1286	1285	1284	1285	1286

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Correlations**

	TRANSFOR	TRANSAC	L_F	EXT_EFF	EF_NESS	SATISFAC
TRANSFOR	1	.281**	-.166**	.753**	.776**	.746**
Pearson Correlation		.000	.000	.000	.000	.000
Sig. (2-tailed)		1274	1276	1274	1273	1276
N	1277					
TRANSAC	.281**	1	.445**	.342**	.315**	.250**
Pearson Correlation		.	.000	.000	.000	.000
Sig. (2-tailed)		1287	1287	1283	1281	1286
N	1274	1287				
L_F	-.166**	.445**	1	-.074**	-.158**	-.155**
Pearson Correlation		.000	.	.008	.000	.000
Sig. (2-tailed)		1287	1289	1285	1283	1288
N	1276	1287				
EXT_EFF	.753**	.342**	-.074**	1	.804**	.781**
Pearson Correlation		.000	.008	.	.000	.000
Sig. (2-tailed)		1283	1285	1286	1282	1285
N	1274	1283				
EF_NESS	.776**	.315**	-.158**	.804**	1	.814**
Pearson Correlation		.000	.000	.000	.	.000
Sig. (2-tailed)		1281	1283	1282	1284	1284
N	1273	1281				
SATISFAC	.746**	.250**	-.155**	.781**	.814**	1
Pearson Correlation		.000	.000	.000	.000	.
Sig. (2-tailed)		1286	1288	1285	1284	1289
N	1276	1286				

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlations

	TRANSFOR	TRANSAC	L_F	IM	IS	IC	CR	MBE_A	MBE_P
TRANSFOR Pearson Correlation	1	.281**	-.166**	.869**	.884**	.859**	.349**	.326**	-.013
Sig. (2-tailed)	.	.000	.000	.000	.000	.000	.000	.000	.630
N	1277	1274	1276	1277	1277	1277	1277	1275	1276
TRANSAC Pearson Correlation	.281**	1	.445**	.236**	.193**	.320**	.823**	.871**	.734**
Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000	.000	.000
N	1274	1287	1287	1284	1285	1283	1287	1287	1287
L_F Pearson Correlation	-.166**	.445**	1	-.180**	-.159**	-.063*	.144**	.329**	.637**
Sig. (2-tailed)	.000	.000	.	.000	.000	.024	.000	.000	.000
N	1276	1287	1289	1286	1287	1285	1289	1288	1288
IM Pearson Correlation	.869**	.236**	-.180**	1	.716**	.637**	.339**	.283**	-.073**
Sig. (2-tailed)	.000	.000	.000	.	.000	.000	.000	.000	.009
N	1277	1284	1286	1287	1285	1283	1287	1285	1286
IS Pearson Correlation	.884**	.193**	-.159**	.716**	1	.731**	.272**	.219**	-.041
Sig. (2-tailed)	.000	.000	.000	.000	.	.000	.000	.000	.145
N	1277	1285	1287	1285	1288	1284	1288	1286	1287
IC Pearson Correlation	.859**	.320**	-.063*	.637**	.731**	1	.343**	.308**	.115**
Sig. (2-tailed)	.000	.000	.024	.000	.000	.	.000	.000	.000
N	1277	1283	1285	1283	1284	1286	1286	1284	1285
CR Pearson Correlation	.349**	.823**	.144**	.339**	.272**	.343**	1	.623**	.344**
Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.	.000	.000
N	1277	1287	1289	1287	1288	1286	1290	1288	1289
MBE_A Pearson Correlation	.326**	.871**	.329**	.283**	.219**	.308**	.623**	1	.480**
Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.	.000
N	1275	1287	1288	1285	1286	1284	1288	1288	1287
MBE_P Pearson Correlation	-.013	.734**	.637**	-.073**	-.041	.115**	.344**	.480**	1
Sig. (2-tailed)	.630	.000	.000	.009	.145	.000	.000	.000	.
N	1276	1287	1288	1286	1287	1285	1289	1287	1289

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).



## APPENDIX 9. REGRESSION ANALYSIS

Affective Commitment (AC) as a dependent variable:

Model	Un-standardised Coefficients B	Standard Error	Standardised Coefficients Beta	t	Significance
Constant	2.13	0.40		5.29	0.000
Organisation type					
Transformational	-0.29	0.03	-0.39	-9.41	0.000
Transactional	0.16	0.05	0.12	3.12	0.002
Laissez- faire	-0.15	0.07	-0.10	-2.69	0.007
Extrinsic job satisfaction	-0.24	0.04	-0.18	-6.12	0.000
Intrinsic job satisfaction	0.002	0.05	0.001	0.04	0.970
Continuance Commitment	0.007	0.05	-0.007	-0.17	0.868
Normative Commitment	-0.04	0.03	-0.05	-1.65	0.100
Organisational level	0.44	0.03	0.56	12.85	0.000
Age	0.11	0.04	0.10	3.08	0.002
Sex	0.009	0.007	0.06	1.43	0.154
Level of education	-0.04	0.07	-0.02	-0.70	0.482
Number of dependant	0.04	0.03	0.06	1.67	0.095
Work experience	-0.07	0.02	-0.09	-3.19	0.001
	0.006	0.006	0.05	0.94	0.347
R-square	0.30				
Adjusted R-square	0.30				
SE of Estimate	0.89				
Durbin-Watson	1.45				
F	36.13				
Significant	.000				
Degree of freedom	1161;14				

**Continuance Commitment (CC) as a dependent variable:**

Model	Un-standardised Coefficients B	Standard Error	Standardised Coefficients Beta	t	Significance
Constant	2.23	0.39		5.71	0.000
Organisation type	0.11	0.03	0.16	3.65	0.000
Transformational	-0.45	0.05	-0.34	-9.28	0.000
Transactional	0.61	0.05	0.41	11.68	0.000
Laissez-faire	-0.04	0.04	-0.03	-1.05	0.295
Extrinsic job satisfaction	0.46	0.05	0.35	8.91	0.000
Intrinsic job satisfaction	-0.19	0.04	-0.18	-4.35	0.000
Organisational level	0.04	0.04	0.04	1.17	0.244
Age	-0.01	0.01	-0.06	-1.31	0.191
Sex	-0.01	0.06	-0.02	-0.78	0.433
Level of education	-0.06	0.03	0.09	-2.38	0.69
Number of dependant	-0.04	0.02	-0.06	-2.14	0.032
Work experience	0.02	0.01	0.14	3.35	0.001
Affective Commitment	-0.04	0.03	-0.05	-1.65	0.100
Normative Commitment	0.34	0.03	0.45	9.99	0.000
R-square	0.28				
Adjusted R-square	0.27				
SE of Estimate	0.87				
Durbin-Watson	1.71				
F	32.63				
Significant	0.000				
Degree of freedom	1161;14				

**Normative Commitment (NC) as a dependent variable:**

Model	Un-standardised Coefficients B	Standard Error	Standardised Coefficients Beta	t	Significance
Constant	1.34	0.33		4.10	0.000
Organisation type	-0.47	0.02	-0.49	-21.18	0.000
Transformational	0.19	0.04	0.11	10.17	0.000
Transactional	-0.19	0.05	-0.09	-9.34	0.000
Laissez-faire	-0.02	0.03	0.014	-0.12	0.467
Extrinsic job satisfaction	0.05	0.04	0.03	1.78	0.284
Intrinsic job satisfaction	0.17	0.04	0.12	5.65	0.000
Organisational level	-0.09	0.03	-0.07	-3.24	0.001
Age	0.006	0.005	0.03	1.17	0.242
Sex	0.14	0.05	0.05	2.69	0.007
Level of education	0.15	0.02	0.15	6.86	0.000
Number of dependant	-0.003	0.005	-0.03	-1.47	0.143
Work experience	0.003	0.005	0.02	0.67	0.500
Affective Commitment	0.29	0.02	0.22	12.85	0.000
Continuance Commitment	0.24	0.02	0.18	9.99	0.000
R-square	0.72				
Adjusted R-square	0.72				
SE of Estimate	0.73				
Durbin-Watson	1.61				
F	214.95				
Significant	.000				
Degree of freedom	1161;14				

**Extrinsic Job Satisfaction (JS\_EXT) as a dependent variable:**

Model	Un-standardised Coefficients B	Standard Error	Standardised Coefficients Beta	t	Significance
Constant	.87	0.22		4.03	0.000
Organisation type	.06	.017	0.12	3.77	0.000
Transformational	0.02	0.03	0.03	.90	0.368
Transactional	0.03	0.03	0.02	0.87	0.386
Laissez-faire	-0.07	0.02	-0.08	-3.35	0.001
Organisational level	0.07	0.02	0.09	3.51	0.000
Age	-0.003	0.003	-0.02	-0.75	0.454
Sex	-0.02	0.04	-0.01	-0.56	0.575
Level of education	0.01	0.02	0.03	0.96	0.339
Number of dependant	0.004	0.01	0.01	0.35	0.729
Work Experience	0.01	0.003	0.12	3.86	0.000
Affective Commitment	0.0006	0.02	0.001	0.04	0.970
Continuance Commitment	0.14	0.02	0.19	8.91	0.000
Normative Commitment	0.02	0.02	0.04	1.07	0.284
Intrinsic job satisfaction	.58	0.02	0.73	32.24	0.000
R-square	0.61				
Adjusted R-square	0.61				
SE of Estimate	0.48				
Durbin-Watson	1.67				
F	132.03				
Significance	.000				
Degrees of freedom	1161;14				



**Intrinsic Job Satisfaction (JS\_INT) as a dependent variable:**

Model	Un-standardised Coefficients B	Standard Error	Standardised Coefficients Beta	t	Significance
Constant	0.85	0.26		3.28	0.001
Organisation type	-0.04	0.02	-0.05	-1.75	0.080
Transformational	0.24	0.03	0.19	7.43	0.000
Transactional	-0.08	0.04	-0.06	-2.32	0.021
Laissez-faire	-0.005	0.03	-0.004	-0.19	0.851
Organisational level	-0.12	0.02	-0.11	-4.93	0.000
Age	0.01	0.004	0.09	3.06	0.002
Sex	0.003	0.04	0.001	0.07	0.943
Level of education	-0.06	0.02	-0.09	-3.60	0.000
Number of dependant	0.01	0.02	0.01	0.67	0.505
Work Experience	-0.02	0.004	-0.17	-6.04	0.000
Affective Commitment	-0.003	0.02	-0.003	-0.17	0.868
Continuance Commitment	-0.08	0.02	-0.09	-4.35	0.000
Normative Commitment	0.11	0.03	0.15	4.62	0.000
Extrinsic job satisfaction	0.82	0.03	0.65	32.24	0.000
R-square	0.66				
Adjusted R-square	0.65				
SE of Estimate	0.57				
Durbin-Watson	1.42				
F	159.03				
Significance	0.000				
Degrees of freedom	1161;14				

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