RELATIONSHIP BETWEEN LEADERSHIP STYLES, EMOTIONAL INTELLIGENCE AND ORGANISATIONAL COMMITMENT IN SMALL AND MEDIUM-SIZED ENTERPRISES

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ABSTRACT

The main objective of this study is to investigate the relationship between leadership styles, emotional intelligence and organisational commitment in medium-sized manufacturing enterprises located in Selangor. A total of 408 employees comprising of executives and non-executives participated in this research. The employees were given a set of questionnaires which comprised of Multifactor Leadership Questionnaire (MLQ – 5X) by Avolio and Bass (2004), Genos Emotional Intelligence Questionnaires by Palmer and Stough (2006), Organisational Commitment questionnaires by Meyer and Allen (1997) and demographic questionnaires. Out of 408 questionnaires received from the respondents only 373 were usable for this study. The collected data were analysed using SPSS version 20. Descriptive statistics, correlation and regression analysis were carried out to analyse the data. This study found that there were significant positive relationships between i) transformational leadership and organisational commitment, ii) transactional leadership and organisational commitment, iii) transformational leadership and emotional intelligence, iv) transactional leadership and emotional intelligence and v) emotional intelligence and organisational commitment. In this study, the findings showed that emotional intelligence partially mediated the relationship between leadership styles and organisational commitment. The test using Baron and Kenny (1986) showed that emotional intelligence only partially mediated the relationship between leadership styles and organisational commitment. The findings can be generalised as follows i) transformational and transactional leadership styles were the dominant form of leadership styles displayed by the managers of medium-sized enterprises ii) emotional intelligence of managers do have an effect on the organisational commitment of the employees iii) leadership styles of managers do determine the organisational commitment of employees. The findings showed that managers need to transcend their leadership style from transactional leadership to transformational leadership in order to enhance the commitment level of employees from moderate to high level. In ensuring that medium-sized enterprises continue to contribute to national economy, the human resource department should emphasize on developing and conducting appropriate training on leadership and emotional intelligence of the managers. This study also provides an opportunity to expand the research to other industries within SMEs such as services, constructions, agriculture and telecommunications.

Keywords: transformational leadership, transactional leadership, emotional intelligence and organisational commitment

ABSTRAK

Objektif utama kajian ini adalah untuk menyelidik perhubungan antara corak kepimpinan, kecerdasan emosi dan komitmen organisasi di perusahaan perkilangan bersaiz sederhana yang terletak di Selangor. Sejumlah 408 orang pekerja yang terdiri dari golongan eksekutif dan bukan eksekutif telah mengambil bahagian dalam penyelidikan ini. Mereka telah diberi satu set soal selidik yang terdiri dari Soal Selidik Kepimpinan Pelbagai Faktor (MLQ – 5X) oleh Avolio dan Bass (2004), Soal Selidik Kecerdasan Emosi Genos oleh Palmer dan Stough (2006), Soal Selidik Komitmen Organisasi oleh Meyer dan Allen (1997) dan soal selidik demografi para responden. Dari sejumlah 408 soal selidik yang diterima daripada responden-responden, hanya sejumlah 373 sahaja yang dapat digunakan untuk kajian ini. Data yang telah dikutip dianalisa menggunakan SPSS versi 20. Perangkaan deskriptif, analisis korelasi dan regresi telah dijalankan untuk menganalisa data. Kajian ini telah menunjukkan bahawa terdapat perhubungan positif yang penting di antara: (i) kepimpinan transformasi dan komitment organisasi, (ii) kepimpinan transaksi dan komitmen organisasi, (iii) kepimpinan transformasi dan kecerdasan emosi, (iv) kepimpinan transaksi and kecerdasan emosi dan (v) kecerdasan emosi dan komitmen organisasi. Hasil kajian ini, menunjukkan bahawa kecerdasan emosi menjadi pengantara perhubungan di antara corak kepimpinan dan komitmen organisasi. Ujian menggunakan Baron dan Kenny (1986) telah menunjukkan bahawa kecerdasan emosi hanya menjadi separa pengantara perhubungan sahaja di antara corak kepimpinan dan komitmen organisasi. Secara umum, hasilnya boleh disimpulkan seperti berikut: (i) corak kepimpinan transformasi dan transaksi adalah corak kepimpinan berbentuk dominan yang ditunjukkan oleh pengurus-pengurus perusahaan bersaiz sederhana, (ii) kecerdasan emosi pengurus-pengurus ada mempunyai kesan ke atas komitmen organisasi oleh pekerja-pekerja dan (iii) corak kepimpinan pengurus-pengurus menentukan komitmen organisasi oleh pekerja-pekerja. Hasil kajian menunjukkan bahawa pengurus-pengurus perlu mengubah corak kepimpinan mereka yang berbentuk transaksi ke kepimpinan transformasi untuk meningkatkan kadar komitmen oleh pekerja-pekerja dari paras sederhana ke paras tinggi. Dalam memastikan perusahaan bersaiz sederhana terus menyumbang terhadap ekonomi kebangsaan, jabatan sumber manusia perlu memberi penekanan terhadap pembangunan dan perlaksanaan latihan yang bersesuaian dengan kepimpinan dan kecerdasan emosi pengurus-pengurus. Kajian ini juga memberi satu peluang untuk memperluaskan penyelidikan dalam industri-industri lain di dalam SMEs seperti perkhidmatan, pembinaan, pertanian dan telekomunikasi.

Kata kunci: kepimpinan transformasi, kepimpinan transaksi, kecerdasan emosi dan komitmen berorganisasi

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LIST OF ABBREVIATIONS

AC   Affective commitment

CC   Continuance commitment

CR   Contigent reward

EI   Emotional intelligence

ESA   Emotional self awareness

EE   Emotional expression

EAO   Emotional awareness of others

ER   Emotional reasoning

ESM   Emotional self-management

EMO   Emotional management of others

ESC   Emotional self-control

IA   Idealised attributes

IB   Idealised behaviours

IC   Intellectual consideration

IM	Inspirational motivation
IS	Intellectual stimulation
LF	Laissez-faire
LS	Leadership styles
KMO	Kaiser-Meyer-Olkin
MBEA	Management-by-exception - Active
MBEP	Management-by-exception - Passive
MLQ	Multifactor Leadership Questionnaire
NC	Normative commitment
OC	Organisational Commitment
OCQ	Organisational Commitment Questionnaire

CHAPTER ONE

INTRODUCTION

"[Leaders we admire] all build relationships and inspire us to give our best. Even though managers can be leaders it is not their managerial talent that inspires you to think of them as leaders. Usually, it is an interpersonal skill, a behavior that is expressed in such a way that it elicits our choice to follow, to be influenced, to admire unselfconsciously." – John Nirenberg (2003)

1.1 Background of the Study

Chapter One provides an introduction to the three main variables in this study, namely: organisational commitment, leadership styles and emotional intelligence. The present research was undertaken to look into the role of emotional intelligence of leaders as perceived by their employees in medium sized enterprises to determine the level of organisational commitment among employees.

Organisational commitment has been one of the key research areas in the field of human resource management, organisational behaviour and industrial psychology (Allen & Meyer, 1996; Mowday, Porter & Steers, 1979; Porters, Steers, Mowday & Boulian, 1974; Beyer, Stevens, & Trice, 1978). According to Meyer, Stanley, Herscovitch and Topolnytsky (2002), it has been established through two decades of research that organisational commitment is one of the most significant predictors of favourable and unfavourable consequences in an organisation. In their study, they found that employees who display higher levels of affective commitment tend to perform better than those with weaker levels of affective commitment. Mathieu and Zajac (1990) reported in their study that organisational commitment is linked favourably to employees' job performance, job satisfaction and motivation and linked unfavourably to absenteeism and turnover.

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According to Becker and Gerhart (1996), the organisational and individual behaviours of employees could be explained by organisational commitment. It has been found that there is lower turnover of employees if the organisational commitment is remarkable and intact (Mathieu & Zajac, 1990). Organisational commitment can be defined as the extent to which employees are prepared to contribute and remain loyal to the organisation. In order to achieve organisational effectiveness, it is important that the employees have a sense of belonging towards the organisation. This will enable them to focus all their efforts on their work and the organisation. Organisational commitment not only encourages individuals to achieve success, but also reduces employee absenteeism and turnover and increases productivity (Jernigan, Beggs and Kohut, 2002). Organisational commitment can also be said to be the desire of the employees to continue to remain and work for the organization (Porter, 1968). Jernigan, Beggs and Kohut (2002) reported that organisational commitment encourages employees to perform at higher levels in order to ensure continued survival of the organisation and to minimise absenteeism and turnover rate.

According to some research findings, there is a significant link between organisational commitment and effective leadership (Lok & Crawford, 1999; Lo, Ramayah & Min, 2009). The commitment of individuals towards an organisation could be increased in the presence of a leader with strong leadership qualities. It has been posited that the level of organisational commitment of employees will determine the productivity and performance of a firm (Bushra, Usman & Naveed, 2011). According to Bass, Avolio, Jung and Berson (2003), leadership is considered as one of the most significant factors

that contributes towards employees' attitude in the organisation. Therefore, leadership is an important determinant of organisational commitment.

According to Earle (1996), in order to achieve organisational success, there is a need for the top management to display good leadership qualities and create a good working environment. The owner and/or manager will be able to increase his employees' job satisfaction level by providing a better working environment and effective leadership. A study by Rad and Yarmohammadian, (2006) and Yiing and Kamarul Zaman (2009) evidenced that high employee satisfaction could be achieved through effective leadership. According to Pool and Pool (2007) and Yousef (2000), employee loyalty towards an organisation could be enhanced through organisational commitment which in turn would enable the organisation to retain talented employees and build a strong workforce.

It is generally believed that leadership skills are inborn in humans and cannot be acquired through training (Mohd Fazli, Md. Nor & Kamaruddin, 2012). A leader generally determines the future and success of an organisation (Fiedler, 1996; Idris & Ali, 2008). It has been reported that research on leadership has been mainly carried out in the United States (US), Western Europe and Latin America (Dorfman & House, 2004; Yukl, 2002, Hofstede, 1993). According to Dorfman and House, (2004) and Kropp, Lindsay and Shoham (2008), not much research has been done about leadership in South Asian, African, Arab and Eastern European countries Jamilah Othman, D'Silva and Kabeer (2012) reported that the leadership styles of the top management contribute significantly to the growth and development of SMEs. Therefore, it is necessary to carry out research

because the impact of leadership styles in SMEs in developing countries is still not well understood (Idris & Ali, 2008; McPherson, 2008; Smith, 2007).

According to Mosadeghrad (2003), leadership style is considered as the way leaders think and behave in an organisational environment. The success of an organisation could be determined by the leadership styles of the manager. Using the correct leadership styles, managers can enhance employee commitment and productivity, thereby increasing the level of job satisfaction of employees (Mosadeghrad & Yarmohammadian, 2006).

Cooper (1998), in his study stated that if the emotions of the employees are managed effectively, it will have a positive effect on them by their demonstrating a high level of trust, loyalty and commitment towards the organisation. Organisations must take into consideration the level of emotional intelligence among leaders and leadership competency in the rapidly changing globalised world, where there is stiff competition and the need to keep up with advanced technologies. Over the last few decades, intelligence quotient (IQ) has been linked to intelligence. Current researchers have found that IQ score is not the only dimension to measure intelligence. According to Samad (2009), having the required skills and IQ are not sufficient; employees need to possess the right personality and emotions to face challenges. According to Mayer, Salovey and Caruso (2004), emotional intelligence is the unique intersection of intelligence and triumph of heart over head. Khokhar and Kush (2009), in their study, stated that the level of a person's emotional intelligence will demonstrate an individual's performance at the workplace. This has been further supported by Bostjancic (2010), that the emotional

intelligence of leaders has an effect on the employee's behaviour and commitment towards the organisation.

Mayer and Salovey (1993) postulated the construct of emotional intelligence which is "the subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and use this information to guide one's thinking and actions". It has been proven that individuals who are emotionally intelligent are able to better cope with their daily lives and are more productive (Abraham & Rebecca, 1999).

According to the study carried out by Jamilah Othman, D'Silva and Kabeer Abdullahi Mohammed (2012); Idris and Ali (2008); McPherson, (2008); and Smith, (2007), there is a plethora of evidence which demonstrates that the leadership styles of top management contribute significantly to the growth and development of SMEs, but the impact of leadership styles in SMEs in developing countries is not well understood.

Therefore, this study is undertaken to find out the relationship between leadership styles and organisational commitment and the mediating effect of emotional intelligence on this relationship in SMEs.

SMEs were chosen for the present research because it has been reported that for the purpose of driving industrial development, SMEs are the backbone of the economic growth of a nation (SME Annual Report, 2011/2012). SMEs are also the engine of

growth for most countries globally, for example, SMEs account for almost 90 percent of all enterprises. For instance, in the US, it is 99 percent (Henemen, Tansky & Camp, 2000); in China 99 percent (Cunnignham & Rowley, 2008); in Europe 99 percent (Rauch & Frese, 2000); in Holland 95 percent; in the Philippines 95 percent; and in Taiwan 96.5 percent (Lin, 1998). In Malaysia, 99.2 percent (Man, 2007); National SME Development Council (NSDC) (2009); Ali Salman and Ndubisi, 2006) of the businesses are represented by SMEs. From the above figures, it can be seen that SMEs have a significant contribution to the business sector and to the national economy of most countries worldwide. According to Sandberg, Vinberg and Pan (2002), the performance of small businesses are defined based on their ability to create employment opportunities and wealth through business start-up, survival and sustainability.

The Malaysian government has been committed to the development and growth of SMEs through the implementation of the New Economic Policy since 1971 with the main aim to uplift the welfare of the people and to restructure the economic disparity among the different ethnic groups in the country. The development of SMEs has been one of the main commitments given by the Malaysian Government through the implementation of the second Industry Master Plan (IMP2) which came to an end in 2005; this was followed by the introduction of the third Industry Master Plan (IMP3) from 2006-2020 under the 9th Malaysian Plan. Under this programme, the government allocated RM3.8 billion (2008) and RM11.9 billion (2010) to boost the growth and development of SMEs.

As reported in the SME annual report of 2011/2012, in 2010, SMEs represented approximately 97.3 percent of the business establishments in Malaysia and contributed 32.5 percent to the Gross Domestic Product (GDP) and 57.3 percent of the total employment in 2011. The SMEs' GDP growth was contributed by all sectors. The manufacturing sector recorded the highest growth (7.6 percent) followed by both the agriculture and services sector (each 6.4 percent). SMEs' focus on the services sector increased from 87 percent in 2003 to 90 percent 2010. This was followed by a growth of six percent in the manufacturing sector, three percent in the construction sector and one percent and 0.1 percent in the agriculture and mining and quarrying sectors, respectively.

The Department of Statistics has reported that the main economic activities of SMEs that contribute to GDP are the manufacturing and service sectors and both these sectors play a significant role in the development of the national economy. In the services sector, SMEs are mainly in the distributive trade subsector which includes mainly wholesale and retail services, followed by food and beverages services and transportation and storage services. Under the manufacturing sector, SMEs are involved mainly in apparel, food products and fabricated metal and printing and reproduction of recorded media. As for the construction sector, SMEs are mainly in the special trades subsector and under the agriculture sector, most of the SMEs are in the agricultural crops subsector (SME Annual Report, 2011/2012)

Due to the high representation of SMEs in Malaysian business, the performance of SMEs is critical in ensuring that Malaysia achieves its target of a high income country by 2020.

Under the New Economic Model (NEM) and the Tenth Malaysian Plan (10MP), SMEs are expected to continue to contribute significantly to the Malaysian economy. In order to achieve competitive advantage and to improve their performance, SMEs need to have the capability to manage their available resources effectively (Nazlina, Siti Rohaida & Aizzat, 2011).

Although SMEs have the strong support of the government, they are still facing an uphill task in running their operations. According to Hashim (2000), the problems and challenges faced by SMEs are caused by both internal and external factors, including poor management, low technology, lack of capabilities and resources, competition, socio-cultural and international factors. Ghosh and Kwan (1996) stated in their study, that the main challenges facing Malaysian SMEs are high operational costs, shortage of employees and external competition. Generally, the external factors are beyond the control of SMEs but the owners and/or managers are in a position to be able to control the internal factors by capitalising on their strengths and minimising their weaknesses (Kee & Azura, 2011).

In view of the important role played by SMEs in the country's economic growth, it is necessary to identify the factors that contribute towards the excellent performance of top SMEs. Hashim and Zakaria, (2010) identified the key success factors that contribute to excellent performance: employee commitment, employee involvement, strong and supportive leadership, encouragement of new ideas, open communication among employees and conflict management.

There are several studies on SMEs and some of these are:

Moha (1999) studied "SMEs' policies and challenges"; Hall (2002) focused on "The Profile of SMEs and SME issues "; Ali and Ndubisi (2006) did a study on "The evaluation of SME development; Rose, Kumar and Lim (2006) conducted their study on "Success factors of entrepreneurs and escalation of SMEs"; Hall and Wahab (2007) did research on "The influences on the survival and failure of small firms"; Alias, Mimiliana and Amin Mahir (2008) focused their study on "Technical efficiency of SMEs"; Fazli and Khairul Anuar (2008) researched on "The impacts of leadership style and best practices on company performances"; Noor Hazlina, Ramayah, Wilson and Kummerow (2009) conducted their study on "Entrepreneurial competency and business success relationship"; Salahudin, Abdullah ,Baharin, Harun, and Taufek (2009) carried out their research on "Occupational content and turnover intention: A case study of small and medium sized enterprises"; Roslan (2010), carried out a study on "The mediating effects of entrepreneurial orientation on the relationship between leadership styles and performance of SMEs in Malaysia" and Tee, Anantharaman and Yoon (2011) focused their study on "The level of emotional intelligence among executives in SMEs".

Although there are several researches conducted on leadership in SMEs in Malaysia as discussed above, not many have focused on the relationship between emotional intelligence of leaders and its effect on organisational commitment.

In order to further understand the role of emotional intelligence of leaders of SMEs in Malaysia, this study focuses on the mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment.

1.2 Problem Statement

Based on the studies carried out on SMEs in Malaysia, there is significant evidence to indicate that there is a lack of commitment among employees in the SMEs. This phenomenon of poor commitment is manifested through the high percentage of employee turnover in the SMEs. According to Mustapha and Abdullah (2005), there has been an increase in the number of employees job-hopping especially in the manufacturing sector.

In another study carried out by Salahudin, Abdullah, Baharin, Harun, and Taufek (2009), the turnover of employees in SMEs ranged from 3 percent to 27 percent. In a report by the World Bank on developing countries, it was stated that the SMEs in Malaysia displayed a high turnover of employees where 19 percent of the turnover was in the small enterprises and 22 percent in the medium-sized enterprises (Long & Thean, 2011). According to Long and Thean (2011), high employee turnover will prevent the organisation from achieving its predetermined objectives and goals. Iverson and Buttigieg (1999) reported that employees with high organisational commitment display a positive attitude and are more receptive to changes in the organisation.

For more than a decade, researchers have undertaken studies on the link between organisational commitment and behaviours and attitudes of employees together with other several situational factors (Bateman & Strasser, 1984).

Organisational commitment is considered as one of the main factors in the relationship between individuals and firms. Organisational commitment encourages the attachment of an employee to the firm (Raju & Srivastava, 1994; Mowday, 1998). The commitment of employees is demonstrated by the willingness of employees to continue their attachment with the organisation and contribute substantially towards achieving the organisation's goals (Raju & Srivastava, 1994; Mowday, 1998). According to these authors, if employees were to exercise extraordinary levels of effort together with a remarkable level of organisational commitment, there is a great possibility that this will lead to high levels of performance at both individual and organisational levels.

In most organisations, employee commitment can be influenced by several factors, for example, commitment towards career, manager, job and profession (Meyer & Allen, 1997). Organisational commitment is also the commitment of the employees to the organisation.

Commitment has been defined in various ways. In one of the earlier researches (Angle & Perry, 1981; Mowday, Porter & Steers, 1979), commitment is considered as multidimensional in nature, which involves the inclination of the individual to expend effort on behalf of the firm; demonstrates the employee's loyalty towards the firm; level

of goal and value consonance with the organisation; and aspiration to preserve membership (Porter, Crampon & Smith, 1976; Porter, Steers, Mowday & Boulian, 1974).

The fascination for studying organisational commitment can be explained by a number of reasons. Organisational commitment has been consistently shown to be linked to: (a) employee behaviours, such as job search activities, turnover and absenteeism, and to a lesser extent, performance effectiveness (Abelson & Sheridan, 1981; Angle & Perry, 1981; Bluedorn, 1982; Farrell & Rusbult, 1981); (b) cognitive, attitudinal and affective constructs, such as job involvement, job stress and job satisfaction (Hall & Schneider, 1972; Hrebiniak & Alutto, 1972; Porter, Steers, Mowday & Boulian, 1974; Stevens, Beyer & Trice, 1978; Stone & Porter, 1976); (c) features of the employee's job and role, including autonomy and responsibility (Koch & Steers, 1978), job variety and task identity (Steers, 1977), and role conflict and ambiguity (Morris & Koch, 1979; Morris & Sherman, 1981); and (d) individual attributes of the employee, such as age, sex, need for achievement and job tenure (Angle & Perry, 1981; Hall & Schneider, 1972; Hrebiniak & Alutto, 1972; Koch & Steers, 1978; Sheldon, 1971; Steers, 1977).

In view of the above links of organisational commitment to other factors, it is imperative that a detailed study on the operation of this major dimension be undertaken. Morris and Sherman (1981) reported that an individual's performance and turnover could be determined effectively by organisational commitment.

Mowday, Porter and Steers (1982) stated in their research that one of the best predictors of turnover is organisational commitment. Meyer and Herscovitch (2001) and Allen and Meyer (1990) found that there is a positive relationship among affective commitment and turnover, job satisfaction, organisational citizenship behaviour and absenteeism.

Mathieu and Zajac (1990) recorded in their study that if the individual's organisational commitment is high, then the organisation will be able to minimise turnover or there will not be any turnover. According to Wu, Tsai, Fey and Wu (2006) organisational commitment can be strongly influenced by the leadership style of the leaders.

Clayton, Petzall, Lynch and Margret (2007) stated that job turnover, job satisfaction, job performance, personality and motivation of the individual are strongly related to his or her level of commitment to the organisation. Bennet and Durkin (2000) stated that poor employee commitment can be linked to negative characteristics, such as turnover and absenteeism. According to Jernigan, Beggs and Kohut, (2002), it is important to have organisational commitment in order to reduce turnover rate and absenteeism.

Kwon and Banks (2004) stated that organisational commitment results in significant outcomes, such as reduced turnover, increased motivation, higher organisational behaviour and organisational support. According to Chew and Chan (2008) and Das, (2002), there are several studies which have stated that organisational commitment is a strong determinant of organisational success. Pascal, Pierre-Sebastien and Lamontagne

(2011) reported that if the employee's commitment is high towards the organisation, it will reduce the employee's intention to leave.

From the plethora of literature reviewed on organisational commitment, there is adequate evidence to show that there is a direct relationship between organisational commitment and employee turnover.

For an organisation to maximise human capital and to gain competitive advantage, it is essential that the leadership styles should encourage employee commitment. Leadership styles are considered key elements in determining organisational performance (Ireland & Hitt, 2005). There are many different types of leadership styles and it is not an easy task to determine which leadership style is superior (Bourantas & Papadakis, 1996; Lowe, Kroeck & Nagaraj, 1996). According to Bass (1985), there are three main leadership styles: transactional, transformational and passive-avoidant (laissez-faire) styles, which have significant influences on the performance of an organisation.

Previous literature and researches have shown that there is a positive and direct relationship between leadership styles and organisational commitment. According to Bass, (1985) and Yammarino and Bass (1990), transformational leadership is characterised by the willingness of the followers to expend extra effort, indicating that they are committed to the organisation.   .

Billingsley and Cross (1992) reported that there is a positive relationship between a leader's support and commitment. According to Wu, Tsai, Fey and Wu (2006), organisational commitment is strongly associated with leadership styles, thereby affecting the followers' service attitude and willingness to work. It has been found that employees are far more committed to the organisation if they have confidence in their leaders.

In a study carried out by Lok and Crawford (1999) on the level of consent to and conflict with managerial strategy, it was reported that there is a significant relationship between leadership and commitment.

This was further supported by Walumba and Lawler (2003), who found that leaders are able to increase the motivation level of their subordinates and at the same time, enhance their organisational commitment by getting them to participate in solving problems creatively.

According to Lee (2004), transformational leadership style is correlated significantly with organisational commitment, but the same was not observed between transactional leadership and organisational commitment. Lee (2004) stated that transformational leaders are able to influence their subordinates' commitment when they motivate them to think and analyse critically.

Ekaterini (2010) reported that there is a high and positive association between leadership styles and organisational commitment. Sabir, Sohail and Asif Khan (2011) reported that leadership styles are a precedent to organisational commitment.

From the above literature, there is significant evidence to support the findings that with the right kind of leadership style, leaders will be able to enhance organisational commitment of employees.

Apart from organisational commitment, the other problem identified in previous literature on SMEs is poor leadership. Several studies have shown that only ten percent of the SMEs were able to continue in their business beyond the 10 year mark. Rose, Kumar and Lim (2006) reported that in the year 2002, 79,310 SME businesses were discontinued due to their inability to cope with an organised and professionally managed workforce. Holland (1998) cited in a research study carried out by Dun and Bradsheet that almost 88.7 percent of small businesses failed due to poor leadership. Ahmad and Seet (2009) reported that there is neither comprehensive research undertaken nor statistics available on the failure of SMEs in Malaysia; however based on a Portal Komuniti KTAK (2006), the rate of failure of SMEs is said to be around 60 percent. The productivity of large companies was higher than the productivity of SMEs (SMECensus, 2011). SMEs' labour productivity was only one-third that of large firms.   The high failure rate of SMEs not only has far reaching consequences on the country's economic growth but also on the unemployment rate and the wealth of the owner and/or manager of the SMEs.   Gallato, Rashid, Suryasaputra, Warokka, Reamillo and Haim (2012) found that one of the top five

reasons for the failure of SMEs is ineffectiveness and incompetence of managers in the field of human resource management (HRM) and general management. Managerial incompetence and ineffectiveness have a strong and potential influence on the level of job satisfaction and commitment among employees.

Apart from the relationship between organisational commitment and leadership styles, the present study also looks into the role of emotional intelligence in facilitating this relationship. Mayer and Salovey (1990) incorporated the concept of emotional intelligence in a scientific literature for the first time. Emotional intelligence has been identified as being able to enhance the quality of interpersonal relationships, to further enhance job performance and effectiveness of the management (Mayer, Caruso & Salovey, 1999; Mayer, Salovey & Caruso, 2004) and enable the organisation to achieve success (Goleman, 1995, 1998a, 1998b, 2000).

In order to display good leadership, it is necessary for a leader to display a high level of emotional intelligence. Leban and Zulauf (2004) found that when a person's level of emotional intelligence is high, he or she will be able to perform well in his or her work. According to Niroshaan and Fekken (2002), emotional intelligence can positively contribute to the success of a leader. Emotional intelligence has been identified as one of the key elements in determining an effective leader, as effective leaders can monitor and motivate their subordinates (Hsu, Chen, Wang & Lin, 2010). Emotional intelligence also plays an important role in the change management process (Hawkins & Dulewicz, 2009).

Several studies have established a positive relationship between emotional intelligence and organisational commitment. Jordan, Ashkanasy and Hartel (2002) found that when individuals display high levels of emotional intelligence, they can maintain affective commitment in the workplace.

Humphreys, Brunsen and Davies (2005) studied direct healthcare employees and found that there is a positive correlation between emotional intelligence and organisational commitment. In a research conducted on public sector employees, the findings were similar (Adeyemo, 2007).

Based on the above literature, it can be established that leaders with high emotional intelligence can enhance employee commitment at the workplace.

Apart from studying the effect of leadership styles on organisational commitment, the present study also examines the mediating effect of emotional intelligence on leadership styles and organisational commitment. There have been many studies on the direct relationship between: emotional intelligence and organisational commitment; and leadership styles and organisational commitment; but there are not many studies on the mediating effect of emotional intelligence on leadership styles and organisational commitment in relation to SMEs in Malaysia. This represents a significant gap in the research in this area.

This study is undertaken to examine the level of emotional intelligence of the managers in medium-sized enterprises as perceived by their employees and how the managers'leadership styles and emotional intelligence influence the employees' organisational commitment.

1.3 Research Questions

This study attempts to answer the following research questions:

1.3.1   Is there a significant relationship between leadership styles (transformational, transactional and passive-avoidant) of managers and organisational commitment of employees in the medium-sized enterprises?

1.3.2   Which among the leadership styles (transformational, transactional and passive avoidant) is the best predictor of organizational commitment?

1.3.3   Is there a significant relationship between leadership styles (transformational, transactional and passive-avoidant) and the three dimensions of organisational commitment (AC, CC and NC)?

1.3.4   Is there a significant relationship between leadership styles and the emotional intelligence of managers of medium-sized enterprises?

1.3.5   Which among the leadership styles (transformational, transactional and passive-avoidant) tends to display a better level of emotional intelligence?

1.3.6   Is there a significant relationship between emotional intelligence of managers and organisational commitment of employees of medium-sized enterprises?

1.3.7   Is there a significant relationship between emotional intelligence and the three dimensions of organisational commitment (AC, CC and NC)?

1.3.8 Are leadership styles and emotional intelligence significant predictors of organisational commitment?

1.3.9 Is emotional intelligence a significant mediator in the relationship between leadership styles and organisational commitment?

1.3.10 What is the level of organisational commitment among employees in the selected medium-sized enterprises?

1.3.11 What are the leadership styles (transactional, transformational and passive-avoidant) of managers of medium-sized enterprises perceived by employees?

1.3.12 What is the level of emotional intelligence of managers of medium-sized enterprises as perceived by the employees?

1.3.13 Do demographic factors have an influence on leadership styles, emotional intelligence and organisational commitment?

1.4 Research Objectives

1.4.1 To determine the relationship between leadership styles of managers and the organisational commitment of the employees in medium-sized enterprises

1.4.2 To determine the relationship between emotional intelligence of managers and the organisational commitment of the employees in medium-sized enterprises.

1.4.3 To determine whether leadership styles and emotional intelligence are significant predictors of organisational commitment.

1.4.4 To explore whether emotional intelligence is a significant mediator in the relationship between leadership styles and organisational commitment.

1.4.5   To determine the leadership styles and level of emotional intelligence of managers and the organisational commitment of the employees in the medium-sized enterprises.

1.5   Significance of the Study

The overriding importance of this study is in improving the management of SMEs through the understanding of leadership roles and organisational commitment. The results of this research will provide more concrete understanding of the role of emotional intelligence and leadership styles on organisational commitment. The findings can be used by SMEs and business organisations for more effective management of their organisations and in the selection of leaders for their organisations. Retaining and keeping good employees in the SMEs are vital for the continuous development of SMEs. The knowledge on how leadership styles and emotional intelligence affects organisational commitment can help in this effort.

1.5.1 The Theoretical Contribution of the Study

From the theoretical view point, this study will further contribute to the limited literature in developing countries on the impact of emotional intelligence and leadership styles on organisational commitment. The role of leadership styles and the interaction with emotional intelligence in influencing organisational commitment has been analysed. From the literature, it is observed that most of the research on leadership were carried out in Latin America, East Asian countries, Western Europe and the US (Dofman and House, 2004; Yukl, 2002, Hofstede, 1993). According to Doffman and House (2004), and

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Kropp, Lindsay and Shoham (2008), there is still a lack of research on leadership in South Asian, African, Arabian and Eastern European countries. In view of this, it is necessary to carry out research on leadership in these countries, including Malaysia, involving specific industries under SMEs (Idris & Ali, 2008; Mc Pherson, 2008; Smith, 2007). Most of the research carried out in relation to leadership styles, emotional intelligence and organisational commitment, have been either in Thailand, Taiwan or in western countries, mainly in different industries or sectors and not specifically in SMEs. A research on emotional intelligence was carried out in SMEs in Malaysia (Tee, Anantharaman and Yoon, 2011), but the research covered only the executives.

This study will contribute further to the existing body of knowledge by determining whether the emotional intelligence of leaders of SMEs and their leadership styles influence organisational commitment. Apart from that, this study will also contribute to the body of knowledge related to the contribution of SMEs to the economic growth of the nation. The results of this study can be used by SMEs to demonstrate the importance of emotional intelligence among leaders in enhancing organisational commitment of the employees.

1.5.2 The Practical Contribution of the Study

The practical significance of this study will be the insight into new relationships between leadership styles and emotional intelligence that contribute to organisational commitment of employees in SMEs. It is also necessary to understand the impact of the emotional intelligence of the leaders in SMEs in maintaining high employee commitment. The

leaders of SMEs will be able to use the information from this study to understand how employees respond to leadership styles and emotional intelligence of leaders and its effect on their job satisfaction and employee commitment. The positive outcome of this research should be able to promote training programmes in emotional intelligence for both the leaders and employees to foster organisational performance through enhanced employee commitment. The related practical implication of this study is concerned with the use of employees' ratings of their leaders' level of emotional intelligence. The findings of this research can be used to enhance the organisational commitment and performance of employees in SMEs and also in the selection of leaders for managing SMEs.

1.6   Scope of the Study

This study is undertaken to examine the relationship between managers' emotional intelligence, their leadership styles and the organisational commitment in medium-sized enterprises located in Selangor. According to the data provided by the Department of Statistics, the main economic activities of medium-sized enterprisess that contribute to the GDP are manufacturing and service sectors and both are considered as vital growth engines to spur the national economy. The manufacturing sector was selected as it employed approximately 700,000 employees (SME Annual Report, 2011/12), representing six percent of the total SMEs in Malaysia (37861), and contributing the highest to SMEs' GDP growth (7.6 percent). SMEs in the manufacturing sector are mainly found in the consumer industries, namely food products, clothing and textiles and construction related products.

In identifying potential medium-sized manufacturing companies for this study, the list of 175 names of medium-sized manufacturing companies located in Selangor given by SMECorp was utilized as the sampling frame of this study. The companies for this study were selected through simple random sampling and the selected companies were located at Shah Alam, Klang, Semenyih, Puchong, Bandar Baru Bangi and Batu Caves. Most of these companies are involved in manufacturing of auto parts, food and beverage, electrical components, wood products, machine parts and plastic products.

The respondents of this study were the employees (non-managerial level) of these randomly selected medium-sized enterprises from the manufacturing sector only.

The data was collected by using demographic questionnaire, Multifactor Leadership Questionnaire (MLQ - 5X) by Avolio and Bass (2004) (Appendix 2), Organisational Commitment Questionnaire by Allen and Meyer (1996) (Appendix 3) and Emotional Intelligence Self-Assessment Questionnaire using the Genos EI Questionaire by Palmer and Stough (2006) (Appendix 4). These questionnaires have been validated by previous researchers, and thus their validity is well accepted.

1.7 Definition of Key Terms

For the purpose of this research, the various operational terms used are as follows:

1.7.1 Organisational Commitment (OC)

According to Mowday, Porter and Steers (1979), organisational commitment is defined as the relative power in the involvement and identification of an individual in an organisation and this can be identified by three factors:

i. A strong acceptance and belief of the organisation's goals;

ii. A strong feeling of maintaining membership in the organization; and

iii. The willingness to exercise effort on behalf of the organisation.

1.7.1.1 Affective Commitment (AC)

This is defined as the employees' involvement, attachment and identification with the organisation (Meyer and Allen, 1991).

1.7.1.2 Continuance Commitment (CC)

This refers to the situation whereby the longer the employees stay with the organisation, the more they accumulate investments, such as time, job effort and organisation specific skills, which can be costly to lose (Meyer and Allen, 1991).

1.7.1.3 Normative Commitment (NC)

This construct can be defined as the desire or an obligation to continue employment with the organization (Meyer and Allen, 1991)

1.7.2 Leadership

It is a process where the leaders and followers interact with each other and the leader influences the followers towards achieving a common objective (Northhouse, 2010; Yukl, 2002).

1.7.2.1 Leadership Styles

The leadership styles consist of transactional, transformational and passive-avoidant styles. These leadership styles can influence the success or the performance of an organisation.

1.7.2.2 Transactional Leadership

This is an exchange or transaction process between followers and leaders. Transactional leaders are able to identify the basic needs and wishes of their followers. The leaders make it clear how these desires and needs could be satisfied in exchange for meeting specified objectives or by carrying out certain duties. Transactional leaders are good at keeping the organisation functioning smoothly and efficiently (Daft, 2005).

Dimensions of Transactional Leadership

There are three dimensions which were proposed by Avolio and Bass (1990), which include contingent rewards, management by exception (active) and management by exception (passive).

> **Contingent Reward**

Leaders give clear guidance on the work that has to be accomplished and good performance is rewarded.

> **Management by Exception (Active)**

Under this leadership style, the leader continuously monitors and guides the performance of the followers and ensures that they meet the standards set.

1.7.2.3 Transformational Leadership

This leadership is characterised by the ability to bring about significant change in the vision, strategy and culture of the organisation. Leaders also help to set goals as well as provide guidance towards change while managing the transition effectively (Moorhead & Griffin, 1995).

Dimensions of Transformational Leadership

> **Idealised Influence (Attributes and Behaviours)**

Defines and formulates the vision by motivating the followers to work selflessly in order to achieve common objectives of the organisation. Under idealised influence the leader shows willingness to take risks and demonstrates high ethical standards and moral conduct. The leader is revered, respected and trusted for his or her values and ethical principles. Such a leader always takes into consideration the need of the followers first rather than his or her own needs.

➢ **Idealised Attributes (IA)**

- Associating with the leader instils pride in the followers.

- Displays selfless character and works towards the best interest of the group.

- Behaviour of the leader makes others respect him/her.

- Exhibits a strong character that portrays a high level of confidence and power.

➢ **Idealised Behaviours (IB)**

- Highlights the leader's most important values and beliefs.

- Emphasises the importance of having a strong desire to achieve goals.

- Takes into consideration the ethical and moral effects of decision-making.

- Stresses the significance of having a common sense of direction.

➢ **Inspirational Motivation (IM)**

Is based on how the leaders inspire and motivate their subordinates towards achieving the goals and vision. The leaders talk very positively and optimistically about the future. They also portray enthusiasm and optimism of the future.

➢ **Intellectual Stimulation (IS)**

The leaders stimulate creativity and innovation in their followers by questioning assumptions and addressing the old approaches in new ways. Subordinates are inspired to put into practice new concepts to solve problems. In identifying problems and finding solutions, the leaders try to obtain creative ideas and solutions from the

followers. The leaders also get their followers to view the problems from different perspectives.

> **Individualised Consideration (IC)**

The leaders give special attention to each of their followers' needs for growth and achievement by taking the role of a mentor or coach. The leader helps to develop high potential and create new learning opportunities. The differences in the individual desires and needs are taken into consideration.

1.7.2.4 Passive Avoidant Leadership (PA)

In this type of leadership, the leader shows very low levels of any kind of activity and denotes avoidance or absence of leadership. According to Avolio and Bass (2004), this leadership style is comparable to "no leadership at all".

> **Laissez-faire Leadership**

Under laissez-faire leadership, the decision making is given to the followers and they receive little guidance from the leaders. This type of leadership leads to low productivity among the followers.

> **Management by Exception (Passive)**

Refers to a situation where leaders intervene only when a problem arises.

1.7.3   Emotional Intelligence

There are several definitions for emotional intelligence. According to Bar-On *et. al.,* (2000), emotional intelligence is defined as "as an assortment of emotional, social and personal abilities and skills that influences an individual's ability to challenge and cope with external pressures and demands in effective ways."

Khalili (2011) in his paper titled, "Examining the relevance of emotional intelligence and organisational commitment among employees of Small and Medium Enterprises in the private sector", quoted the definition of emotional intelligence given by Salovey and Mayer (1990) as part of social intelligence which demonstrates one's ability to monitor and control his or her own feelings and emotions and others' feelings and emotions.

1.7.4   Non-managerial Category

In this study, non-managerial category of employees is defined as employees who fall either under the category of executives or non-executives (below managerial level)

1.7.5   Firm, company and enterprise

All these three terms are used interchangeably to refer to organisation.

1.7.6   For the purpose of this study where relevant "**leaders**" refers to "**managers**"

1.8   Organisation of the Dissertation

This dissertation is structured into five chapters.

Chapter 1 – Introduction

The introduction provides the background information on the subject of the study. It discusses the research problem together with the research objectives and research questions. Apart from that, this chapter states the significance of the study (theoretical and practical implications of the study), scope of the study and concludes with the definition of terms used in the study.

Chapter 2 – Literature Review

This chapter discusses and explains the relevant and suitable literature relating to SMEs, organisational commitment, leadership styles and emotional intelligence.

Chapter 3 –   Methodology

This chapter describes the research methodology used in the study. In this chapter, the issues discussed are as follows: the suitable research framework to be used, the research design, the survey instruments, the sample used, the data collection methods and the methods of analysing the data.

Chapter 4 – Results and Discussion

This chapter gives the findings of the survey and the detailed analysis of the findings. It discusses the outcomes of the hypotheses testing.

Chapter 5 – Conclusions and Recommendations

This chapter outlines the conclusions and recommendations made on the subject matter. It contains amongst others, the implications of the study, limitations of the study and the recommendation for future research.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature pertinent to this research, which starts with a brief background on SMEs in Malaysia followed by the relevant literature on organisational commitment, emotional intelligence and leadership styles.

This chapter first focuses on the conceptualisation of organisational commitment by researching its gradual development over the last 25 years while taking into consideration various definitions and previous research on organisational commitment. Following this is the review on the development of contemporary approaches to leadership and previous research carried out by other researchers on leadership. Finally this section addresses the concept of emotional intelligence of leaders in an organisation and the various researches conducted on emotional intelligence. Under the Literature Review, the relationship between leadership styles and organisational commitment, leadership styles and emotional intelligence and emotional intelligence and organisational commitment are discussed in greater detail.

2.2 Background of Small and Medium Enterprises in Malaysia

In Malaysia, the most common form of enterprise is the SME. SMEs are common in most sectors of the Malaysian economy, which include the manufacturing, service, agriculture, raw materials and general business sectors. For the period 2005-2011, the SME GDP grew at an average annual growth rate of 6.3 percent, above the 4.5 percent

average growth rate in the overall economy. Due to this, the SME contribution to the economy saw an increase from 29.4 percent in 2005 to 32.5 percent in 2011 (SME Annual Report, 2011/2012). The highest growth was seen in the manufacturing sector followed by construction and service sectors. Following the implementation of the government stimulus package, there was a strong growth in the performance of SMEs in the manufacturing sector (SME Annual Report, 2011/2012). Growth in the services sector was contributed by motor vehicle distribution and trade, transport and storage and accommodation and restaurants sub-sectors.

2.2.1 Profile of SMEs

The SMEs in Malaysia are defined based on their size and turnover and classified into two main categories (SMIDEC, 2004):

2.2.1.1 Manufacturing, manufacturing-related services and agro-based industries, which have either:

- Fulltime employees between 51 and 150; or
- An annual sales turnover of between RM 10 million and less than RM 25 million

The new definition of a medium-sized enterprise effective I January 2014 is as follows: Sales turnover from RM15 million to not exceeding RM50 million or full-time employees from 75 to not exceeding 200.

For the purpose of this research the old definition of medium-sized enterprise is used.

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2.3 Organisational Commitment

2.3.1 Introduction

Currently there is sufficient attestation of the benefits of a highly committed workforce (Meyer and Maltin, 2010). It has been proven in meta-analytic reviews on organisational commitment that highly committed employees tend not to leave the organisation and choose to continue to provide their services (Mathieu & Zajac, 1990). According to Meyer, Stanley, Herscovitch and Topolnytsky, (2002), committed employees look forward to go to work and are unlikely to be absent from work. They perform effectively and are good organisational citizens (Meyer, Stanley, Herscovitch & Topolnytsky, 2002; Riketta, 2002).

Organisational commitment can be alluded to as an employee's faith and confidence in the organisation's objectives and values, intention to stay on as a member of the organisation and continue to be loyal and faithful to the organisation (Mowday *et al.,* 1982). According to Scholl (1981), the definition of organisational commitment depends on the commitment that one is abiding to. Organisational commitment can be defined as a power that is able to enhance the relationship between employee and a company.

In order to comprehend the theoretical background, the origins and developments in organisational commitment studies, this section provides the review of literature carried out by various researchers on organisational commitment, including: review of definitions, background, contemporary theories, the three-component model and the

multidimensional construct developed by Meyer and Allen (1991), and finally, the review of researches carried out by other researchers.

2.3.2   Psychological Linkages in the Employment Relationship

According to Herriot (2001), employment relationship is considered as the relationship between human beings, and thus is exposed to basic psychological limitations. In recent years, there has been increased attention on employment relationships, such as organisational identification, internalisation, organisational commitment and psychological ownership (Sparrow & Cooper, 2003).

These dimensions are considered to be conceptually different and each of them explains various types of psychological linkages to the organisation. "Organisation identification" explains how an individual identifies himself or herself based on the organisation's characteristics; "internalisation" defines how the employees adopt the values and goals of the organisation; "organisational commitment" is said to be the employees' interest in maintaining their relationship and continue to be employed by the organization; and finally, "psychological ownership" is the sense of ownership or sense of belonging that the employees have towards the organisation (Pierce, Kostova & Dirks, 2001).

These psychological relationships are seen as a form of a psychological contract where there is no written agreement between the individual and the organisation. It is considered as the mutual obligations and expectations between employees and the organisation. These obligations and expectations form the psychological basis for

employees to continue to be committed to the organisation and to display positive behaviours (Cohen, 2003; Raja, Johns & Natlianis, 2004).

Although all these relationships have significant contributions to the organisational research, "organisational commitment" is considered to be the most researched and measured employee-organisation relationship. For decades, organisational commitment has been the key factor in understanding the individual and organisational performance (Gallagher & Parks, 2001).

It has been argued that significant emphasis has been given to "organisational commitment" by researchers due to the fact that "organisational commitment" has been empirically tested, is theory-based and is considered as an important dimension with a significant integrative and predictive potential to several variables and work attitudes, such as turnover and absenteeism (Cohen, 2003).

According to Mowday *et al.,* (1982), gaining adequate knowledge on the processes linked to organisational commitment can have significant consequences on the employee and the organisation. It was found that the level of organisational commitment of employees could be enhanced through psychological rewards which are linked to membership in the firm and intrinsic factors related to job satisfaction and affiliations with co-workers.

2.3.3 Definitions of Organisational Commitment

In order to conceptualise organisational commitment, the initial step is to define organisational commitment. The growing interest in the study of the commitment of employees at the workplace has provided the conceptual richness of its definition and this has contributed to the various approaches in defining and measuring organisational commitment (Cohen, 2003). This section provides the several definitions of organisational commitment propounded by different researchers.

According to Porter *et al*. (1974), organisational commitment "Enhances an individual's identification with and involvement in a particular organisation."

Mowday, Steers and Porter (1979), stated that organisational commitment has three factors: (1). willingness to exercise considerable effort in support of the organization; (2). a strong affinity to maintain membership in the organization; and (3). a strong conviction in and acceptance of the organisation's goals and values.

According to Mowday Porter, and Steers, (1982, p.20), "researchers from various disciplines ascribed their own meanings to the concept, thereby increasing the complexity involved in understanding the construct".

Reichers (1985, p. 468) stated that "organisational commitment is a behaviour which is visible when organisational members are committed to existing groups within the organisation".

O'Reilly and Chatman (1986, p.17) defined organisational commitment as "an individual's psychological bond to the organisation, including a sense of job involvement, loyalty and belief in the values of the organisation". From this point of view, organisational commitment can be characterised as the employees' willingness to accept the organisational goals and their eagerness to exercise extra effort on behalf of the organisation (Miller & Lee, 2001).

Meyer and Allen (1991) defined organisational commitment based on the three-component model which includes affective, continuance and normative aspects.

Firestone and Pennell (1993) defined organisational commitment as a psychological bond where there is an intrinsic attachment and identification of an individual with something outside of oneself.

According to Chow (1994), organisational commitment is the extent to which an employee is willing to be associated with his or her organisation and the managerial goals, displays eagerness to exercise more effort, is involved in the decision-making and incorporates within himself or herself the organisational values.

Meyer and Herscovitch (2001) stated that organisational commitment is considered as the force that binds an individual towards a particular course of action; while Zangaro (2001) stated that an employee could be considered as committed to an organisation if he or she

is willing to continue to be associated with the organisation and contribute his/her effort in achieving the organisational goals and objectives.

The general definition of commitment by Cohen (2003) is that commitment is a force that compels an individual towards a course of action of relevance to one or more targets. This generic definition of commitment can be attributed to the definition of organisational commitment by Arnold (2005, p. 225) which states that it is "the relative strength of an individual's identification with and involvement in the organisation".

According to Miller (2003, p.73), organisational commitment is "a state in which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation".

Based on the review of the literatures and for the purposes of this study, organisation commitment is defined as a psychological bond that exists between an individual and the organisation, characterised by the strong association with the organisation and the eagerness and willingness of the individual to contribute towards achieving the organisational goals.

2.3.4 Background of Organisational Commitment

From the variety of definitions of organisational commitment, a common feature has emerged, namely the view that commitment is a psychological state which demonstrates

the employee's relationship with the organisation and the desire to continue to be a member of the organisation (Meyer & Allen, 1997, p.11).

The concept of organisational commitment has its origin in the work carried out by Barnard (1938), Simon (1945), Etizioni (1961) and Kanter (1968). Barnard (1938) emphasised the significance of conformity between individual desires and the organisational objectives. If an individual believes that the organisation will be able to meet his or her personal needs, then the individual will choose to be part of the organisation. If the organisation fails to fulfill these needs, then the individual may choose to leave the organisation (Barnard, 1938). Barnard (1938) stated that organisational performance is based on the individual's commitment to collaborate and work towards achieving the organisational goals. Sustaining individual commitment is critical for ensuring an organisation's success.

Simon (1945) explored further Barnard's ideas to take into consideration the individual's decision-making as a significant contribution to the organisation. According to Simon (1945), for continued organisational survival, individuals need to take into consideration the organisation's best interest when making decisions.

According to Etzioni (1961), organisational commitment is defined as the positive participation and involvement of an individual in an organisation. Zangaro (2001) mentioned that Etzioni (1961), in his research, had identified three types of involvement: moral involvement, alienative involvement and calculative involvement.

Kanter (1968) stated that there is more than one approach incorporated under organisational commitment. Kanter (1968) determined the behavioural characteristics of organisational commitment as: (1) Continuance commitment, (2) Cohesion commitment; and (3) Control commitment.

Earlier researchers have provided the groundwork for contemporary theories on organisational commitment. In the following section, these theories are explored in greater detail.

2.3.5 Development of Organisational Commitment Theories

There has been an extensive amount of empirical research carried out by academic scholars to establish the link between employee commitment and organisational performance. This is due to the increased desire of employers to have a workforce which is highly committed towards enhancing organisational effectiveness.

The review of the literature on organisational commitment has highlighted the advantages and disadvantages of the theories propounded by Becker (1960), Meyer and Allen (1997) and Somers (2009). In order to further enhance the understanding of the latest development in the study on organisational commitment, this section critiques the contemporary theory and measurement of organisational commitment.

According to Cohen (2003), in the domain of organisational behaviour, commitment is considered as one of the important dimensions in the workplace.

According to Mathieu and Zajac (1990), Morrow (1993) and Sinclair, Tucker, Cullen and Wright (2005) the level of organisational commitment can determine turnover behaviour and organisational citizenship behaviour.

The evolution of organisational commitment can be traced back to the last 50 years from the one-side-bet theory by Becker (1960); affective dependence theory by Porter *et al*. (1974); O'Reilly and Chatman (1986) and Meyer and Allen's (1984, 1990) multi-dimensional theory; Cohen's (2007) two-dimension theory; and Somers' (2009) combined theory. Each of these theories has evolved over three periods and has had a huge influence on the current development of organisational commitment.

2.3.5.1 The Early Period – Commitment as Side-Bets: The Becker's Side-Bet Theory (1960)

The "side-bet" theory propounded by Becker (1960) was the first contemporary theory on organisational commitment. This theory was considered as one of the first endeavours in developing a detailed conceptual framework on organisational commitment by presenting a comprehensive perspective of the employee's affinity towards the organisation (Cohen, 2007). Based on this theory, employees become committed to the firm due to the hidden investments which they have accumulated while being employed in the firm.

Based on the "side-bet" theory, "commitment comes into being when a person, by making a side-bet, links extraneous interests with a consistent line of activity" (Becker, 1960). According to the "side-bet" theory, individuals associate themselves with the organisation through investments such as achievement, reward and time (Becker, 1960).

Due to the cost associated with leaving the organisation (for example, pension plans, seniority and specific knowledge gained in the firm), individuals are bound to the organisation. Employees choose to remain in the organisation because that they fear losing these investments and there are no other alternatives to replace these investments and recover the loss (Cohen, 2007).

Based on this approach, there is a close relationship between the process of commitment and the process of turnover (Cohen, 2007). Organisational commitment has been identified as one of the major reasons for voluntary turnover (Cohen, 2007). This finding is supported by another research which operationalised Becker's theory (Alutto, Hrebiniak & Alluto 1972; Ritzer & Trice, 1969). According to these studies, commitment should be measured by finding out the reasons for the employees to leave the organisation.

Becker's "side-bet" theory has been criticised because it only identified the behaviour of the individual. According to Mowday, Porter and Steers (1979), commitment is an exchange of rewards and payments between individuals and the organisation. It was discovered that the lack of organisational commitment is the main cause of employee turnover.

2.3.5.2   The Middle Era: Porter, Steers, Mowday and Boulian Theory (1974)

Under the second era, the main approach was propounded by Porter *et al.,* (1974). Under this theory, the emphasis on commitment shifted from tangible side-bets to the

psychological attachment the individual had with the organisation (Cohen, 2007). Porter, Steers, Mowday and Boulian (1974) hypothesised organisational commitment based on attitude. This attitudinal approach taken by Porter and his colleagues defined commitment as a focused attitude not tainted by any other constructs, such as behavioural intentions (Cohen, 2007). Following this, Mowday, Porter and Steers (1979), defined commitment as "... the relative strength of an individual's identification with and involvement in a particular organisation..."

Organisational commitment, as defined by Mowday, Porter and Steers (1979), can be identified by three related components: (1) A strong belief in and acceptance of the organisation's goals and values; (2) A willingness to exert considerable effort on behalf of the organisation; and (3) A strong desire to maintain membership in the organisation..." (Mowday, Porter and Steers 1979, p. 226). Even though Porter and colleagues offered a differing opinion of commitment, they continued to support the basic assumption propounded under Becker's theory, of the formidable relationship between organisational commitment and employee turnover.

The instrument used to measure organisational commitment based on the theory propounded by Porter and colleagues is called Organisational Commitment Questionaire (OCQ). Some of its reviews have influenced scholars to be more cautious in using the OCQ.

2.3.5.3 The Third Era: The Multi-Dimensional Approaches – O'Reilly & Chatman (1986) and Meyer & Allen (1984)

In the 1980s, O'Reilly and Chatman (1986) and Meyer and Allen (1984) developed the two key multi-dimensional approaches to organisational commitment. According to Meyer and Herscovitch (2001), other multi-dimensional approaches which existed at that time had very little impact on the multi-dimensional approach propounded by O'Reilly and Chatman (1986) and Meyer and Allen (1984).

2.3.5.3.1 O'Reilly and Chatman's Approach to Organisational Commitment

O'Reilly and Chatman (1986) built their concept from Mowday and his colleagues' organisational commitment theory and viewed commitment as a psychological affinity felt by an individual for the organisation. Organisational commitment is considered as a multidimensional construct through the development of the multidimensional approach (O'Reilly & Chatman, 1986). The foundation of their approach is based on the work of Kelman (1958).

O'Reilly and Chatman (1986), in their study, expressed their opinion on the link between organisational commitment and results. Earlier researchers (Becker 1960; Porter *et al.,* 1974) had highlighted the important determinant of turnover as organisational commitment. O'Reilly and Chatman (1986) said the psychological affinity could lead to other behaviours and referred to organisational citizenship behaviour as a potential outcome of commitment.

According to some studies, there are some problems with the application of O'Reilly and Chatman's scales. According to Cohen (2007), the identification scale did not contribute anything apart from what had already been provided by the OCQ.

Due to the questionable operationalisation of the approach propounded by O' Reilly and Chatman, there have been very few researchers who adopted this approach. The approach taken by Meyer and Allen (1984) became the key approach to the development of commitment as a construct.

2.3.5.3.2 The Meyer and Allen's Three Component Model (1984, 1990)

The multi-dimensional approach undertaken by Meyer and his colleagues is considered the most accepted approach in the study of organisational commitment. Based on Becker's side-bet theory, a new dimension was introduced called the continuance commitment (cost attachment) by Meyer and Allen (1984) in addition to the already existing construct of affective commitment. In view of this, organisational commitment was considered as a bi-dimensional concept that took into account the behavioural and attitudinal aspects. Following this, in 1990, Meyer and Allen incorporated a new third construct called normative commitment (obligation). Meyer and Allen's (1997) theory of organisational commitment states that "by understanding when and how commitments develop and how they shape attitudes and behaviours, organisations will be in a better position to anticipate the impact that change will have and to manage it more effectively". Meyer and Allen (1990, p.252) defined organisational commitment as "a

psychological link between the employee and his or her organisation that makes it less likely that the employee will voluntarily leave the organisation."

They defined affective commitment as "an employee's emotional attachment to, identification with and involvement in the organisation"; continuance commitment as "commitment based on the costs that employees associate with leaving the organisation"; and normative commitment as "an employee's feelings of obligation to remain with the organisation" (Meyer & Allen, 1997, p.67). According to Meyer and Allen (1997), each of these three dimensions (affective, continuance and normative) reflects an individual's intention to continue to remain with an organisation.

Allen and Meyer (1990), considered commitment as a three dimensional construct which has an attitudinal, continuance and normative aspect. Angle and Perry (1981) expressed that different elements within the organisation influence the development of different constructs of organisational commitment. For example, continuance commitment can be induced through compensation practices where the individuals in the organisation do not want to lose their benefits. Normative commitment can be induced through training practices. Other factors that can enhance organisational commitment are trust and leadership (Cohen, 2007).

2.3.6 Organisational Commitment as a Three-Component Model

Allen and Meyer (1990), Meyer and Allen (1991, 1997), Meyer and Herscovitch (2001) developed the three-component model of organisational commitment. The three

dimensions of organisational commitment identified are affective, continuance and normative.
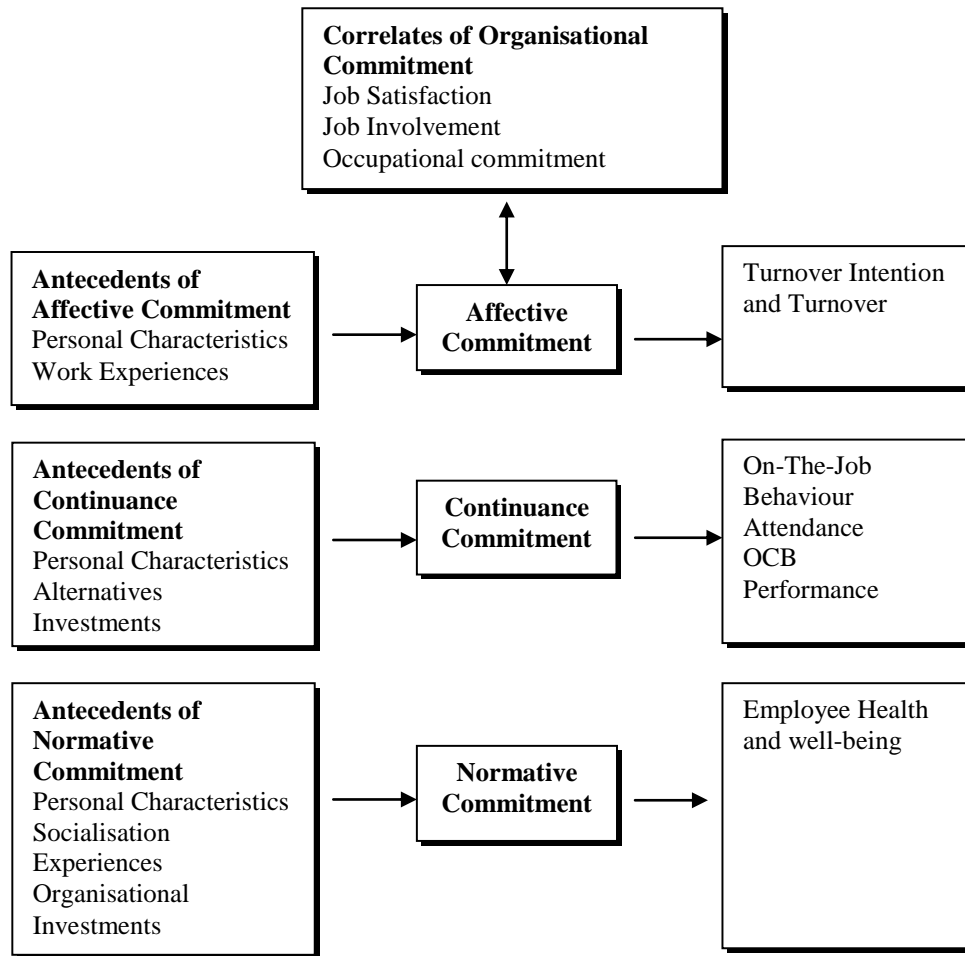
Figure 2.1
A Three-Component Model of Organisational Commitment

Each of these constructs is discussed in detail.

2.3.6.1 Affective Commitment

Affective commitment is referred to as the individual's emotional attachment to and involvement and identification with the organisation (Allen & Meyer, 1990). Affective commitment takes into account three main aspects namely: (1) the development of

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psychological affinity to a firm; (2) association with the organisation; and (3) the wish to remain as a member of the organisation. Individuals, by developing emotional affinity toward a firm, tend to associate themselves with the objectives of the firm and support the firm in achieving these objectives (Allen & Meyer, 1990). When the employees' own values are consistent with the organisation's values, then the employees are able to identify with the organisation and this will enable the individuals to assimilate the values and goals of the organisation. Affective commitment has been linked to a wide range of positive outcomes in relation to absenteeism, turnover, organisational behaviour and job performance (Meyer & Herscovitch, 2001). Positive results can be achieved through affective commitment which can be observed through reduced absenteeism, reduced turnover, better organisational behaviour and organisational effectiveness.

According to Jaros, Jermier, Koehler and Sincich (1993), affective commitment is identified with desirable workplace behaviours, such as lower absenteeism rate, job satisfaction, increased productivity, personnel stability and organisational citizenship behaviour.

There are certain variables that precede affective commitment. The variables can be classified into three main categories, namely: work experiences, organisational characteristics; and personal characteristics (Meyer & Allen, 1991). Personal characteristics are the demographic factors of the employees. It has been reported that the association between demographic factors and affective commitment is neither consistent nor significant (Meyer & Allen, 1991). Affective commitment is higher in

employees who display a high level of confidence in what they do (Mathieu & Zajac, 1990). Employees with a high level of competence have the ablitlity to choose good organsiations, and this in turn will contribute towards affective commitment (Meyer & Allen, 1991).

The demographic profiles that are of interest in this research are age, gender, tenure and education level. Kaldenberg, Becker and Zvonkovic (1995) reported that the age of an employee is a good predictor of commitment. According to their findings, older employees are unable to find alternative jobs; hence they tend not to leave the current job. Mathieu and Zajac (1990) revealed in their study that there is a strong and positive relationship betweeen age and affective commitment. Other studies have shown that there is no relationship between age and organisational commitment. Hawkins (1998) conducted a study among 396 school principals and the results revealed that there was no positive relationship between age and affective commitment. Similar results were reported by Colbert and Kwon (2000). Their study was carried out among 497 internal auditors of colleges and universities. The findings revealed that there is no significant relationship between age and affective commitment. Based on these studies, the relationship between age and affective commitment seems to be inconsistent.

Mathieu and Zajac (1990) and Wahn (1998) found that there is no significant difference between gender and organisational commitment. In relation to organisational tenure, Mathieu and Zajac (1990) and Kushman (1992) found there is a significant relationship between the number of years with the organisation and affective commitment. Under

organisational characteristics, the factors that contribute to affective commitment are structure, culture and organisational policies. When the staff experience support from the company, they tend to display affective commitment because they feel that it is necessary for them to repay the organisation (Meyer & Allen, 1991).

Mathieu and Zajac (1990) investigated the relationship between work experience and affective commitment. They found a positive and significant relationship between job scope (job challenge, degree of freedom and diversity of skills used) and affective commitment. It is reported that the affective commitment of employees tends to be stronger when they are given the opportunity to partake in the decision-making (Rhodes & Steers, 1981).

2.3.6.2 Continuance Commitment

Continuance commitment, the second construct of organisational commitment propounded by Meyer and Allen (1990), is built upon the Becker's side-bet theory. According to this theory, when an individual works for several years in an organisation, he tends to accumulate investments in the form of time, job effort and organisation specific skills which are too costly to lose.

According to Romzek (1990), employees tend to evaluate their investments by looking at what they have contributed towards the organisation and what they would gain by remaining in the organisation and what they would lose if they leave the firm. When an employee feels that he or she does not possess the necessary skills to compete for a job in

any other field, then the employee tends to develop continuance commitment and becomes more committed to the organisation because of the limited opportunities and alternatives (Meyer & Allen, 1990).

It has been reported that employees tend to develop continuance commitment when they perceive that the cost of leaving the organisation is high. The antecedents of continuance commitment are investments and alternative employments.

Investment means the loss incurred by the employees in leaving the organisation (Meyer & Allen, 1990). Invensment can be either work or non-work related. Examples of work related investments are losing a senior position and rewards associated with the position, loss of benefits and incentives.

Meyer and Allen (1997) found in their study that there is a negative correlation between continuance commitment and opportunites to be employed in another organistion. Employees who perceive that they have other alternatives for employment may display a weak continuance commitment.

2.3.6.3   Normative Commitment

Normative commitment is the third construct of organisational commitment. There is limited literature which has explored normative commitment. Allen and Meyer (1990) and Randall and Cote (1991) attempted to differentiate normative commitment from affective and continuance commitment. Normative commitment demonstrates an

obligation by an employee to continue employment with the organisation. According to Allen and Meyer (1990), individuals with a high level of normative commitment feel that they should continue providing their services to the firm.

O'Reilly and Chatman (1986) found that when there is congruence between company's values and employees' values, the latter tend to display a higher level of organisational commitment. This finding is in consonance with that of Mayer and Schoorman (1992) who found that when employees accept the company's values, they exhibit increased organisational commitment.

Normative commitment exists when the employee feels obligated towards the firm which has invested in them (Randall & Cote, 1991). According to Randal and Cote (1991), employees feel that when an organisation has invested a lot of time and money in training and developing them, they have a moral obligation to continue to provide their services to the company. For example, when an organisation has paid for the employees' education while they were continuing their studies to improve their qualifications, they feel obligated to reimburse the organisation by continuing to provide their services.

Jaros, Jermier, Koehler and Sincich (1993) differentiated normative commitment from affective and continuance commitment. Normative commitment is found to be similar to moral commitment. Normative commitment is a sense of obligation or duty towards the organisation. Normative commitment differs from continuance commitment because it is not dependent on the investments that the employees have put into the organisation in the

form of time and effort. According to Becker, Randall and Reigel (1995), the three dimensions of organisational commitment are not mutually exclusive. An individual can develop any one, or a combination of all the three dimensions of commitment. These three constructs of organisational commitment differ from each other based on their underlying motives and outcomes.

The multi-dimensional model of organisational commitment was developed from the three-component model theory.

2.3.7   Multidimensional Model of Organisational Commitment

Chi, Tsai and Chang (2007) explored the relationship between leadership styles, organisational commitment and emotional intelligence and their effect on job performance of salespersons. The survey was conducted among 186 salespeople from Thailand. The leadership style was measured by using Bass and Avolio's (1990) Multifactor Leadership Questionnaire Form 5R, and organisational commitment was measured by using Allen and Meyer's (1990) organisational commitment questionnaire (OCQ). The outcome of this survey showed that organisational commitment plays a mediating role between leadership styles and job performance, while the emotional intelligence of the salespersons is a moderator between leadership styles and job performance.

Several researchers are of the opinion that organisational commitment should be seen as a multidimensional construct. For the purpose of this current study, organisational

commitment is considered as the dependent variable where it can be influenced by leadership styles and emotional intelligence of the leaders.

The multidimensional model comprises five sections: (1) Distal antecedents; (2) Proximal antecedents; (3) Process; (4) Commitment; and (5) Consequences

ANTECENDETS → PROCESSES → COMMITMENT → CONSEQUENCES

DISTAL   PROXIMAL

ORGANISATIONAL CHARACTERISTICS
- Size
- Structure
- Climate. Etc.

PERSONAL CHARACTERISTICS
- Demographics
- Values
- Expectations,

SOCIALISATION EXPERIENCES
- Cultural
- Familial
- Organisational

MANAGEMENT PRACTICES
- Selection
- Training
- Compensation

ENVIRONMENTAL CONDITIONS
- Unemployment rate
- Family responsibility
- Union Status

WORK EXPERIENCES
- Job scope
- Relationships
- Participation
- Support
- Justice

ROLE STATES
- Ambiguity
- Conflict
- Overload

PSYCHOLOGICAL CONTRACT
- Economic Exchange
- Social Exchange

AFFECT-RELATED
- Attribution
- Rationalisation
- Met expectations
- Person –Job Fit
- Need satisfaction

NORM RELATED
- Expectations
- Obligations

COST RELATED
- Alternatives
- Investments

AFFECTIVE COMMITMENT
- Organisation
- Union
- Team

CONTINUANCE COMMITMENT
- Organisation
- Union
- Team

NORMATIVE COMMITMENT
- Organisation
- Union
- Team

RETENTION
- Withdrawal Cognition
- Turnover Intention
- Turnover

PRODUCTIVE BEHAVIOUR
- Attendance
- Performance
- Citizenship

EMPLOYEE WELL-BEING
- Psychological Health
- Physical Health
- Career Progress

Figure 2.2
Multidimensional Model of Organisational Commitment

Table 2.1
Dimensions of Organisational Commitment within Multidimensional Models

Dimensions	Definitions
Angle & Perry (1984:4)	
Value Commitment	"Commitment to support the goals of the organisation
Commitment to stay	"Commitment to retain their organisational membership"
Penley and Gould (1988)	
Moral	"Acceptance of and identification with organisational goals"
Calculative	"A commitment to an organisation which is based on the employees receiving inducements to match contributions"
Alienative	"Organisational attachment which results when employees no longer perceive that there are rewards commensurate with investments: yet they remain due to environmental pressures"
Meyer & Allen (1991:67)	
Affective	"The employee's emotional attachment to, identification with and involvement in the organization"
Continuance	"An awareness of the costs associated with leaving the organisation"
Normative	"A feeling of obligation to continue employment"
Mayer & Schoorman (1992:673)	
Value	"A belief in an acceptance of organisational goals and values and a willingness to exert considerable effort on behalf of the organisation"
Continuance	
	"The desire to remain a member of the organisation"
Jaros *et al.,* (1993)	
Affective	"The degree to which an individual is psychologically attached to an employing organisation through feelings such as loyalty, affection, warmth, belongingness, fondness, pleasure and so on"
Continuance	"The degree to which an individual experiences a sense of being locked in place because of the high cost of leaving"
Moral	"The degree to which an individual is psychologically attached to an employing organisation through internalisation of its goals, values and missions"
O'Reilly & Chatman (1986:493)	
Compliance	"Instrumental involvement for specific extrinsic rewards"
Identification	"Attachment based on a desire for affiliation with the organisation.
Internalisation	"Involvement predicated on congruence between individual and organisational values"

Source: Adapted from Meyer and Herscovitch (2001, p.320)

2.3.8 Review of Literature on Organisational Commitment

For the last several decades, the organisational commitment of employees towards their organisation has been accorded significant attention by academicians and practitioners. There has been a plethora of empirical research on organisational commitment where it

has been reported that different researchers contributed more than 1,860 articles on the subject. In their articles, frequent reference is made to the commitment of the workforce and the various strategies used to instill commitment (Gallagher & Parks, 2001).

There is adequate evidence to show that there are many studies on organisational commitment in different countries around the globe. For example, there have been studies carried out on the relationship between organisational commitment and positive outcomes, such as low intent to leave the organisation in India (Agarwal, 1993), and Japan (Marsh & Mannari, 1977).

Buchanan II (1974) performed a study among managers in an organisation in the US, and found that tenure in the company, job achievement, hierarchical progress and affiliation with superiors and peers to be factors that determine various aspects of commitment.

Marsh and Mannari (1977) conducted a study in one of Japan's leading electrical appliances company to identify why Japanese companies have low turnover rates as compared to American companies. Japanese employees have higher levels of organisational commitment due to a life time commitment and loyalty towards their organisation.

Other studies have been carried out where organisational commitment is linked to other significant variables, such as organisational citizenship behaviour, job satisfaction and job involvement (Bateman & Strasser, 1984; Mathieu & Zajac, 1990).

In the study on antecedents and outcomes of organisational commitment by Steers (1977), several significant observations were made. The study was conducted among 382 hospital staff and 119 engineers and scientists. First, the antecedents of organisational commitment are very wide in origin and nature. In this study, it was found that commitment is determined by the passion for achievement, the attitudes of the employees towards the organisation, job characteristics and personal characteristics. Among all these antecedents, work experience, level of education, organisational support, perception of the employees on their individual importance to the organisation and task identity are important. The other significant finding of this study is that the factors that influence organisational commitment are found in all the three antecedent categories: job characteristics, work experiences and job characteristics.

Mathieu and Zajac (1990), in their meta-analysis study, identified the following factors as antecedents to organisational commitment: job characteristics, group-leader relationship and organisational characteristics.

Romzek (1990) determined the factors that are important in retaining high performance employees in the public sector. In his study, he demonstrated that there is a strong and significant relationship between emotional ties of the employees to their organisation and retention. In order to develop commitment among employees, the organisation needs to have a culture that encourages commitment.

Randall and Cote (1991) developed a multiple work commitment model with reference to five different types of commitment: affective commitment, career commitment, protestant work ethics, job involvement and workgroup cohesiveness. This model posits that job involvement has an impact on both career salience and organisational commitment.

Billingsley and Cross (1992) conducted a study to determine the factors that influence teachers' commitment and job satisfaction. The study was conducted using 558 special teachers and 589 general teachers from Virginia, US. The findings revealed that support from the leader, lower level of role ambiguity and role conflict are linked to employee commitment and task satisfaction rather than demographic variables.

Organisational commitment of professional staff in the health service organisation was undertaken by Brady, (1997). In this study, the findings showed that affective commitment is strongly related to salary and age but not years of experience.

Meyer, Irving and Allen (1998) investigated the effects of work values and early job experiences on organisational commitment among university graduates. This study used the three constructs of organisational commitment: affective, continuance and normative. The findings showed that values and experiences influence affective and normative commitment. Positive work experiences have strong and significant influence on organisational commitment.

Mayer and Schoorman (1992) found that education, age, retirement benefits and organisational tenure have significant influence on continuance commitment.

Greenberg and Baron, (2003) demonstrated that employees carry out their job functions more effectively when they are strongly committed to their companies. The manifestation of low absenteeism and turnover is seen through high level of commitment among the employees.

Foosiri (2002) examined the link between organisational commitment and the antecedents, i.e., age, education and salary of Thai employees at the American Chamber of Commerce in Thailand. The findings revealed that there is a strong relationship between continuance commitment and education, between affective commitment and education and salary and between normative commitment and age and education.

In 2003, Schneider carried out a study to find out the relationship between selected demographics and organisational commitment. In this study, managers were used as the respondents to assess their commitment. The revised organisational commitment scale by Meyer and Allen (1997) was used to measure the commitment of the managers who participated in this study. This study demonstrated that there is a significant relationship between normative commitment and income and between affective commitment and age and income.

Stallworth (2004) conducted a study on the antecedents and outcomes of organisational commitment in accounting companies. This study was undertaken to further enhance the study by Ketchan and Strawser (1998) on the "the utility of a multidimensional conceptualisation of organisational commitment in the public accounting work environment". This study was developed to further enrich the literature on organisational commitment by examining a broad-spectrum of antecedent variables for each of the three constructs of organisational commitment. Apart from that, this study examined the outcome of intention to leave the public accounting organisation. The findings showed that organisational commitment in the public accounting firms could be determined through affective, moral and economic attachment to the organisation. Each of these types of commitment was formed due to the distinct antecedent experiences with varying impacts on the accountant's intention to leave.

Noor Harun and Noor Hasrul (2006) evaluated the psychometric characteristics of Meyer and Allen's organisational commitment scale. The study was performed among 222 academic librarians in Malaysia. Only 139 usable questionnaires were used in this study. The findings revealed that Allen and Meyer's organisational commitment scale is equally applicable to librarians in general, and to librarians in the academies of higher learning. This indicates that Allen and Meyer's organisational commitment scale can be used in different cultures and fields.

McCarthy (2008) examined the correlation between story-telling and organisational commitment. The main objective of the study was to determine whether story-telling

contributes to the degree of unity that employees build to overcome turbulence in their organisation. The results of this study revealed that story-telling is strongly related to organisational commitment. It was found that story-telling is a vehicle through which members can express themselves and explain their worklife.

Wasti and Can (2008), examined the two components of organisational commitment: the affective and normative commitment towards the organisation, among the supervisors and co-workers in an automotive retailer in Turkey. Data was collected from 430 employees from six different branches of the automotive retailer. The results indicated that commitment to the company is determined through organisational–level outcomes, such as turnover intentions; commitment towards the supervisor is determined through supervisor-related outcomes, such as organisational citizenship behaviour towards the supervisor.

Somers (2009) compared the commitment of 288 hospital nurses toward work withdrawal, intention to leave the organisation, job search behaviour and job stress. The findings revealed that the most significant work outcomes are related to the affective-normative component of organisational commitment which includes lower turnover intentions and lower job stress.

Nurita, Fatimah, Ram and Noor (2011) carried out a research to find out the impact of Human Resource (HR) practices on organisational commitment and turnover intention. Their study was carried out among employees from several industries in the Klang

Valley; they found that HR practices significantly influence organisational commitment. The study found that person-job fit as the most significant predictor of organisational commitment, i.e., employees who perceive they possess the necessary skills and abilities to do their job tend to be more committed to the organisation. Similarly, compensation was found to be the second most important factor in determining organisational commitment. This finding concurs with Whitener (2001) that compensation is a key factor in HRM and would determine both the motivation and commitment level of employees. On the contrary, Bhagat and Chassie (1981) and Shore and Barksdale (1998) found compensation is not a key factor in determining organisational commitment.

In a study carried out in Iran on the role of organisational commitment among teachers in enhancing the quality of education, it was found that the two components of organisational commitment, namely maintaining membership and attachment, have a strong correlation and these two components are very significant in enhancing positive culture in schools in order to achieve quality education (Shagholi, Zabihi, Atefi & Moayedi, 2011).

Najafi, Noruzy, Azar, Shirkouhi and Dalvand (2011) explored the link between organisational justice, psychological empowerment, job satisfaction, organisational commitment and organisational citizenship behaviour. The study was conducted among 378 university lecturers in Iran. The findings revealed that job satisfaction has a direct influence on organisational commitment and organisational citizenship behaviour and

organisational commitment has significant influence on organisational citizenship behaviour.

Hussain and Asif (2012) conducted their study among Telecoms employees in Lahore. They explored the marked influence of organisational support perceived by the employees and organisational commitment on the turnover intention of the employees. In their findings, they found high levels of organisational commitment are necessary in order to inculcate the sense of belonging and ownership among employees. It was also established that there is a relationship between turnover intention and the organisational support towards employees' well-being and welfare. Where the employees perceive that there is a good organisational support, the employees tend to have greater commitment, and the turnover intention is minimised.

Gallato *et al.,* (2012) reported that there is a significant relationship between organisational commitment and leadership in SMEs in Malaysia. Rohani, Nair and Haryanni (2012) conducted their study to evaluate the level of organisational commitment, turnover intention and task satisfaction in a retail industry in Malaysia. Data was collected from 62 respondents using OCQ and Lee and Mowday's turnover intention questionnaire. The findings showed that job satisfaction and organisational commitment are negatively and highly correlated with turnover intention.

Kanwar, Singh and Kodwani (2012) conducted their study in the Information Technology (IT) and Information Technology Enabled Service (ITES) sectors. A total of 313

employees from different IT and ITES companies participated in the study. The findings indicated that IT employees have decreased job satisfaction and organisational commitment as compared to ITES employees. Male employees demonstrate higher task satisfaction and lesser turnover intent compared to women employees. The findings revealed that job satisfaction has a significant impact on organisational commitment and reduced the turnover intent by employees.

Ur-Rehman, Shareef, Mahmood and Ishaque (2012) explored the relationship between perceived leadership styles (transformational and transactional) and organisational commitment in an educational sector in Pakistan. The participants in this study were represented by 101 employees from both academic and administrative departments. The results of this study showed that both transformational and transactional leadership have a significant association with organisational commitment. The findings indicated that transformational leadership has a better impact on organisational commitment.

A study was conducted by Sharma, Mohapatra and Rai (2013) on the role of organisational commitment as a measure of managerial motivation in a multinational manufacturing enterprise operating in India. The main objective of this research was to determine the motivation level of managers. The data for this study was obtained online through structured questionnaires from 507 managers working in multinational companies. The study found six factors that are critical in determining organisational commitment: work ethics, communication, recognition, job content, training and development and objectivity.

Srivastava (2013) carried out a study to determine the link between task satisfaction and organisational commitment. The study was conducted among 247 middle level managers from private sector organisations in India. The findings revealed job satisfaction is highly correlated to organisational commitment.

Jackson, Meyer and Wang (2013) did a study to determine the association between leadership and employee commitment. The findings revealed that transformational leadership is positively and significantly related to affective commitment and moderately correlated to normative commitment. Contingent reward and management by-exception (active) under transactional leadership are linked positively to affective commitment. Passive avoidant leadership was found to be negatively linked to affective commitment. It was reported that in countries that value collectivism, the association between transformational and both affective and normative commitment is significant and strong. The association between transformational leadership and affective commitment is based on the finding that transformational leaders create a strong vision which makes the employees continue to stay in the organisation. The relationship between transformational leadership and normative commitment is based on the finding that transformational leaders encourage employees to transcend their personal interest and emphasise what is best for the team collectively.

Omar, Erzan Shafizan and Mahmoud (2014) explored the significance of leadership behaviour on organisational commitment. The study was carried out among 300 supervisors and subordinates from plantation organisations in Malaysia. The results of

this study found that there is a high correlation between leadership behaviour and organisational commitment. This study provided empirical evidence that leaders, by displaying appropriate leadership behaviour, can enhance the commitment of employees towards the organisation.

After reviewing literature on organisational commitment, there is substantial evidence to show that organisational commitment has significant consequences on employees and the organisation. The findings from previous literature has highlighted that the factors that contribute towards organisational commitment are similar and consistent across most industries, business sectors and geographic locations.

2.3.9 Justification for Using Meyer and Allen's Three-Component Model for the Study

The three-component model developed by Meyer and Allen (1997) is one of the most widely researched models on organisational commitment. According to Meyer and Allen (1990, 1991), the three component model and measures associated with it seem to more accurately predict the concept of organisational commitment than the previous uni-dimensional conceptualisations.

Noor Harun and Noor Hasrul (2006) found that Allen and Meyer's organisational measures are equally applicable to an international setting and are not culturally sensitive.

For the purpose of this study the three-component model of organisational commitment developed by Meyer and Allen (1997) is used to provide insight on why employees in

SMEs choose to remain or leave the organisation. The present study treats organisational commitment as a dependent variable that can be influenced by organisational factors, such as leadership styles and leaders' emotional intelligence.

2.3.10 Relationship between Leadership Styles and Organisational Commitment

Bycio, Allen and Hackett (1995) carried out a study among 1,376 nurses in a hospital in Canada to examine the relationship between their leaders' leadership styles and their organisational commitment. The leadership styles were measured by using the Multifactor Leadership Questionnaire (MLQ-1) and the organisational commitment was measured by the Organisational Commitment Scale developed by Meyer and Allen (1990). The findings of this research are that there is a significant relationship between the transformational leadership style and organisational commitment.

Kent and Chelladurai (2001) examined the relationship between transformational leadership, organisational citizenship behaviour and organisational commitment among 75 intercollegiate athletes. The participants in this survey completed the MLQ) (1985) to measure the three dimensions of transformational leadership and the Meyer and Allen's (1997) OCQ to measure organisational commitment. The findings of this survey demonstrated that there is a significant correlation between transformational leadership style and organisational commitment.

Walumba and Lawler (2003) conducted their survey on 577 respondents in the banking and financial sectors in three different countries, namely, China, India and Kenya. They

investigated the moderating effect of collectivism on the link between transformational leadership and attitudes that are related to work, and found that collectivism moderates the link between transformational leadership and work-place outcomes, such as organisational commitment and job satisfaction. Their findings also support the view that effectiveness of transformational leadership is not specific to any particular culture and can be significant across different cultures.

Avolio, Zhu, Koh and Bhatia (2004) carried out a study in a large public hospital in Singapore to determine whether psychological empowerment acts as a mediator on the effects of transformational leadership on their subordinates' organisational commitment. In this survey, they used 520 staff nurses as samples for the study. This study used the MLQ Form 5X by Bass and Avolio to measure transformational leadership and organisational commitment was measured by using the instrument developed by Cook and Wall (1980). The findings showed that psychological empowerment mediates the relationship between transformational leadership and organisational commitment. This study also demonstrated that transformational leadership enhances the employees' commitment to the organisation.

Lee (2004) conducted a survey among research and development professionals in Singapore. They found that transformational leadership is strongly linked to organisational commitment. Wu, Tsai, Fey and Wu (2006) conducted a study on the link between leadership styles and organisational commitment among managers in Taiwan's 58 state qualified hotels under the International Tourist Hotels. Three-hundred and thirty

one employees participated in this survey, which revealed that transformational leadership style is positively linked to organisational commitment. This survey also found that there are other factors that contribute to organisational commitment, namely age, tenure (length of service) and location of the hotels.

A study was conducted by Limsila and Ogunlana (2007) among 156 respondents comprising project managers, engineers and architects employed in construction projects in Thailand. Then main objective of the study was to determine how leaders' (project managers') leadership styles affect the followers' commitment towards the organisation. The leadership style was measured by using Bass and Avolio's MLQ and the organisational commitment was measured by using (Porter) et al.'s (1974) OCQ. The findings revealed that transformational leadership has a favourable relationship with job performance and organisational commitment compared to transactional leadership style.

Lo, Ramayah and Hii (2009) carried out their study among employees in the manufacturing sector in Malaysia. Out of 200 questionnaires that were distributed, only 158 participants responded. The leadership styles were measured by using MLQ developed by Bass and Avolio (2004) and the organisational commitment was measured by using Meyer and Allen's (1997) OCQ. The survey results indicated that leaders who exhibit transformational leadership style demonstrate a significant link with organisational commitment. This finding is found to be consistent with the study conducted by Shamir, Zakay, Breinin and Popper (1998).

Yohchouchi (2009) conducted a study to explore the subordinates' perception of the leadership styles of managers in Lebanon and its influence on organisational commitment. The study was conducted among 158 respondents working and living in two different geographical locations in Lebanon. The findings revealed that managers in Lebanon tend to display more transformational leadership than transactional leadership. They also found a positive and significant relationship between transformational leadership and organisational commitment.

Seyyed, Freyedon and Mina (2012) examined the link between leadership styles and organisational commitment and the role of personality trait in this connection. The survey was conducted in Iran's State Retirement Organisation. For the purpose of this study, the MLQ Form 5X developed by Bass and Avolio (2004) was used for the leadership style and the OCQ developed by Meyer and Allen (1997) was used to measure organisational commitment. The data was analysed from the questionnaires received from 190 respondents, and the findings indicated that all the dimensions of leadership styles (transactional and transformational) are significantly related to the dimensions of organisational commitment (affective, continuance and normative).

Annekinda and Noor Siti Rahmani (2013) explored the relationship between transformational leadership style and organisational commitment. The study was carried out among 154 staff of the National Oil Company in Central Java, Indonesia, and the results showed that there is a significant relationship between transformational leadership style and organisational commitment.

2.4   Leadership

2.4.1   Introduction

There is a plethora of research carried out on leadership (Boehnke, Bontis, Distefano &
DiStefano, 2003).   As this study is focused on leadership styles as an independent
variable, it is imperative to comprehend the current research and theories of leadership.
In building the foundation for this study, past literature and research on different
leadership theories and styles were reviewed as the basis of this study. This was followed
by the various researches on leadership conducted by other researchers.

2.4.2   History of Leadership

There is sufficient evidence to support the concept of leadership that has developed over
the last 200 years.   Leadership has its roots in the beginning of civilisation (Tirmizi,
2002). During ancient times, biblical patriarchs, the Egyptian rulers and Greek heroes all
had one thing in common, i.e. leadership.

Rajagopalan reported in his study that the concept of leadership in relation to leading a
country was found 5000 years ago in an ancient Indian manuscript called Thirukural.
According to Rajagopalan (2010), Thirukural by Rajagopalachari offers four criteria for
anyone who wants to lead or manage people by promoting humility (adakam in Tamil)
and requiring "loyalty, a discriminating mind, clear-headedness, and freedom from the
lure of property" .

According to Sharma (1999), leaders should lead by example for others to follow through vacchah (words), karma (deeds) and manas (thought). The Bhagavad-Gita identifies Karma Yoga as the sense of duty, detachment from rewards and obligation towards others in order to excel (Mulla & Krishna, 2007). Prabhupada (1994, p.186) emphasised, "Whatever action a great man performs, common men follow and whatever standards he sets by exemplary acts, all the world pursues".

Vivekanada introduced the importance of ancient principles to modern civilisation and the litmus test for leaders in connecting people with diverse thoughts while focusing the collective energy towards common objectives ("The Complete Works of Swami Vivekanada", 2003, p. 262).

Moving on from Indian civilisation, the leadership concept can be traced to Confucius as early as 500B.C. where he emphasised the principles of jen or concern for relationships; li or concern for processes; xiao or focus on values; and zhang rong or the process of moderation (Turner & Muller, 2005; Muller & Turner, 2007). According to Wren (1995), in Taoism, leadership is defined as the capability of a leader to lead his subordinates towards achieving success.

The curiosity on the topic of leadership has been present throughout history. However, the focus on leadership as a subject of scientific study started only in the 1930's and 1940's (Laguerre, 2010). The study of leadership behaviour since the 1950's "has

followed the pattern set by the pioneering research programmes at Ohio State University and the University of Michigan" (Yukl, 2010, p.45).

According to leadership scholars, in the 1960's and 1970's, the focus was on the decision- making process of leaders, especially on issues like delegation and participation of followers. One of the theories introduced during this period was the leader-member exchange theory. Yukl (2010) stated that in the 1960's and 1970's, leadership scholars were interested in "aspects of the situation that enhance or nullify the effects of a leader's traits or behaviour". The first of these theories includes Fiedler's Contingency Model (Least preferred co-worker), later followed by Path-Goal Theory of leadership by House, Situational Leadership Theory by Hershey and Blanchard, Leadership Substitutes Theory and Multiple-Linkage Model (Laguerre, 2010).

In the 1980's, scholars were interested in the "emotional and symbolic aspect of leadership" (Yukl, 2010, p.260). During this period, the theories on charismatic and transformational leadership were developed.

During the 1990's and 2000's, the failure of organisations was attributed to unethical decision- making (Laguerre, 2010), and this led to the development of an interest in ethical leadership: transformational leadership, servant leadership, spiritual leadership and authentic leadership.

LEADERSHIP THEORIES

TRAIT THEORIES	BEHAVIOURAL THEORIES	CONTINGENCY THEORIES
• Stogdill (1948)	• McGregor's theory	• Leadership continuum
• Mann (1959)	• Theory of Lewin, Lippit and White	• Fiedler's Contingency Model
• Stogdill (1974)	• Ohio State and University of Michigan Models	• Hersey and Blanchard's Situational leadership
• Lord, DeVader & Allinger (1986)	• Managerial Grid	• House's Path-Goal Model
• Kirkpatrick & Locke (1991)		• Leader-Member-Exchange Theory

NEW THEORIES

FULL RANGE LEADERSHIP

Source: Adapted from Amos and Ristow (1999). Small Business Management Series, Human Resource Management, 134.

Figure 2.3
The Basic Leadership Theories

2.4.3 New Research on Leadership

Burns (1978) contributed to the research on leadership when he carried out a study on the leadership behaviour of politicians. He was one of the leading scholars who attempted to define subordinates as either transformational or transactional. Holwell and Avolio (1993) reported in their study that Bass (1985) modified Burn's model and applied it in the general organisational environment. Bass's (1985) theory on transactional and transformational leadership is considered one of the most extensively researched leadership theories (Eisenbach, Watson & Pillai, 1999; Parry, 2002). In the model developed by Bass, he defined and described three styles of leadership, namely, "transactional, transformational and passive avoidant".

2.4.4 Full Range Leadership Theory

The concept of Full Range Leadership was propounded by Bass and Avolio (1994, 1997). This approach consists of a range of leadership behaviours. This approach as illustrated in Figure 2.6 portrays leaders as using a wide range of different forms of leadership behaviours.

According to Bass and Avolio (1994), the range of behaviours depicted in Figure 2.6 starts with transformational leader behaviour followed by transactional leader behaviour and finally going towards the lowest category of leadership, i.e., passive avoidant leader behaviour. All these three leadership styles are found to have a direct effect on the organisational outcomes and on individuals (Bass, 1990: Yukl & Van Fleet, 1992).
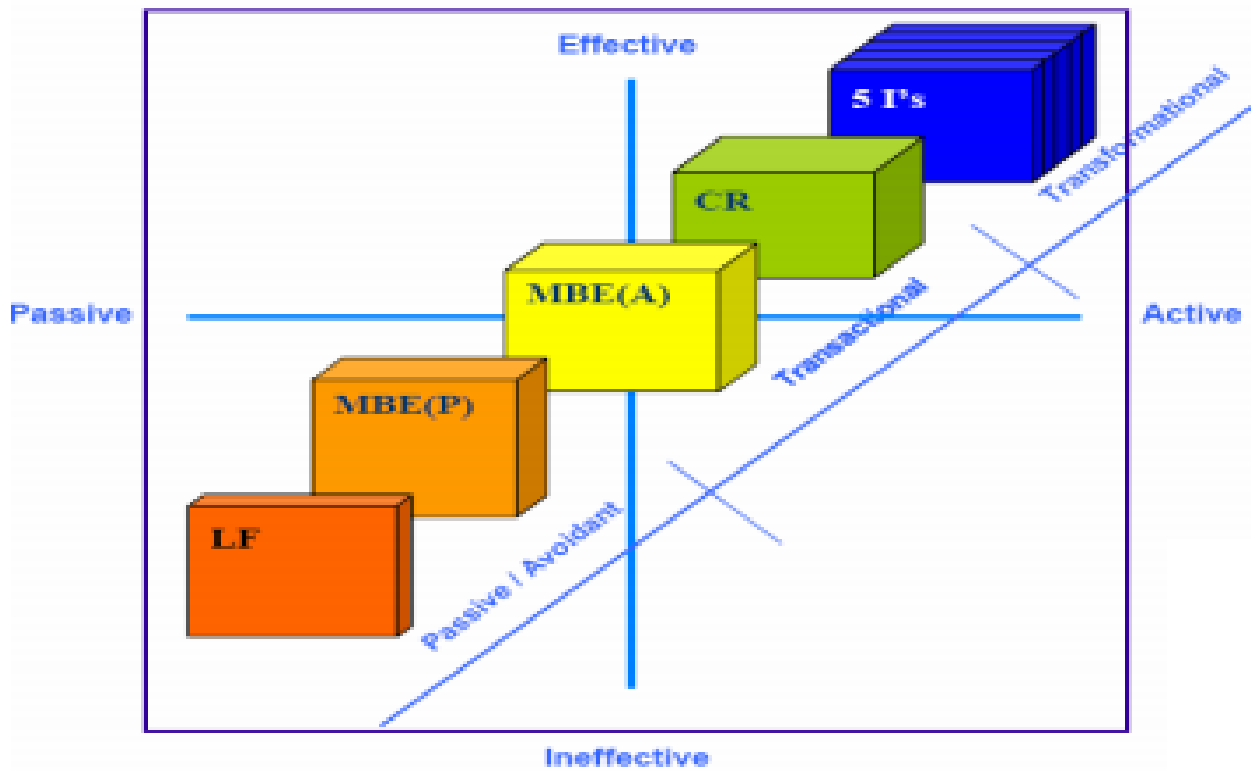
Source: A Model of the Full Range leadership Development Theory (Bass & Avolio, 1994, p.5).

Figure 2.4
Full Range Leadership Approaches

The Full Range Leadership Approach is the result of research carried out for over more than 100 years. It identifies both transactional and transformational leadership styles.

All these three leadership styles are explained in detail.

2.4.4.1 Transactional Leadership

Transactional leadership style was first developed by Bass (1985). Transactional leaders are seen as those "who guide or motivate their followers in the direction of established

goals by clarifying roles and task requirements" (Daft, 2005). Transactional leadership is created based on the exchange of expectations and rewards between leaders and followers. According to Alimo-Metcalfe and Alban-Metcalfe (2001), there are three factors which are core elements of transactional leadership, namely: (a) contingent rewards – where the leaders clarify expectations and rewards for accomplishing goals and (b) Management-by- exception (Active) where leaders specify goals and monitor progress towards goals.

2.4.4.2   Transformational Leadership

Transformational Leadership is the second leadership style developed by Bass. Compared to transactional leaders, transformational leaders create an organisational vision to inspire and motivate their followers (Burns, 1978). The inspired team's needs are more toward the higher level needs, such as achievement and self-actualisation rather than the lower level needs, such as safety and security as stated under the Maslow's Hierarchy of Needs. Transformational leaders are change agents as they instill the organisation's vision into the employees of the organisation (Holwell & Avolio, 1993). According to Yukl (1989), transformational leaders have long-term and extended positive effects on the organisation and its performance, whereas transactional leaders are limited by the terms of the contract with their followers.

According to the study by Avolio and Bass (2004), the transformational leadership theory is based on the ability of the leader to influence his or her followers. There are five

factors that form the foundation of transformational leadership: (1) Idealised attributes; (2) Idealised behaviours; (3) Inspirational motivation; (4) Intellectual stimulation; and (5) Indvidualised consideration.

2.4.4.3 Passive-Avoidant Leadership

Bass (1985) introduced a third type of leadership style, i.e., laissez-faire or passive-avoidant leadership which is characterised by a lack of leadership. Passive-avoidant leadership is equivalent to "no leadership" (Avolio & Bass, 2004) or a "do nothing" style of leadership (Gardner & Stough, 2002). Under the laissez-faire leadership style, the leaders do not provide any support or guidance for the tasks given and decisions are left with others in the organisation. This type of leadership is considered to be the least effective of the three leadership styles (Bass & Avolio, 1995). There are two main elements under the passive-avoidant (PA) leadership style, namely, management-by-exception passive (MBE (P)) and laissez-faire (LF).

2.4.5 Review of Literature on Leadership Styles

Bass and Avolio (1995), in their study on leadership, determined that transformational leadership and transactional leadership are two separate dimensions of leadership. However, it does not mean that they are not linked (Hater & Bass, 1988). Bass (1985) considered that both these dimensions of leadership style complement each other. Transformational leadership is an extension of transactional leadership style. This suggests that transformational leadership is insignificant when transactional leadership is totally non-existent (Bass, Avolio & Goodheim, 1987)

Barling, Weber and Kelloway (1996) conducted their study in a major financial institution in Canada. They selected 20 bank branch managers from the same geographic location. The branch managers were randomly divided into either a control group or an experimental group. The managers in the experimental group participated in a one-day training on transformational leadership. This was followed by four individual counselling sessions during which the managers were given the subordinates' ratings of their transformational leadership. Specific objectives were formulated and their progress was monitored. The managers in the control group did not receive any training or counselling. The findings revealed that the subordinates of the managers who underwent training saw an increase in the transformational leadership behaviour of their managers. Similar observations were not recorded from the subordinates of the managers who did not receive any training. This study also found that the subordinates of trained managers were more committed and loyal to the organisation when compared to the subordinates of untrained managers. The sales increased only in branches where the managers had undergone training. This outcome is significant because it shows the impact of leadership training on companies' performance and on the bottom line.

Simic (1998) carried out a study on transformational leadership and how to successfully manage the transformational organisational changes. The findings of this study indicated that in order to realise success in transformational organisational changes, the managers or leaders in the organisation must acquire the right skills and attributes that display the characteristics of transformational leaders.

Barling, Slater and Kelloway (2000) reported that they had conducted research in two different companies to evaluate the effectiveness of leadership training. In both instances, they found the changes in transformational leadership to be statistically significant.

Dvir, Eden, Avolio and Shamir (2002) investigated the influence of transformational leadership on subordinates' development and outcomes through enhanced training. The study was conducted between two groups. The first group was the experimental group which received transformational leadership training and the other group was the control group which did not receive any specific type of training on leadership. The data were collected from 54 military leaders, 94 of their direct subordinates and 724 indirect subordinates. The findings indicated that leaders for the first group had significant influence on the direct subordinates' development and the indirect subordinates' performance.

Tirmizi (2002) conducted a study to examine and introduce a new model of leadership called the 6-L model. The main constructs of this model are: leads by example; encourages achievement through recognition; provides a vision; encourages learning and development; leads and promotes change; and concern for others in the group. From the findings of this study, the 6-L model of leadership is an important framework for research on leadership and development.

Antonakis, Avolio and Sivasubramaniam (2003) carried out a study to determine the validity of the measurement and the factor structure of MLQ (Form 5X) developed by Bass and Avolio. They posited that the evaluations of leadership may be influenced by the circumstances in which leadership is perceived and evaluated. This study was conducted by using homogenous samples consisting of 2,279 men and 1,089 women raters. They evaluated the same gender leaders, and the outcome supported the nine-factor leadership model by Bass and Avolio.

Kark, Shamir, and Chen (2003) studied two important characteristics of transformational leaders, namely empowerment and dependence. The study was carried out among 888 bank employees working under the guidance of 76 branch managers. The results showed that transformational leadership is positively and significantly associated with the subordinates' identification with their leader. Transformational leadership is significantly related to personal identification with their leaders rather than social identification.

Walumba, Wang, Lawler and Shi (2004) conducted a field survey by using a sample of 402 employees from the banking and finance industries in China and India. The study found that there is a significant relationship between transformational leadership and commitment and job satisfaction.

Avolio, Zhu, Koh, and Bhatia (2004) identified transformational and transactional leadership as the key elements that impact upon the leadership styles in enterprises.

As-Sadeqq and Khoury (2005) conducted a study to identify leadership styles in the Palestinian manufacturing sector. The main objective of the study was to identify the most suitable leadership styles for Palestine business owners to help them to be effective and efficient. They used Bass and Avolio's full-range leadership model to conduct the study. The findings highlighted that transactional leadership is more common among the leaders as compared to transformational. The leaders displayed less passive avoidant type of leadership. Even though the leaders displayed more transactional leadership characteristics, transformational leadership was found to contribute more towards employee satisfaction.

Arnold, Turner, Barling, Kelloway, McKee (2007) explored the role of transformational leadership in health care workers' mental health. Meaningful work was the mediator variable. The samples for this study were taken from Canadian health care workers (319) and service workers (146). The findings revealed that transformational leadership has positive and significant influence on good mental health. Hence, organisations should undertake interventions through transformational leadership to enhance the mental well-being of employees.

Eid, Hohnsen, Bartone and Nissestad (2007) explored the impact of personality hardiness in making it easier for growth in transformational leadership. The study was conducted among Norwegian cadets. The leadership styles were determined prior to undergoing training and after going through rigorous leadership training. The leadership styles were measured again after six months. The findings revealed that the participants displayed

increased transactional and transformational leadership after the training and less of passive avoidant leadership.

Eisenbeiss, Knippenberg and Boerner (2008) explored the role of transformational leadership and team innovation. The study was conducted among 33 research and development teams. The findings of this study indicated that transformational leadership encourages innovation where excellence is emphasised.

Givens (2008) investigated the effect of transformational leadership style on personal and organisational outcomes. The personal outcomes were measured by commitment, motivation, trust, self-efficacy, empowerment and job satisfaction; while organisational outcomes were measured by organisational vision, organisational culture and organisational citizenship behaviour. The study found that transformational leadership enhances the personal outcomes and this finding is supported by the conceptual model of transformational leadership by Bass (1985).

Krishnan and Arora (2008) conducted their study among 93 superior-subordinates from several organisations in India. The study investigated the association between transformational leadership and subordinates' organisational citizenship behaviour. The results indicated that a leader's organisational citizenship behaviour is significantly associated with transformational leadership and transformational leadership is significantly linked to subordinates' organisational citizenship behaviour.

Yang (2008) carried out a study in SMEs in Taiwan on the relationship between leadership styles, entrepreneurial orientation and business performance, and found that different leadership styles may influence business performance. Transactional leadership was found to be less significant in terms of its influence on business performance as compared to transformational leadership. The findings of this study also indicated that transformational leaders with high entrepreneurial orientation are able to enhance business performance.

Lo, Ramayah, de Run and Voon (2009), in their study on "New Leadership", Leader-Member Exchange and Commitment to Change: The Case of Higher Education in Malaysia", attempted to develop a link between the three dimensions, namely, leadership styles, commitment to change and leader-member exchange. The data were collected through survey questionnaires which were distributed to the lecturers employed in public universities in Malaysia. A total of 500 questionnaires were distributed and only 146 respondents responded. The results showed that there is a direct link between the two constructs of transactional leadership style, i.e., contingent reward and passive management-by-exception and the two constructs of transformational leadership style, namely, inspirational motivation and individualised consideration with commitment to change. The results also demonstrated that leader-member exchange moderated the link between leadership styles and all the constructs of commitment to change.

Jandaghi, Matin and Farjami (2009) conducted a study on the differences in the transformational leadership style in both successful and unsuccessful enterprises. They

found that leaders in the successful enterprises displayed transformational leadership as compared to the leaders in the unsuccessful enterprises.

Resick, Whitman, Weingarden and Hiller (2009) conducted a study among 75 chief executive officers (CEOs) of Major League Baseball enterprises. The study aimed to identify the association between CEO's transformational, transactional leadership and personality and multiple strategic outcomes. The findings reported that transformational leadership of the CEO is categorically linked to influence and the success of teams. The outcome of the study is that the contingent reward (transactional) leadership is negatively linked to turnover of managers and their power.

Choi and Lee (2011) reported that leadership styles and task satisfaction have significant influence on the intention of the employees to leave the organisation. Based on earlier researches, it was found that there is a negative link between task satisfaction and employees' intention to leave the enterprises. There is substantial evidence to show that there is significant association between job satisfaction and leadership styles.

Gregory, Moates and Gregory (2011) examined empathys an antecedent of transformational leadership behaviour among 106 supervisor-subordinate teams working in a hospital. The supervisors were told to self-rate their dyad-specific perspective of their subordinates while the subordinates were told to rate the transformational leadership qualities of their supervisors. The findings of this study indicated that if the leaders follow the perspectives of their subordinates, then those subordinates tend to see the

leader as displaying more transformational leadership qualities. This observation is consistent with the finding that a transformational leader is someone who is able to influence the perspectives of their followers (Shamir, House and Arthur, 1993).

Michel, Lyons, and Cho (2011) carried out a survey to compare the "full-range" taxonomy tested in the MLQ – 5X with that of the three meta-categories in the Managerial Practices Survey (MPS). It was reported that even though MLQ assesses some significant behaviours of the leaders, it has overlooked several effective characteristics of leaders, for example, defining the roles and goals, giving due recognition, empowerment and short-term planning. It is interesting to note that most of these characteristics have been reported in the early leadership theories, such as by the Ohio State studies, Michigan studies and Path-goal theory. It was suggested that by incorporating these extra characteristics of a leader, it may enhance the predictive efficacy of the full-range model. The MPS was developed by Yukl and his colleagues (Yukl, 1999b; Yukl, Gordon & Taber, 2002). The MPS consists of three meta-categories namely, change, tasks and relations. This survey found that the job attitudes of followers and the effectiveness of the leader as rated by the leader are rated better by the MPS meta-categories than by the MLQ meta-categories.

Munawar Khan, Ramzan, Ahmed and Nawaz (2011) undertook a study in a teaching faculty in Punjab, Pakistan. The main objective of the study was to explore the leadership styles of the teachers in higher education institutions and to determine whether their leadership styles could bring about satisfaction of the students which could lead to improved performance in their studies. The respondents for the study were full-time

teachers comprising 151 males and 114 females, representing both the public and private sectors. They used Bass and Avolio's MLQ Form 5X (2004) to measure the leadership styles. The findings showed that transformational leadership had significant influence on the students exerting extra effort in their studies and having better satisfaction. Similarly, transactional leadership displayed a significant influence on the students' satisfaction but not in exerting extra effort. Passive-avoidant leadership style demonstrated a negative relation to both satisfaction and exerting extra effort.

Obiwuru, Okwu, Akpa and Nwankwere (2011), examined the effects of leadership style on the organisational performance in small-scale organisations. The leadership styles studied in this survey were transactional and transformational leadership styles. The findings showed that performance is enhanced through transactional leadership style rather than through transformational leadership. This result demonstrated that for small enterprises, transactional leadership is more suitable but there must be strategies to change from transactional to transformational leadership style as the organisation expands, matures or develops into a larger organisation.

Pradeep and Prabhu (2011) presented their work on the relationship between transformational, transactional and laissez-faire leadership styles on employee performance in both public and private sector companies in India. The data was collected from 43 middle-level managers and 156 subordinates. The findings of this study showed that transformational leadership style has significant influence on the outcomes of performance.

Shibru and Darshan (2011) conducted a study on 145 respondents from 10 leather companies in Ethiopia to assess transformational leadership and its relationship with the satisfaction of the subordinates and their leader. The respondents in this survey reported directly to their superiors and were required to assess the leadership style of their superiors by using the MLQ-5X. The findings of this survey demonstrated that transformational leadership is a significant leadership style in enhancing subordinates' satisfaction with their leaders.

Voon, Lo, Ngui and Ayob (2011) examined the influence of leadership styles on employees' job satisfaction in the public sector in Malaysia. Two hundred Malaysian executives working in public sectors participated in this research. It was found that transactional and transformational leadership styles have direct influence on the employees' level of job satisfaction. Between transformational and transactional leadership styles, transformational leadership has a greater influence on job satisfaction, and transformational leadership style is more effective in managing the public sector.

Wells and Peachy (2011) carried out a study where they investigated the link between leadership styles (transactional and transformational), satisfaction with the leaders and the intention to exit voluntarily from the organisation. The survey was carried out through 208 respondents, namely the softball and volleyball assistant coaches from National Collegiate Athletic Association (NCAA) Division 1. The findings of this survey demonstrated that leadership styles (transformational and transactional) have a negative

correlation with the intention to exit the organisation voluntarily. The results of this survey found support from the literature on exit-voice theory by Freeman and Medoff (1984). This exit-voice theory postulates that employees in an organisation have two ways of expressing their dissatisfaction at their workplace. First, they can raise their dissatisfaction to their superiors or to the enterprise (i.e., voice), or second, they have a choice to leave the organisation. Studies undertaken in business management has shown that if the employees perceive that they have the right to express their feelings of dissatisfaction and the right to voice their dissatisfaction, then the employees are less likely to leave the enterprise voluntarily.

Frooman, Mendelson and Murphy (2012) undertook a study to explore whether leadership styles affect employees' absenteeism. The main objective of this study was to compare and contrast the influence of transformational and passive avoidant leadership on authorised and unauthorised absenteeism. The study, which was mediated by job satisfaction, was performed on 120 employees of a national mail delivery enterprise. The findings revealed that transformational leadership reduced unauthorised absenteeism. Passive avoidant leadership was found to increase unauthorised absenteeism. As for the authorised absenteeism, there was no significant relationship with transformational leadership but passive avoidant leadership was found to demonstrate negative relationship. Leaders or managers who intend to reduce absenteeism should use transformational leadership. If managers do not give enough attention or give attention to their subordinates only when things have badly gone wrong, they may display high

absenteeism. Absenteeism causes increased cost to the organisation and transformational leadership can reduce this cost.

Roslan, Mohd Hussein, Anas and Rosli (2013) explored the role of leadership styles on business performance. This study was conducted among the owners of SMEs in Malaysia. The results of the study showed that there was a significant relationship between business performance and both transformational and transactional leadership. Passive avoidant leadership had a negative relationship with business performance. From this study, it was concluded that the owner/managers of SMEs in Malaysia display either transactional or transformational leadership styles.

2.4.6 Justification for Selecting Full Range Leadership (FRL) for this Study

The Full Range Leadership (FRL) model exhibits the complete range of leadership styles ranging from non-leadership (passive leadership) to transformational leadership styles (Kirkbride, 2006). According to Kirkbride (2006), under the full-range leadership model, every leader demonstrates some characteristics of each of these leadership styles. In addition, Kirkbride (2006) stated that the full-range leadership model is one of the most researched and validated leadership models which is currently being used widely throughout the world. According to Bass & Riggio (2006), under the FRL model, effective leaders display the transformational leadership style and the less effective leaders display the transactional and passive-avoidant leadership styles.

The review of literature on leadership theories has shown that the FRL model is the appropriate model to be used in this study as it covers the full range of leadership styles examined in this study.

2.4.7 Relationship between Leadership Styles and Emotional Intelligence

Barling, Slater and Kelloway (2000) conducted a study to examine the link between emotional intelligence and transformational leadership. The study was conducted in Ontario, Canada among 60 managers of a large pulp and paper company. The results demonstrated that emotional intelligence is significantly related to the three main elements under transformational leadership, namely, idealised influence, inspirational motivation and individualised consideration.

Palmer, Walls, Burgess and Stough (2001) carried out a study to explore the relationship between emotional intelligence and effective leadership. The participants in this survey comprised 43 past and current students of Swinburne University Centre for Innovation and Enterprise Programmes. Emotional intelligence was measured by using the modified version of the Trait Meta Mood Scale (TMMS) (Mayer & Salovey, 1995), and leadership style was measured by the MLQ-5X. The findings showed that transformational leaders are more effective than transactional leaders. The results also demonstrated that there is a significant relationship between emotional intelligence and some components of transformational leadership styles. Therefore, these findings posit that emotional intelligence is an important component of effective leadership.

Sivananthan and Fekken (2002) explored the relationship between emotional intelligence, transformational leadership and moral reasoning. This study was carried out in Ontario among staff of the University. The results showed that there is a significant relationship between emotional intelligence and transformational leadership. The subordinates perceived that the leaders who display high levels of emotional intelligence tend to display more transformational leadership.

Leban and Zulauf (2004) attempted to relate emotional intelligence to transformational leadership styles. The respondents for this study were project managers in the US. The results proved that project performance is enhanced if the project manager displays a transformational leadership style. It was also reported that a high level of emotional intelligence of a project manager with transformational leadership style will be able to enhance project performance.

Kerr, Garvin, Heaton and Boyle (2005) explored the level of managerial emotional intelligence and the effectiveness of their leadership as perceived by their subordinates. The survey was conducted by using the MSCEIT questionnaire to measure the level of emotional intelligence of the managers. The participants in this survey consisted of 38 supervisors and 1,258 employees from a large manufacturing company. The findings of this survey demonstrated that emotional intelligence could be a good construct to predict leadership effectiveness.

Weinberger (2009) investigated the association between emotional intelligence, leadership style and the followers' perception of leadership effectiveness. The participants in this study were 151 managers who rated their own emotional intelligence and their subordinates rated their leaders' leadership style using Bass and Avolio's MLQ-5X. The findings showed no significant relationship between the leader's leadership style and emotional intelligence. The finding of this study is not consistent with the findings of Sosik and Megerian (1999). Sosik and Megerian (1999) found that managers who were rated as effective leaders by their subordinates display a high level of emotional intelligence. Buford (2001) found that there is a significant relationship between transformational leadership and emotional intelligence.

Muyia and Kacirek (2009) investigated the outcome of leadership training programmes on emotional intelligence of the participants. The main objective of the study was to determine whether the training programme was successful in enhancing the emotional intelligence scores of the participants. The study was conducted among 43 participants from a midsized university in Arkansas, US. The emotional intelligence scores of the participants were taken before and after the training to determine if there were statistically significant changes in the scores for emotional intelligence. The results showed no significant differences in the emotional intelligence scores obtained before and after the training. This result is in consonance with other researchers who found mixed results. Some researchers found a positive improvement in the emotional intelligence scores after the trainees had undergone emotional intelligence training (Dulewicz & Higgs, 2003).

The main objective of the study conducted by Esfahani and Soflu (2011) was to explore the association between emotional intelligence and transformational leadership of physical education managers from Golestan state, Iran. The study was conducted among 47 managers and deputy managers from the physical education department. The results showed that transformational leadership and emotional intelligence are highly correlated, which is consistent with the findings of Sivananthan and Fekken (2002).

Hur, Van den Berg, and Wilderom (2011) conducted a study to investigate the mediating role of transformational leadership between emotional intelligence and team performance. The study was conducted among 859 staff from a South Korean public-sector organisation. The findings indicated that there is a mediating effect of transformational leadership between emotional intelligence and team performance. This study found that leaders who are emotionally intelligent are rated as more effective by their subordinates. Emotionally intelligent leaders tend to display the characteristics of a transformational leadership. This explains the effectiveness of leaders who have high levels of emotional intelligence. They are able to understand the emotions and feelings of their subordinates and integrate emotional considerations in the management of employees.

Castro, Gomes and de Sousa (2012) investigated the mediating role of climate on the relationship between emotional intelligence and the subordinates' ability to use original ideas to create something new (creativity). The data was taken from one of the largest healthcare enterprises operating in the Iberian Peninsula (Andorra, Spain, Gibraltar and

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Portugal). They have 5,000 staff and 16 organsiations and they provide healthcare services. This study was conducted in one of these hospitals. The data was collected from 66 leaders – employee dyads by using two sets of questionnaires, one for the leaders and one for the subordinates. The findings revealed that there is a positive and significant association between emotional intelligence of leaders and their subordinates' creativity. Climate did not mediate the relationship between emotional intelligence of leaders and the creativity of subordinates. This indicated a direct association between emotional intelligence of leaders and employees' creativity. The findings showed that leaders with high emotional intelligence are able to develop subordinates' creativity.

Jayawardena (2012) conducted a study to evaluate the transformational leadership and emotional intelligence of managers with graduate qualifications and the impact on their performances at work. The study was carried out among 63 managers who were pursuing their master's degree programme in a Sri Lankan university. The data was collected by using Bass and Avolio's (2004) MLQ to measure leadership styles and Palmer and Stough's (2006) Genos EI Inventory (full version) to measure emotional intelligence level. The findings of the study showed that graduate managers display greater transformational leadership style and lesser of the passive avoidant leadership style. Apart from that, the study found that female managers have higher levels of emotional intelligence and transformational leadership styles. This showed that females in a conservative country like Sri Lanka are capable and qualified to hold managerial positions.

Grunes, Gudmundsson, and Irmer (2014) explored the ability of the Mayer and Salovey's (1997) model of emotional intelligence to successfully predict leadership styles and its outcomes. The study was undertaken among 144 leaders (52 males and 92 females) and 432 subordinates and supervisors from Australian educational institutions. The findings revealed that emotional intelligence is not a significant predictor of leadership style. Other results showed that there is no difference in the emotional intelligence scores between male and female respondents. This finding is contrary to the findings of Mayer and Geher (1996) and Mayer, Caruso and Salovey (2000) who found women score significantly higher than men on emotional intelligence tests.

2.5 Emotional Intelligence

According to Ashforth and Humphrey (1995), research on the role of emotions in organisations is limited. This situation began to change in the late 1980s following the work of Rafaeli and Sutton (1987).

Psychological records have defined the concept of emotions and intelligence for many decades as listed in Table 2.2. There has been a widespread acceptance of cognitive intelligence as one of the criteria for effective performance (Petrides, Pita & Kokkinaki, 2007; Petrides, Frederickson & Furnham, 2004). In 1920, Edward Thorndike, a psychologist, coined the word 'social intelligence', demonstrating the fact that intelligent behaviour goes beyond cognitive and technical competence (Rajagopalan, 2010). Employers seek skills in individuals that transcend traditional cognitive and professional competence (Lam & Kirby, 2002).

Table 2.2

Previous Studies on Emotional Intelligence (Rajagopalan, 2010)

Year	Seminal Contributor	Ideas Observed
1920	Thorndike	Defined social intelligence emphasising intelligence goes beyond cognition and competence
1940	Wechsler	Noted that non-intellectual factors contribute to intelligence
1966	Leuner	Introduced the notion of emotional intelligence attributing intelligent behaviour to emotions
1973	Sifenos	Defined the concept of Alexythemia describing it as one's inability to comprehend emotions.
1983	Gardner	Espoused the concept of multiple intelligence distinguishing interpersonal and intrapersonal intelligence.
1985	Payne	Advanced the concept of emotional intelligence but limited to understanding and managing fear, desire and pain within self
1989	Greenspan	Extended the concept of emotional intelligence
1990	Salovey & Mayer	Established the ability framework and construct for emotional dimension
1995	Goleman	Commercial publication of the emotional intelligence framework and its impact on effectiveness.

In 1990, the first two scientific articles on emotional intelligence were published by psychologists, Dr. John Mayer of University of New Hampshire and Dr. Peter Salovey of Yale University. Most of the literature on emotional intelligence is derived from these two articles (Brackett & Mayer, 2003; Mayer, 2000; Mayer & Salovey, 1997; Mayer *et al.,* 2000; Mayer *et al.,* 2001; Mayer & Salovey, 1990).

In 1980, the unpublished PhD thesis of Bar-On (1997) also contributed to the development of emotional intelligence quotient. This development in 1980s came through due to Bar-On's clinical experience as a psychologist where he emphasised its importance to address two questions: "Why do some people have better psychological well-being than others?" and "Why are some individuals more able to succeed in life than others?" (Gosling, 2006, p.1)

2.5.1 Emotional Intelligence Ability Theory

Emotional intelligence is defined in the first article published by Salovey and Mayer (1990) as "the ability to monitor one's own emotions and others, to discriminate among them, and to use the information to guide one's thinking and actions. Emotional intelligence is redefined as the ability to access and generate emotion, understand emotions accurately, to assist thought, to have emotional knowledge and to regulate emotions to promote emotion and intellectual growth.

The model they developed comprised four competencies of emotional intelligence that integrate cognition and emotion. These competencies were set up starting from basic psychological processes, gradually growing to higher psychological processes. The competencies are: (1) Emotional perception: emotions are perceived and expressed and begin automatic influences of cognition; (2) Emotional integration: emotions begin to shape and improve thinking by directing a person's attention to important changes, so emotion is integrated with thinking to be better understood; (3) Emotional understanding: emotions and their interactive and temporal implications are understood; and (4) Emotional management: emotions are fully understood and one is able to cope with states of mood instability.

2.5.2 Emotional Intelligence Mixed Theory

Goleman (1995) defined emotional intelligence as "a combination of various abilities which an individual has and needs for success in various aspects of life". Greenberg and Baron (2003) stated that studies should not focus only on the academic development of

children and young people, but should also take into consideration the development of their social and emotional competencies.

Bar-On (2006) developed a model of emotional-social intelligence (ESI). He mentioned that an emotionally and socially successful person should be able to comprehend and express himself or herself, understand and relate well with others and be able to cope with daily demands, challenges and pressures. The author divided emotional intelligence into two competencies (intrapersonal and interpersonal), and further divided the competencies into five dimensions. The former (also the first dimension) is defined as the evaluation of the individual's general self-identification, while the latter (the second dimension) comprises three capacities: empathy, social responsibility and social relations Adaptability is the third dimension which consists of an individual's capacity to correctly appraise the world around him or her and efficiently adjust to a new situation; while the fourth dimension is stress management consisting of understanding the ability to both tolerate stress and keep personal drives under control. The fifth and final dimension is the general mood which is considered as the ability to hold and convey a positive and optimistic view of life.

2.5.3 Emotional Intelligence Trait Theory

Petrides and Furnham (2003) developed the Emotional Intelligence Trait Theory. Emotional intelligence trait theory treats emotions as a broad construct that is made up of general emotionality comprising four competencies: well-being, self control, emotionality, and sociability.

Nelson and Low (2003) stated that individuals should balance their feelings and thoughts to produce intentional behaviours. The authors further stated that emotional intelligence comprises five steps: self-assessment, self-awareness, self-knowledge, self-development and self-improvement.

2.5.4   Review of Literature on Emotional Intelligence

There are contrasting opinions on the level of emotional intelligence that exists between men and women. Goleman (1998a) found that even though males and females have different levels of strengths and weaknesses, there is no difference between genders when it comes to emotional intelligence. This observation was contrasted by other studies conducted by Mayer and Geher (1996), Mayer, Caruso and Salovey (1999) and Mandell and Pherwani (2003). In their study, they found that women are likely to have a higher level of emotional intelligence both in professional and personal capacities. These contrasting findings may be due to the choice of measurement. When Brackett and Mayer (2003) measured emotional intelligence by using performance measure (the Mayer-Salovey-Caruso Emotional Intelligence Test [MSCEIT], they found that women scored higher than men. On the other hand, when emotional intelligence was measured by using the self-report measures, for example, Bar-On Emotion Quotient Inventory (EQ-i) and the Self-Report Emotional Intelligence Test (SREIT), there was no difference in the scores between the genders.

Poon (2002) conducted a study to determine if there was any difference in the emotional intelligence of domestic and foreign graduates studying in universities in Singapore. The

study was conducted among undergraduates from various faculties in the National University of Singapore and Nanyang Technological University. The findings showed that foreign undergraduates have a higher emotional intelligence score than local students. They suggested in the study that staff should be assessed based on their individual merits, such as emotional intelligence rather than on academic results.

According to Dulewicz and Higgs (2003), emotional intelligence plays a significant role in the performance of individuals in teams and as a leader. Similar findings were reported by Goleman, Boyatzis and McKee, (2002).

Slaski and Cartwright (2002) conducted a study among a group of retail managers. They examined the link between distress, subjective stress, quality of working life and management performance. They found that there is a significant relationship between the level of emotional intelligence and the level of stress. Individuals with high emotional intelligence are found to suffer less stress and experience a better quality of life and better job performance. According to Sojka and Deeter-Schmelz (2002), emotional intelligence is important in sales where the salespersons need to be able to handle and adapt to difficult customers.

Rajagopal and Rekha (2004) performed a study among the managerial staff of BILT in India.   A total of 70 employees participated in this study, which highlighted the relationship between emotional intelligence and organisational effectiveness. The findings showed that there is a significant relationship between emotional intelligence

and organisational effectiveness. This study demonstrated that it is important for an organisation to carry out a test on potential employees to determine their emotional intelligence before they are selected to work for the organisation.

Bhalla and Nauriyal (2004) conducted a study in India and found that emotional intelligence plays a significant role in enhancing individual performance at work. They also found that emotional intelligence is an important element among Indians to increase their productivity because of their emphasis on the affiliation need (one of the components of McClelland's motivation theory).

Cumming (2005) carried out a study among employees in New Zealand to explore the link between emotional intelligence and performance at the workplace. Apart from that, Cumming (2005) also undertook to find out the connection between emotional intelligence, demographic factors and performance at the workplace. The study demonstrated that there is a significant connection between performance at the workplace and emotional intelligence. The survey did not indicate any significant relationship between demographic factors and emotional intelligence.

Lopes, Grewal, Kadis, Gall and Salovey (2006) conducted a survey on 44 analysts and clerical staff from the finance department of a Fortune 400 company. The study was on the relationship between emotional intelligence and workplace outcomes. The findings of the survey demonstrated that employees with a high level of emotional intelligence tend

to receive high increases in their salary and hold higher positions. These groups of employees tend to display better interpersonal skills and better tolerance for stress.

Cote and Miners (2006) tried to determine how emotional intelligence and cognitive intelligence are related to job performance. The study was carried out among 175 full-time employees from a large public university in the US. The findings showed that emotional intelligence is a significant determinant of job performance due to its interactive effect with cognitive intelligence, and indicated that the performance of an employee cannot be predicted by cognitive intelligence alone because employees with low cognitive intelligence can perform well if they display a high level of emotional intelligence.

Thiruchelvi and Supriya (2009) conducted a study to determine the relationship between emotional intelligence and job satisfaction in the petroleum industry in Tamilnadu, India. The respondents in this study were white collared employees. The findings revealed that there is a significant relationship between emotional intelligence and job performance. Emotional intelligence is one of the several factors that contribute to job satisfaction. Emotional intelligence is able to determine job satisfaction because it uses both the emotional and cognitive skills. According to Goleman (1995), emotional intelligence can be developed at any age. In view of this, companies should formulate training strategies to develop the emotional intelligence of the employees. Incorporating emotional intelligence into the training schedule will enable employees to cooperate and motivate each other, thereby increasing productivity and profits of the organization. According to

Bruce and Blackburn (1992), several studies have revealed that there is a positive and significant relationship between job satisfaction and performance. Hence, employees' level of emotional intelligence needs to be developed to increase job satisfaction, which in turn would increase their commitment and improve productivity.

Jennings and Palmer (2007) carried out a survey involving sales managers and sales representatives from a pharmaceutical company in Australia. They had undergone training on emotional intelligence for six months to help in increasing their sales performance. The level of emotional intelligence and sales performance of these respondents were determined before and after the training and the findings were compared with a control group. The outcome of this survey demonstrated that the level of emotional intelligence of the respondents who underwent training increased by 18 percent while the emotional intelligence of the control group decreased by four percent. The sales performance of the participants increased by an average of 12 percent and indicating that sales performance can be enhanced through training in emotional intelligence. This finding is one of the first reports in the world to show that sales performance could be enhanced through the development of emotional intelligence.

Christie, Jordan, Troth and Lawrence (2007) examined the relationship between motivation and emotional intelligence. This study used the Mayer and Salovey's (1997) framework of emotional intelligence, comprising emotional awareness, emotional regulation, understanding emotion and utilisation of emotion; and the three motivational needs (achievement, affilitiation and power) developed by McClelland (1987). Based on

this framework, several hypotheses were framed to test Goleman's findings that motivation is part of emotional intelligence. The survey results demonstrated that individuals who are able to control and regulate their emotions are motivated by achievement needs. On the other hand, individuals who are able to understand and assess others' emotion are motivated by affiliation needs. There was no significant relationship between emotional awareness and the need for power. This survey finding supported the conceptualisation of Mayer and Salovey's (1997) finding that motivation is linked to emotional intelligence but is not a component of the emotional intelligence dimension.

Adeyemo (2008) investigated the association between demographic variables and emotional intelligence among employees from selected organisations. The survey consisted of 114 males and 101 females. The findings revealed that gender and working experience have significant effects on emotional intelligence. The females have higher mean scores as compared to the males indicating that females have a higher level of emotional intelligence than males. The other result revealed that working experience has the ability to determine emotional intelligence. This result is consistent with that of Salopek (1998) where he stated that emotional intelligence tends to develop as one matures and gains more experience at the workplace.

Abdul Kadir, Hazman and Jasmine (2008) carried out a study to determine the emotional intelligence, emotional labour and work effectiveness in service organisations. Employees who are in the service industry need to interact with others, for example, customers, colleagues and managers. Hence, they cannot avoid dealing with emotions.

The findings revealed that emotional intelligence is important for all service providers in order for them to perform their functions effectively.

Korkmaz and Arpaci (2009) examined the link between emotional intelligence and organisational citizenship behaviour in a diverse set of industries located in Istanbul, Turkey. There were altogether 114 respondents made up 57 dyads of supervisors and their managers who took part in this survey. The findings showed that there is a strong relationship between emotional intelligence and conscientiousness, civic virtue and altruistic behaviour of subordinates.

A comparative study on the level of emotional intelligence of teachers from daily and residential schools was performed by Noriah, Iskandar and Ramli (2010), which revealed both the groups had similar emotional intelligence profiles but the teachers from the residential schools have higher emotional intelligence as compared to daily school teachers.

Ahuja (2011) investigated the relationship between emotional intelligence and job performance in an insurance industry in India. Data were collected from 100 front-line executives, and the findings revealed that there is a significant relationship between emotional intelligence and job performance. There is not much difference in the emotional intelligence between males and females. Emotional intelligence seems to increase with age. This finding is consistent with that of Abraham (2004) who found that emotional intelligence increases as one matures. Married employees seem to display

higher emotional intelligence than unmarried employees. Factors, such as qualification and income, are not influenced by emotional intelligence. It was also reported that training programmes can increase the emotional intelligence of employees. Emotional intelligence can be used as a selection tool to select employees for various jobs.

Tee, Anantharaman and Yoon (2011) conducted a survey of 96 executives from the manufacturing sector in SMEs in Selangor, Malaysia on their level of emotional intelligence. For the purpose of conducting this survey, the Genos Emotional Intelligence inventory questionnaire developed by Palmer and Stough (2004) was used; the results showed the executives have low levels of emotional intelligence in relation to the nature of their work.

Castro, Gomes and De Sousa (2012) examined the relationship between creativity and emotional intelligence. The study was carried out in a hospital setting where two sets of questionnaires (one for the leader and one for the employees) were distributed to the leader-employee dyads. Sixty six leader-employee dyads responded to the questionnaires, which findings showed that there is a positive connection between the emotional intelligence of the leaders and their followers' creativity.

Kumar and Muniandy (2012) explored the influence of demographic profiles on emotional intelligence among 162 polytechnic lecturers in Malaysia, using Genos Emotional Intelligence Inventory (concise version). The overall level of emotional

intelligence of the polytechnic lecturers is average and the levels of emotional intelligence improved with age, teaching experience and education.

A pioneering study was carried out among executives selected from 101 SMEs in Brunei Darussalam on the relationship between emotional intelligence and organisational citizenship behaviour by Seyal, Afzaal and Chin (2012). They used the Swinburne University Emotional Intelligence Test (SUEIT) to measure emotional intelligence, and the findings indicated that there is a significant relationship between emotional intelligence and organisational citizenship behaviour.

Maini, Singh, and Kaur (2012) conducted a study on the relationship between emotional intelligence and outcome variables. The samples of the study were 250 superior-subordinate dyads who were working on either technical or non-technical jobs in power plants in India. The findings showed that there is a significant relationship between emotional intelligence and organisational citizenship behaviours (altruism, conscientiousness, sportsmanship, courtesy and civic virtue).

Siti Sarawati, Ishak and Zainuddin (2012) investigated the impact of emotional intelligence on the relationship between personality and self-esteem at the workplace. Emotional intelligence was the mediator variable. The study was conducted among 285 civil servants from Local Authorities in Malaysia. The findings of this survey revealed that emotional intelligence of a leader influences the association between the leader's personality and self-esteem of employees. The results also highlighted the role of

emotional intelligence as a mediator between a leader's personality and the self-esteem of employees.

Coetzee and Harry (2014) performed a study to determine the association between emotional intelligence and career adaptability among call centre employees in Africa. This study revealed the significance of developing an individual's emotional intelligence to strengthen his or her career adaptability.

2.5.5 Measuring Emotional Intelligence

The main instruments used by the scholars of popular models of emotional intelligence since 1980s are used to discuss the various instruments to measure emotional intelligence. Several scholars have developed measurements to test emotional intelligence: Bar-On (1997), Schutte, Malouff, Hall, Haggerty, Cooper, Golden and Dornheim (1998), Mayer, Salovey and Caruso (2000), Dulewicz and Higgs (2000), Palmer (2003), and Palmer and Stough (2001).

Basically there are five main research instruments for measuring emotional intelligence:

1. **Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT)**

    Mayer, Salovey and Caruso (2002) developed the MSCEIT from their definition of emotional intelligence that it is the ability to regulate emotions, understand emotions, develop emotional literacy and the ability to express, evaluate and perceive emotions accurately (Mayer & Salovey, 1997, p.10)

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2. Emotional Quotient Inventory (Bar-On EQ-I)

Bar-on described the EQ-I, a standardised pyschometric measure, as 'a self-report measure of emotionally and socially competent behaviour that provides an estimate of one's emotional and social intelligence'. It was the first emotional test to be published; therefore, it can be accurately described as 'a self-report measure of emotionally and socially competent behaviour that provides an estimate of one's emotional and social intelligence' (Bar-On, 2000, p.34; Palmer, Manocha, Gignac & Stough, 2003, p. 1191). It takes around 40 minutes to answer the EQ-I, which assesses 133 social 'standards', 'statements' or 'competencies' and measures how these 'competencies' are performed in one's environment.

3. Emotional Competency Inventory (ECI)

The ECI was developed from Goleman's (1995) competency model of emotional intelligence in conjunction with the Hay Group (Mayer *et al.,* 2000, p. 402). This model is called the 'mixed' model. This particular Emotional Intelligence scale was developed for organisational settings where it is necessary to obtain informant reports (Brackett & Mayer, 2003). The ECI is a 360 degree feedback tool developed to assess the emotional competencies of companies and individuals (Emmerling & Goleman, 2003). According to the Hay Group (1999) and Goleman (2000a), an emotional competence can be defined as 'a learned capability based on emotional intelligence that results in outstanding performance at work'.

The ECI, as mentioned earlier, is a 360 degree feedback tool which measures 20 competencies. According to this model, the respondents are required to 'indicate the degree to which statements about Emotional Intelligence-related behaviours are characteristics of themselves'. The time taken to complete the ECI is around 30-45 minutes.

4. Self-report Emotional Intelligence Test (SREIT)

SREIT was developed by Schutte, Malouff, Hall, Haggerty, Cooper, Golden and Dornheim (1998) and was based on Salovey and Mayer's (1990) original ability model of emotional intelligence. This test is a self-report measure which consists of a single factor for 33-item scales for emotional intelligence. Palmer (2003, p.115) found that 'research to date on the SREIT suggests that it is a reliable self-report measure of Emotional Intelligence with a consistent factor structure that correlates meaningfully with theoretically related variables'

5. Genos EI Assessment Scale

The Genos EI Assessment Scale (SUEIT: Palmer & Stough, 2001) was developed as a competency tool based on 360 degree multi-rate measure of emotional intelligence, designed specifically as a leadership development tool to be applied at the workplace in Australia (Palmer & Stough 2001, 2005). This Genos EI assessment scale was developed at Melbourne's Swinburne University by Con Stough, a professor of cognitive sciences and his colleague, Benjamin Palmer. This assessment scale was later commercialised and marketed by Genos Pty Ltd (2005) in collaboration with the

Swinburne University of Technology. Currently, in Australia, this is the most widely used emotional intelligence assessment tool, for the recruitment process and in training and development programmes.

2.5.6   Justification for Using Genos EI as the Instrument to Measure Emotional Intelligence

As explained earlier, there are various instruments used to measure emotional intelligence. This section justifies the usage of Genos EI instrument for the current study.

It was found that the MSCEIT, lacks "workplace validity" and it takes approximately 30 minutes to answer the questionaire. Similarly, the Bar-On Emotional Quotient Inventory (Bar-On EQ-i) which has 133 items takes too long to answer (approximately 45 minutes) and the emotional intelligence it measures is considered to be too complex. Another model developed by Petrides and Furnham (2003) called Trait-Emotional Intelligence Questionaire (TEIQue), has 153 items and is considered too long to complete; in addition, it was found not to have workplace face validity. This model takes into consideration more of the individual preferences as compared to what an individual does in the organisation.

Another more commonly used instrument to measure emotional intelligence is the Emotional Competency Inventory (ECI) developed by the Hay Group in collaboration with Goleman and Boyatzis. This instrument was designed specifically for the workplace and it complies with some of the characteristics set by HR Practitioners. According to Goleman (2000), ECI takes only 15 minutes to complete and has strong workplace face

validity. However, similar to Bar-On EQ-I, it has been found to be too complex and esoteric. The model's result reports are designed without taking into consideration the "end-user".

Genos EI was specifically designed to be used in the workplace which was determined through a study done by using an industry focus group (Palmer, Stough, Harmer & Gignac, 2009). Genos EI has three main characteristics which are discussed below.

First, the 7-factor taxonomic model is simple to be administered as compared to other models in similar fields. It has been posited that Genos EI model is very easy and straightforward to debrief, making it easier for the respondents to recall while carrying out their daily duties and also is relatively easy to be associated with other organisational models (e.g., leadership, sales or customer service) (Gignac, 2010).

Second, it has strong 'workplace face validity' consisting of emotionally intelligent behaviours linked to the workplace and is aligned to the seven dimensions of the model. Finally, Genos EI measures individual differences by looking at how often an individual displays behaviours that are associated with emotional intelligence (Gignac, 2010).

Genos EI has a total of 70-items and it takes only between 20-25 minutes for the participants to answer. Each of the seven factors under Genos EI is measured by 10 items which are homogenous and measure emotionally intelligent behaviours (Palmer, Stough, Harmer & Gignac, 2009). Genos EI was also found to have high reliability.

Genos EI total score reliability was estimated to be 0.96 and the test-retest reliability was found to be 0.83 and 0.72 (Gignac, 2010).

After reviewing the various literatures on the different instruments used to measure emotional intelligence, it appears that Genos EI is the most suitable instrument to be used in this research because of its strong workplace face validity.

Table 2.3

Summary of Models of Emotional Intelligence

Researchers Name	Models of Emotional Intelligence
Bar-On (1997)	Bar-On's approach to EQ is multifactorial, grouping 15 proposed components under five composite scale scores 1. Intrapersonal 2. Interpersonal 3. Adjustable 4. Manage stress 5. Manage mood
Salovey & Mayer (1990); **Mayer & Salovey(1997)**	Proposed a four-branch model of emotional intelligence – later revised (1997) –involving: 1. The ability to predict emotion. The ability to evaluate and display emotion. 3. The ability to demonstrate emotional literacy. 4. The ability to control emotions and intellectual growth.
Goleman (1998a)	Popularised the concept of emotional competencies: 1. Self-awareness – understanding oneself, one's strengths and weaknesses and how one appears to others. . Self-regulation – the ability to manage oneself before taking any action 3. Motivation – 4. Empathy – Looking from others' perspective. 5. Social skills – Interpersonal skill

Table 2.3 (Continued)

Researchers Name	Models of Emotional Intelligence
Goleman (2000)	Goleman's 5-dimensional model was later renamed as 20 competencies and was classified into four groups of emotional intelligence Abilities: 1. Self-awareness (three competencies). 2. Self-management (six competencies). 3. Social awareness (three competencies). 4. Relationship management (eight competencies).
Davies, Stankov & Roberts (1998)	The dimension of emotional intelligence is considered as a group of conceptually linked psychological processes. These process include: 1. The verbal and non-verbal appraisal expression of emotion in oneself and in others. 2. The regulation of emotion in oneself and others. 3. The use of emotion to facilitate thought.
Higgs & Dulewicz (1999)	Identified seven constituents of emotional intelligence, in three main categories: Seven elements of emotional intelligence, classified into in three main groups: 1. The drivers; 2. The 'constrainers'; and 3. The enablers
Palmer & Stough 2001	A 360 multi-rater emotional intelligence test; Genos EI was developed based on five main competencies: 1. Able to recognise and express emotion; 2. Able to understand other people's emotions; 3. Emotions direct Cognition; 4. Able to manage emotions; and

Source: Gosling, J. (2006).

2.5.7   The Role of Emotional Intelligence as a Mediator Variable

After carrying out extensive review of literature on emotional intelligence, it is observed that various studies have been carried out in different settings using emotional intelligence, either as an independent variable, dependent variable, moderator variable or as a mediator variable. For example, in the research carried out by Lam and O'Higgins (2012) and Tee, Anantharaman and Yoon (2011), emotional intelligence was used as an

independent variable, and in another research carried out by Leban and Zulauf (2004), the dependent variable in that study was emotional intelligence.

In the study conducted by Farahani, Taghadosi and Behboudi (2011), emotional intelligence was used as the moderating variable. They carried out a case study in Iran on the moderating effect of emotional intelligence on the link between transformational leadership and organisational commitment. The results of this study demonstrated that there is a direct and positive link between transformational leadership and organisational commitment; the survey also showed that emotional intelligence moderates the link between transformational leadership and organisational commitment.

Jordan, Ashkanasy and Hartel (2002) carried out a study where emotional intelligence was the moderating variable between emotion and behaviour towards job insecurity. The findings indicated that employees with low emotional intelligence tend to react negatively towards job insecurity as compared to employees with high emotional intelligence.

Several researches have been conducted where emotional intelligence was the mediator variable.

Palmer, Walls, Burgess and Stough (2001) proposed emotional intelligence as a possible mediator of leadership at the workplace. It was also reported by Gignac (2010), using

Genos EI as the measurement tool, that emotional management related subscales mediated the relationship between leadership and emotional intelligence.

Adeyemo (2007) conducted a study on the mediating role of emotional intelligence and the relationship between job satisfaction and organisational commitment of workers in Nigeria. The results of this study demonstrated that job satisfaction has a significant impact on organisational commitment and emotional intelligence mediates the link between job satisfaction and organisational commitment.

Elbers (2007), in her research on charismatic leadership, emotional intelligence and values in an organization, used emotional intelligence as the mediator variable to study the relationship between charismatic leadership and the transfer of values. It was confirmed that emotional intelligence mediated the link between charismatic leadership and organisational fitness and between a leader's perception of shared values and the perception of the employees.

Modassir and Singh (2008) carried out a study in India on the relationship between emotional intelligence and transformational leadership and organisational citizenship behaviour. They used a sample size of 114 respondents consisting of 57 dyads of managers and their supervisors. They tested the mediating role of emotional intelligence between transformational leadership and organisational citizenship behaviour by using Barron and Kenny's (1986) method and they found that there was no significant finding

to indicate that emotional intelligence mediates the relationship between transformational leadership and organisational citizenship behaviour.

Keateen and Kelly (2008) designed a study to examine the link between family communication patterns, emotional intelligence and reticence. The findings showed that emotional intelligence mediated the link between conversation orientation and reticence.

Kampfe and Mitte (2010), in their research titled "Tell me who you are, and I will tell you how you feel", studied the mediating effect of emotional intelligence and mood regulation on the relationship between subjective well-being and personality. The study reported that there is a mediating effect of emotional intelligence and mood regulation on subjective well-being and personality.

Tsai, Tsai and Wang (2011) conducted a study on the link between leadership style, emotional intelligence, self-efficacy and organisational commitment in the banking industry in Taiwan. This survey was conducted by using 251 employees from the banking industry, and the findings suggested that the emotional intelligence of a supervisor has a mediating role in the relationship between the leadership style of the supervisor and self-efficacy of the employees.

Dasgupta and Mukherjee (2011) conducted a study using emotional intelligence as a mediator of work-family role, conflict, quality of work life and happiness among Information Technology (IT) professionals. This study was carried out among IT

professionals; both from public and private sectors located in Kolkata, India. The results posited that emotional intelligence promotes happiness and is linked positively to the quality of work life of employees.

Nasir (2012) studied the role of emotional intelligence as a mediator on the link between academic achievement and cultural adjustments of international students. The study consisted of 100 international students studying in different faculties of the International Islamic University, Islamabad and the National University of Modern Languages (NUML). The results indicated that emotional intelligence mediates the relationship between cultural adjustment and academic achievement.

Siti Sarawati, Ishak and Zainuddin (2012) explored the mediating effect of emotional intelligence on the relationship between the personality of leaders and the self-esteem of the subordinates. A total of 285 civil servants from the Local Authorities in Peninsular Malaysia participated in the study. The findings revealed that emotional intelligence plays a significant role as a mediator between personalities of leaders and subordinates' self-esteem.

The above studies demonstrate that emotional intelligence has been used as a mediator variable to study its relationships with various factors in an organisation. Emotional intelligence has been studied as a mediator variable in different environments. There is sufficient literature to support the current study which uses emotional intelligence as the mediator variable, mediating the relationship between leadership styles and organisational commitment.

2.5.8 Relationship between Emotional Intelligence and Organisational Commitment

Carmeli (2003) conducted a study among 262 senior managers who were employed as chief financial officers in the local government departments in Israel. The study was undertaken to explore to what extent emotional intelligence enhances work performance and develops positive work attitudes. This survey demonstrated that emotional intelligence is an important element in most organisations to enhance organisational commitment, job performance and to develop positive work attitudes.

Humphreys, Brunsen and Davis (2005) carried out a study to find out whether the emotional structure of healthcare workers is linked to their commitment to the enterprise. The survey was carried out among the direct care employees (nurses, radiology technicians, respiratory therapists and others) using The instrument used to measure organisational commitment was adopted from Mowday *et al.'s* (1979) OCQ. Emotional intelligence was measured by using Carson *et al.'s* (2000) Emotional Intelligence Survey. The results of this study found that there was a positive relationship between emotional intelligence and organisational commitment.

Chi, Tsai, and Chang (2007) carried out a study among salespersons in Thailand to explore the relationship between leadership styles, organisational commitment and emotional intelligence. The moderating variable was emotional intelligence while the mediating variable was organisational commitment. The leadership style was measured by using MLQ Form 5X and the organisational commitment was measured by using

Allen and Meyer's (1990) OCQ. A total of 186 salespersons participated in this survey, and the findings showed that organisational commitment acted as a mediator variable between leadership style and job performance and emotional intelligence played the role as a moderator variable between leadership style and job performance.

Rathi and Rastogi (2009) conducted a survey which explored the correlation between emotional intelligence, occupational self-efficacy and organisational commitment. Data were collected from 120 personnel working in various firms in India, and the findings showed that emotional intelligence and self-efficacy were positively correlated. There was a positive relationship between emotional intelligence and organisational commitment.

Dasgupta (2010) carried out a study among 30 female IT professionals from Kolkata, India to determine the association between emotional intelligence and quality of work life. The outcome of the study revealed that emotional intelligence has a significant relationship with the quality of work-life and happiness. This result indicated that emotional intelligence plays an important role in achieving a better quality of work-life and happiness among employees. Employees with higher emotional intelligence tend to display a better quality of work-life as compared to those with lower emotional intelligence.

Khalili (2011) examined the relationship between emotional intelligence and organisational commitment. Emotional intelligence was measured by using the

questionnaires developed by Goleman and organisational commitment was measured by using Allen and Meyer's OCQ (1997). The survey was conducted among 142 employees in the private sector of SMEs in Iran. The results of this survey demonstrated that there is a positive relationship between emotional intelligence and organisational commitment. This study also suggested that SMEs in Iran should focus their attention on hiring leaders or managers who have high levels of emotional intelligence in order to increase the subordinates' level of organisational commitment.

Aghdasi, Kiamanesh, and Ebrahim (2011) analysed the role of emotional intelligence on stress at the workplace, job satisfaction and organisational commitment. Emotional intelligence and three other variables namely, organisational commitment, job satisfaction and occupational stress were examined through the Path Analysis method. A total of 234 personnel from an Iranian organisation who were selected through appropriate stratified sampling participated in this survey. This study demonstrated that emotional intelligence does not have either a direct or indirect impact on job satisfaction, occupational stress or organisational commitment. It was also reported that occupational stress has a negative effect on job satisfaction.

Mahmoud Ghorbani and Seyed Ali (2012) examined the role of emotional intelligence and organisational commitment among employees of the Salehieen Finance and Credit Institute in Iran. Around 147 respondents participated in this survey and the findings indicated that there is a significant relationship between emotional intelligence and organisational commitment.

Alavi, Mojtahedzadeh, Amin, and Savoji (2013) conducted a study to determine the association between emotional intelligence and organisational commitment. The study was conducted among 100 employees working in the Ramin Thermal Power Plant in Iran. The findings of the study showed that there is a significant correlation between emotional intelligence and organisational commitment. This finding is in consonance with the findings of Othman and Anugrah (2009) and Rathi and Rastoghi (2009).

Seyal and Afzaal (2013) conducted a study to determine the association between emotional intelligence, organisational commitment and job satisfaction. The study was performed among 90 academic employees from a technical university in Brunei Darussalam. The results of this study revealed that there is a significant relationship between emotional intelligence and organisational commitment which enhanced job satisfaction.

Utami, Bagun, and Lantu (2013) carried out their study using 103 staff from various organisations in Bandung and Jakarta, Indonesia. The study was conducted to examine the moderating and mediating role of emotional intelligence and trust between organisational politics and organisational commitment. The finding of the study revealed that if the employees perceive the organisational politics to be high, they display lower organisational commitment towards the organisation. It was also reported that the higher the level of trust among the employees, the higher the level of organisational commitment

towards the organisation. Emotional intelligence was found to moderate the association between organisational politics and organisational commitment.

2.6   Underpinning Theory for Conceptual Framework

The underpinning theory is that there is a relationship between organisational committment (dependent variable) based on Meyer and Allen's Theory and leadership styles (independent variable) based on Bass and Avolio's Full-Range-Leadership theory. Leadership style (independent variable) is determined by the level of emotional intelligence (mediator variable) by using Palmer and Stough's Genos EI theory of leaders in an organization

2.7 Research Framework

The diagram of the proposed research framework for this study is illustrated in Figure 2.5. Initially, based on the organisational commitment theory, research framework was developed to demonstrate association between independent variable, mediator variable, and dependent variable.

Based on the framework, the independent variable is leadership styles (transformational, transactional and passive-avoidant) and organisational commitment is the dependent variable. Meanwhile emotional intelligence is hypothesized to mediate the relationship between leadership styles and organisational commitment. The model suggests a framework that can be used to assess the relationship between leadership styles, emotional intelligence and organisational commitment in the medium-sized

manufacturing enterprises in Selangor. The relationship between leadership styles, emotional intelligence and organisational commitment will be determined through statistical analysis.
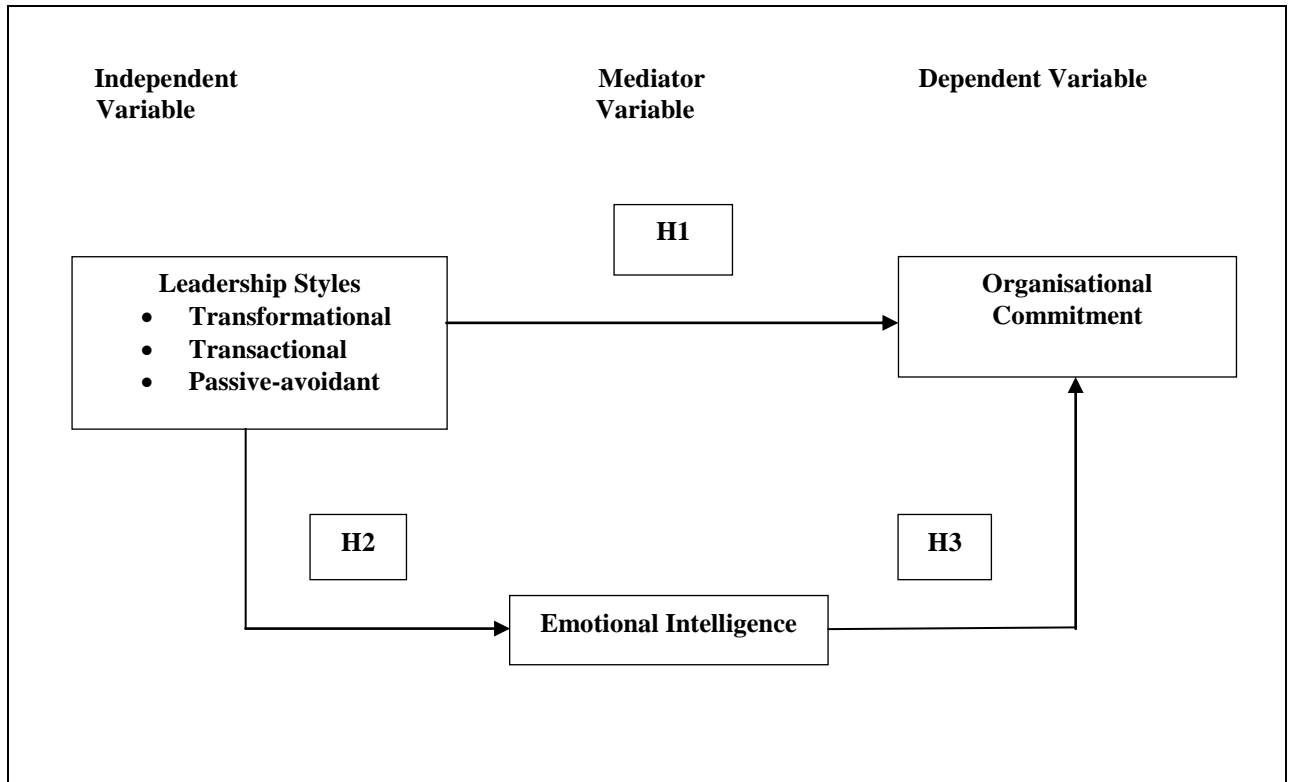
Figure 2.5
Research Framework

2.8 Hypotheses Development

The main aim of this study is to explore the association between leadership styles (transformational, transactional and passive-avoidant) and emotional intelligence of managers and the organisational commitment of employees in the medium-sized manufacturing enterprises in Selangor. For the purpose of this study, research framework as depicted in Figure 2.5 was developed after reviewing the relevant literatures thoroughly and coordinated them with research objectives. Based on the research

framework, several research hypotheses were proposed for further empirical investigation.

2.8.1 Leadership Style and Organisational Commitment

From past research, we can postulate that there is a significant relationship between leadership styles and organisational commitment. Three kinds of leadership styles are identified namely, transformational, transactional and passive-avoidant.

Accordingly, the following null hypotheses are proposed:

Hypothesis H_01: There is no significant relationship between leadership styles and organsational commitment.

Hypothesis H_01a: There is no significant relationship between transformational leadership and organisational commitment.

Hypothesis H_01_b: There is no significant relationship between transactional leadership and organisational commitment.

Hypothesis H_01_c: There is no significant relationship between passive avoidant leadership and organisational commitment.

2.8.2 Leadership Styles and Emotional Intelligence

It is also postulated that there is a significant relationship between leadership styles and emotional intelligence.

Thus, the following null hypotheses are proposed:

Hypothesis H_02:   **There is no significant relationship between leadership styles and emotional intelligence of leaders.**

Hypothesis H_02_a: **There is no significant relationship between transformational leadership style and emotional intelligence of leaders.**

Hypothesis H_02_b: **There is no significant relationship between transactional leadership style and emotional intelligence of leaders.**

Hypothesis H_02_c: **There is no significant relationship between passive leadership style and emotional intelligence of leaders.**

2.8.3 Emotional Intelligence and Organisational Commitment

It is posited that there is a significant relationship between emotional intelligence and organisational commitment.

Thus, the following null hypothesis is proposed:

Hypothesis H$_0$3: There is no significant relationship between emotional intelligence and organisational commitment.

2.8.4 Leadership Styles and Emotional Intelligence as Predictors of Organisational Commitment

It has been posited that leadership styles and emotional intelligence are predictors of organisational commitment.

Thus, the following null hypothesis is proposed.

Hypothesis H$_0$4: Leadership styles and emotional intelligence are not predictors of organisational commitment.

2.8.5 Mediating Effects of Emotional Intelligence on the Relationship between Leadership Styles and Organisational Commitment

Evidence from past researches discussed under Literature Review reveals that there exists a significant relationship between: (i) leadership styles and organisational commitment; (ii) leadership styles and emotional intelligence; and (iii) emotional intelligence and organisational commitment. Based on these findings it is postulated that emotional intelligence acts as a mediator between leadership styles and organisational commitment. Thus, it is posited that emotional intelligence mediates the relationship between leadership styles and organisational commitment. Based on this, the following null hypothesis is developed:

Hypothesis H₀5: **There is no mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment**.

2.9   Research Gap and Justification for the Research

Although there have been many studies on the direct relationship between emotional intelligence and organisational commitment and the direct relationship between leadership styles and organisational commitment, there are few studies on the mediating effect of emotional intelligence on leadership styles and organisational commitment in relation to SMEs in Malaysia. After reviewing literature on SMEs in Malaysia, organisational commitment, leadership styles and emotional intelligence, it is clear that there is a gap with regards to the mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment among organisational leaders and employees (non-managerial employees) in SMEs in Malaysia.

2.10 Conclusion

This chapter discusses the SMEs and their role and contribution to the Malaysian economy. An overview of all the variables in this study, namely, organisational commitment, emotional intelligence and leadership styles is discussed. The literatures on these three variables are reviewed. This chapter also highlights the underpinning theory research framework, hypotheses and the research gap. The following chapter of the current study presents the research methodology used in this study, statistical analysis applied to analyse the data.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The main objective of this study is to develop a thorough understanding of the knowledge on leadership styles and emotional intelligence of managers and organisational commitment among employees in the medium-sized enterprises in the manufacturing sector. This chapter discusses the research design, sampling design, measurement and instrumentation, data collection procedure and finally the techniques used in data analysis in determining the relationship between leadership styles, organisational commitment and emotional intelligence.

3.2 Research Design

This study is descriptive in nature and involves hypotheses testing. The descriptive study was undertaken to explain the demographic charactreristics of the respondents and the organisation (medium-sized enterprises). The hypothesis testing provides increased knowledge on the relationship that exists among the three variables, namely, organisational commitment, leadership styles and emotional intelligence.

The quantitative research approach has been used to study the relationships among variables with the intention of explaining, predicting and managing the phenomenon (Leedy & Omrod, 2005). This study conducted a cross-sectional survey method and the unit of analysis is the employees from the non- managerial category employed in the medium-sized manufacturing enterprises located in Selangor. A survey is considered to be the most suitable research design since it enables the researcher to

obtain data from a sizeable population and the results obtained can be generalised to the whole population (Kerlinger & Lee, 2000). According to Creswell (2003), quantitative methods are very useful to analyse or prove theories.

In this research, emotional intelligence, leadership styles and organisational commitment were analysed through compilation of quantitative data. The quantitative information was gathered by adopting the various measurement instruments, such as the Genos EI Inventory which consists of 70 items to measure emotional intelligence; the MLQ-5X which consists of 36 items which cover questions that relate to transformational, transactional and passive avoidant leadership styles; and the OCQ which comprises 18 questions and measures its dimensions consisting of affective, continuance and normative commitments of employees. The quantitative data was collected through the use of these questionnaires which were distributed through the contact person to the employees who were randomly selected from the respective medium-sized enterprises.

This study is a noncontrived correlation study where the researcher attempts to explore the relationship between leadership styles, organisational commitment and emotional intelligence in a natural work environment where the work proceeds normally in the organization without any interference from the researcher.

3.3 Sampling Design

3.3.1 Population

Out of 37,861 SMEs in the manufacturing sector, 57.1 percent is dominated by micro-sized businesses which employ on the average three workers per organisation. The small sized establishments account for 36.8 percent and on average employ 11

workers per establishment. The medium-sized enterprises account for only 6.1 percent of SMEs (2,310 enterprises) and employ on the average 43 workers per enterprise.

This study was undertaken in mediun-sized enterprises in the manufacturing sector located in the state of Selangor because the highest number of SMEs (about 19.5 percent) is located in Selangor (SME Annual Report, 2011/12).

The manufacturing sector was selected as it employed approximately 700,000 employees (SME Annual Report, 2011/12); it represents 6 percent of the total SMEs in Malaysia (37,861), and contributes the highest to SMEs' GDP growth (7.6 percent). Another reason for choosing the manufacturing sector is due to the increase in the number of employees job-hopping from the manufacturing sector (Mustapha & Abdullah, 2005) to other sectors.

The population of this study was the employees (non-managerial level which includes both executives and non-executives) of the medium-sized enterprise in the manufacturing sector located in Selangor. The total numbers of employees (non-managerial) in these medium-sized enterprises is around 13858 (SMECensus, 2011; Statistics Department, 2011). The respondents for this study were made up of employees from these enterprises.

3.3.2 Sampling Frame

In identifying potential medium-sized manufacturing companies for this study, the list of 175 names of medium-sized manufacturing companies located in Selangor given by SMECorp was utilized as the sampling frame of this study.

3.3.3 Sampling Technique

The sample is the subgroup of the population and consists of some members from the population. In this study, random samples were taken from medium-sized enterprises in the manufacturing sector located in Selangor.

Random sampling will ensure that each element in the population has an equal likelihood of being chosen or selected (Cresswell, 2003). According to Leedy and Ormrod (2005), when random sampling is used to select the samples, the researcher can assume that the characteristics of the sample will reflect approximately the characteristics of the total population.

The selection of the samples for the current study involved two stages:

Stage 1: Selection of the medium-sized enterprise

As discussed under population, there are a total of 175 medium-sized enterprises in Selangor. Out of these 40 medium-sized companies were selected through simple random sampling.

Stage 2: Selection of employees (non-managerial) from the 40 randomly selected medium-sized enterprises.

The selection of the employees from the 40 medium-sized enterprises was carried out through simple random sampling.

3.3.4 Sampling Size

According to Cresswell (2003), sample size refers to the number of units that needs to be surveyed to get reliable and accurate results. The sample size should be large

135

enough to estimate the characteristics of the population in order to obtain realistic results.

For the purpose of conducting the study, the selection of the employees from the medium-sized enterprises was carried out through simple random sampling. In determining the appropriate sample size for this research with population of 13858, Krejcie and Morgan's (1970) table was used as the reference. The number of samples required for a population 13858 is 375 samples (Sekaran & Bougie, 2009). According to Cavana, Delahaye and Sekaran (2001), this method has minimal bias and the results can be generalized to the population. In order to achieve the intended number of samples, a total of 1200 questionnaires were distributed to the selected medium-sized enterprises.

3.4 Measurement of Variables/Instrumentation

3.4.1 Organisational Commitment

Meyer & Allen (1984) identified two types of commitment, namely: affective commitment and continuance commitment, where affective commitment is characterised by psychological attachment and continuance commitment is seen as the cost associated with leaving the organisation. Following this, Meyer & Allen (1990) developed a new third commitment construct called the normative commitment which denotes the perceived obligation to stay and continue to provide their services to the organisation. According to Allen & Meyer, (1990) and Meyer & Allen, (1984; 1991), the early version of the OCQ consisted of 24 items, where each construct had eight items. Later, when this version was revised, the OCQ contained only 18 items, where each dimension has six items. For the purpose of this study, the three dimensions of

organisational commitment were assessed by administering the revised version of Meyer & Allen's (1997) 18 items questionnaire.

The OCQ is designed on a 7-point Likert scale (1= strongly disagree 2= disagree, 3= slightly disagree, 4= undecided, 5= slightly agree, 6= agree, 7=strongly agree). For the purpose of this research, the 7-point Likert-scale was converted to a 5-point Likert-scale (1= strongly disagree, 2= disagree, 3= slightly agree, 4= agree, 5= strongly agree) to ensure consistency with the other sets of questionnaires used for leadership styles and emotional intelligence.

In their study on the relationship between the three dimensions of the commitment scales, Allen & Meyer (1990) found that continuance commitment is relatively independent of affective commitment ($p<0.001$, $r = 0.06$, and normative commitment ($p<0.001$, $r = 0.14$). They also found that there is a strong and statistically significant correlation between affective commitment and continuance commitment ($p<0.001$, $r = 0.51$). Similar findings were reported by Cohen (1996).

3.4.2 Reliability and Validity of the Organisational Commitment Questionnaire

Several research scholars have carried out studies to examine the reliability of the OCQ. In one of the earlier studies, Allen & Meyer (1990) reported that the reliability of affective commitment scale is 0.87, continuance commitment scale, 0.75, and finally the normative commitment scale, 0.79. In another study conducted by Dunham, Grube and Castaneda (1994), it was found that the reliability for affective commitment ranges from 0.74 to 0.87, reliability of continuance commitment scale ranges from 0.73 to 0.81 and from 0.67 to 0.78 for normative commitment. Cohen

(1996) found that the reliability for affective commitment scale is 0.79, 0.69 for continuance commitment scale and 0.65 for normative commitment scale.

3.4.3 Leadership

Bass and Avolio's MLQ–5X is used to measure the variables of leadership styles. This MLQ-5X is under the proprietorship of Mind Garden and permission was obtained by the researcher to distribute the questionnaire to the employees of the SMEs. The MLQ-5X is the most widely used instrument to measure leadership styles as its internal reliability has been proven many times (Bass & Avolio, 2004).

3.4.4 Reliability and validity of the Multifactor Leadership Questionnaire-5X

The MLQ-5X developed by Bass and Avolio (2004) is considered amongst the most widely used questionaires to measure the dimensions under the leadership styles. This can be seen from the internal reliability proven in several studies. Table 3.1 shows the MLQ-5X instrument with high levels of reliability and validity in many studies spanning over a 10 year period from 1998 to 2008.

Table 3.1
Validity and Reliability of the MLQ on leadership (Year 1998-Year 2008)

Authors	Sample	Validity Tested	Reliability Tested
Pator & Mayo (2008)	N=76	Not reported	0.70-0.79
Ling, Lubatkin, Simsek, & Veiga (2008)	N= 451	Confirmed	0.90
Schepers, Wetzels & De Ruyter (2005)	N=226	Confirmed	0.65-0.91
De Ruyter (2005)	N=226	Confirmed	0.65-0.91
Avolio & Bass (2004)	N=27,285	Confirmed	0.69-0.83
Felfe & Schyns (2004)	N=213	Not reported	0.67- 0.89
Walumba *et al.,* (2004)	N= 360	Confirmed	0.66-0.91
Bass *et al.,* (2003)	N=1,340	Confirmed	0.81-0.96
Block (2003)	N=782	Confirmed	0.61-0.85
Avolio, Bass and Jung (1999)	N=3,786	Confirmed	0.63-0.92
Carless (1998)	N=1,400	Confirmed	0.91 0.92

3.4.5 Emotional Intelligence

There are several commonly accepted instruments to measure emotional intelligence but only limited instruments are designed specifically to be used by corporate trainers and professionals in HRM (Palmer, Stough, Harmer & Gignac, 2009). Genos EI is said to be suitable to be used in a workplace setting because Genos EI and its corresponding support materials have been developed based on workplace contexts (Palmer, Stough, Harmer & Gignac, 2010). For the purpose of the current study, where emotional intelligence is the mediator variable, the full version of the Genos EI questionnaire developed by Palmer & Stough (1997) was used. The Genos EI full version consists of 70-items and yields a total EI score, as well as seven subscale scores.   A five-point Likert scale was used in the Genos EI questionnaire, ranging from 1 (almost never) to 5 (almost always).

When administering the questionnaires, the selected respondents (employees) of the medium-sized enterprises were required to mark the appropriate answer based on their own personal experience.

3.4.6 Reliability and Validity of Genos EI

In terms of measuring the level of emotional intelligence, the Genos EI Questionaire developed by Palmer and Stough (2006) was used in this study. Genos EI supports the use of its psychological instruments in academic research in a variety of ways. In the case of Genos EI, there are three versions of its workplace EI psychometric measure that can be used for research purposes. These are Genos EI Short, Genos EI Concise and Genos EI Full. The Genos EI short version consists of 14-items and

yields a single total EI score. The short version is freely available from www.genosinternational.com or from Palmer, Harmer, Stough and Gignac (2009).

The Genos EI concise version consists of 31-items and yields a total EI score, as well as seven subscale scores. The Genos EI concise version is only appropriate for research purposes, as the subscale scores only tend to meet the minimum standards of acceptable reliability for research (i.e., 0.7).

The Genos EI full version consists of 70-items and yields a total EI score, as well as seven subscale scores. The Genos EI full version is appropriate for both professional and research purposes. The name of the revised 70-item measure was changed from the SUEIT to the Genos EI Inventory.

The main difference between the full and concise versions of Genos EI is that scores for the full version tend to provide higher levels of internal consistency reliability than the concise version. The full version of Genos EI was used in this study.

Gignac carried out a study in the workplace using large samples drawn from various nationalities (American, Australian, Asian, Indian and South African) in different countries to find out the reliability of the Genos EI self-report inventory. From these studies, it was reported that the mean Genos EI total score reliability is estimated to be 0.96 and the test-retest reliability is found to be 0.83 and 0.72.

The summary of the variables used in this study and their scales of instrument and number of items in the questionnaire used to measure the scales are shown in Table 3.2.

Table 3.2
Summary of the Variables Used in the Study

Dependent Variable (Criterion)			
Instrument	**Variables**	**Scales**	**Items**
OCQ	Organisational	Affective Commitment	6
(Meyer and Allen,	Commitment	Continuance Commitment	6
1997)		Normative Commitment	6
Independent Variables (Predictor)			
Instrument	**Variables**	**Subscales**	**Items**
MLQ Form 5X	Transformational Leadership	Idealised Influence (Attributed)	4
		Idealised Influence (Behavior)	4
(Avolio and Bass,		Inspirational Motivation	4
2004)		Intellectual Stimulation	4
		Individual Consideration	4
	Transactional Leadership	Contingent Reward	4
		Management-by-Exception (Active)	4
	Passive-Avoidant	Management-by-Exception (Passive)	
		Laissez-Faire	4
			4
Mediator Variable			
Genos EI	Emotional Intelligence	Emotional Self-awareness	10
		Emotional Expression	10
(Palmer and		Emotional Awareness of Others	10
Stough, 1997)		Emotional Reasoning	10
		Emotional Self-Management	10
		Emotional Management of Others	10
		Emotional Self-Control	10

3.4.7 Pilot Study

According to Rossi, Wright and Anderson (1983), it is sufficient to carry out a pilot study with a sample size between 20-50 respondents. The main objective of carrying out a pilot test is to identify and eliminate any problems in the instrument before collecting the actual data from the target sample group.

In this current study, the pilot test was conducted in order to find out the approximate time taken for the selected respondents to respond to the questionnaires, to provide critical feedback on the length, format and clarity of scales, to comment on wordings, language and understanding of the questionnaires and also to test the reliability of the instruments used to conduct this research.

The pilot test for this study was conducted by administering the questionnaires during the face-to-face interviews with about 50 respondents who were randomly selected from the medium-sized enterprises. They were required to rate the leadership styles and emotional intelligence of their leaders and rate their own level of commitment to their organisation. Out of these 50, only 46 questionnaires were received. The respondents selected for the pilot study were taken from the actual population of this research.

One of the main advantages of administering the questionnaires during the face-to-face interviews is that the researcher could clarify doubts and ensure the respondents understand the questions.

From the pilot study, it was found that the approximate time taken to complete the questionnaires was between 30 to 40 minutes. Several improvements were made to Section 1 of the Questionnaire, namely questions on the demographic profile of the respondents. One of the questions which aimed to determine whether the organisation is a small or medium-sized enterprise was deleted because the focus of this study was only on medium-sized enterprises and the question was found to be irrelevant. Some of the respondents in the pilot study did comment that the questionnaires were too long. The questionnaire used in this study was 25 pages in length and contained three different instruments with multiple items to measure the three variables. The questionnaire was adopted from well established instruments and could not be altered. All the other Sections (Section 2- Section 5) in the Questionnaire were therefore retained without any changes.

Once the respondents had completed the questionnaires, the researcher personally collected the questionnaires.

Under the pilot study, the reliability of the measurement instruments was tested using the Cronbach's alpha coefficient. The results for the reliability of the instruments in the pilot study illustrated in Table 3.3 show that the Cronbach's alpha ranges from 0.626-0.906, i.e., from moderate to excellent. The generally accepted value for the lower limit for Cronbach's alpha is 0.7 but it may decrease to 0.6 in exploratory research (Hair *et al*., 2010). According to Sekaran and Bougie (2009, p.325), reliabilities less than 0.6 are considered to be poor, those in the range of 0.7 – 0.79 are said to be acceptable, and those above 0.8 are said to be good. According to Ramayah (2011), Cronbach's alpha coefficient values of more than 0.7 are considered good but values of more than 0.5 are acceptable. Since the Cronbach's alpha coefficient values fell within the accepted range, the instruments are reliable.

Table 3.3 shows the output of the reliability tests.

Table 3.3
Cronbach's Alpha Coefficient of the Pilot Test

Variables	Cronbach's Alpha	No of Items	Strength
Leaderships Styles			
Transformational	0.906	20	Excellent
Transactional	0.701	8	Good
Passive Avoidant	0.743	8	Good
Organisational Commitment			
Affective Commitment	0.730	6	Good
Continuance Commitment	0.711	6	Good
Normative Commitment	0.763	6	Good
Emotional Intelligence			
Emotional Self-Awareness	0.666	10	Moderate
Emotional Expression	0.627	10	Moderate

Table 3.3 (Continued)

Variables	Cronbach's Alpha	No of Items	Strength
Emotional Awareness	0.758	10	Good
Emotional Reasoning	0.854	10	Very Good
Emotional Self-Management	0.638	10	Moderate
Emotional Management	0.845	10	Very Good
Emotional Self-Control	0.728	10	Good

3.5 Data Collection Procedures

Prior to the data collection process, permission to conduct the survey was obtained through the contact person in each of the 40 medium-sized enterprises located in Selangor which were selected through simple random sampling. The data collection was carried out from end of October 2013 until end of February 2014.

In order to carry out this survey, self-administered questionnaires were developed by integrating three different sets of questionnaires. One was to rate the leadership style of the leaders (managers) as perceived by the employees (Appendix 2); the second one was to rate the employee's own commitment to the organization (Appendix 3); and the third was to rate the emotional intelligence level of the leaders (managers) as perceived by the employees (Appendix 4). The questionnaires contained five sections: Section 1 was on the demographic profile of the respondents and organisational background; Section 2 on leadership styles; Section 3 on organisational commitment; Section 4 on employee turnover; and Section 5 on emotional intelligence. There were two versions of the questionnaire, in English and Bahasa Malaysia. This was to cater for respondents who are less proficient in English. The English version of the questionnaire was given to a qualified court interpreter to translate from English to Bahasa Malaysian using a back translation procedure (Brislin, 1980). The Bahasa Malaysia version was translated back into English by

another bilingual court interpreter to determine the accuracy of transaltion and to validate the semantic equivalence.

In order to obtain 375 samples, 1200 questionnaires were distributed to the employees who were selected through simple random sampling from the medium-sized enterprises. The respondents were given a week to complete the questionnaires and return them to the contact person in the respective medium-sized enterprises. For the purpose of maintaining confidentiality and anonymity, the respondents were advised not to indicate any information that could link them to the instrument.

3.6 Techniques of Data Analysis

The data from the usable questionnaires from the respondents were analysed using Statistical Package for Social Sciences version 20.

The data analysis process involved two stages:

Stage 1 involved testing the data for reliability and validity of the instruments, normality, outliers, linearity, homosecdasticity, independence of error (no serial correlation) and multicollinearity.

3.6.1 Factor Analysis and Reliability

Once the pilot test had been carried out, the next step was to find out whether the data collected from the actual survey were reliable and valid. The main objective of carrying out reliability and validity tests is to ensure that the results of the measure can be repeated and it measures what it is supposed to measure (Abd-El-Rahman, 1998). According to Ticehurst and Veal (2000), reliability is a test to determine to

what extent the research findings are similar and consistent if the research is carried out at different times and with different samples of respondents. By ascertaining reliability, it helps to determine the goodness of the measure and provide accuracy in the measurement (Sekaran, 2003). A research instrument is considered reliable when it has been used and interpreted consistently in the same way in different settings or contexts (Field, 2009). This can be done through assessing the reliability by carrying out the test on the same group of participants twice at different points in time. A reliable instrument will produce similar scores at both points in time (test-retest reliability) (Field, 2009).

Checking the validity and reliability of data helps to prevent any uncertainties in subsequent analyses. This is important in spite of the fact that questionnaires are adopted from well established instruments because even though the measurement instruments were developed or have been validated in other earlier researches, it does not necessarily guarantee satisfactory reliability results when applied in other studies in different settings (Chau & Hu, 2002).

Before carrying out reliability tests, factor analysis was conducted on all the items of the three variables, namely, leadership styles, emotional intelligence and organisational commitment. Basically, factor analysis is a multivariate analysis procedure that attempts to identify any underlying "factors" that are responsible for the covariaton among independent variables. The goals of a factor analysis are typically to reduce the number of variables used to explain a relationship or to determine which variables show a relationship. Like a regression model, a factor is a linear combination of a group of variables (items) combined to represent a scale

measure of a concept. To successfully use factor analysis, the variables must represent indicators of some common underlying dimension or concept, such that they can be grouped together theoretically as well as mathematically.

There are two types of factor analyses: exploratory and confirmatory. The difference between these is much like the difference discussed in regression between testing a model without changing it and attempting to build the best model based on the data utilised. Exploratory factor analysis is exploring of the loadings of variables to try to achieve the best model. This usually entails putting variables in a model where it is expected they will group together; and then determining how the factor analysis groups them. Exploratory factor analysis is more for developing and testing a new set of measurement instruments.

According to Venkatraman and Grant (1986), it has been posited by several literatures that the Cronbach's alpha coefficient is used extensively to measure reliability. Cronbach's alpha coefficient is the estimate of internal consistency associated with the scores that are derived from a scale or composite scores. Reliability is important because in the absence of reliability, it is impossible to have any validity associated with the scale or scores of the scale.

The guideline on the acceptable readings for Cronbach's alpha coefficient is provided under Table 3.4.

Table 3.4
The Cronbach's Alpha Value

Alpha	Strength
<0.6	Weak (Not Acceptable)
0.6 - <0.7	Moderate
0.7 - <0.8	Good
0.8 - <0.8	Very Good
0.9	Excellent

In conducting this research, reliability tests were carried out using Cronbach's alpha coefficient on the three well established questionnaires, namely, leadership styles developed by Avolio and Bass (2004), emotional intelligence by Palmer and Stough (2006) and organisational commitment by Meyer and Allen (1997).

3.6.2 Normality Tests

There are independent variables and dependent variables in most of the statistical analyses. Many parametric statistical methods, such as t-test, analysis of variance (ANOVA), discriminant analysis, Pearson correlation and linear regression require that dependent variables should be approximately normally distributed for each category of an independent variable. For the purpose of testing normality, the following numerical and visual outputs should be tested, i.e., skewness and kurtosis, histogram, Q-Q plots, boxplot and Shapiro-Wilk test (p-value should be more than 0.05). The data do not have to be perfectly normally distributed but need only to be approximately normally distributed (Cramer & Howitt, 2004; Doane & Seward, 2011). For the purpose of this research, the normality of the data was tested using skewness and kurtosis values and a histogram of the data.

3.6.3 Outliers

Statistical outliers in a set of data are considered to be unusual points which differ significantly from the other sets of data. According to Hair *et al.,* (2010), outliers are "observations with a unique combination of characteristics identifiable as distinctly different from other observations". Before regression analysis is carried out, it is necessary to ensure that there are no extreme cases of outliers. According to Hair *et al.,* (2010), if there are outliers, then they may affect the outcome of statistical tests. If the outliers detected are due to the data gathered from different target samples or samples not representative of the target participants then the researcher has to delete the outliers. If the outliers are from the target participants of the research, then the researcher may choose to retain the outliers.

Outliers can be detected through z-score or by drawing the boxplot. In this study, the researcher used the z-score and boxplot to identify if there were any outliers.

3.6.4 Homoscedasticity

Homoscedasticity means homogeneity of variance or uniformity of variance. Homoscedasticity refers to an assumption that the dependent variable exhibits similar amounts of variance across the range of values for an independent variable. Homoscedasticity is indicated when the width of the band of the residuals is approximately the same at different levels of the dependent variable and scatterplot shows a pattern of residuals normally distributed around the mean. If the assumption is met, the pattern of residuals will have about the same spread on either side of a horizontal line drawn through the average residual. Both residuals and predicted values are standardised or studentised to make the plot easier to understand.

Homoscedasticity suggests that the dependent variable has an equal level of variability for each of the values of the independent variables.

To check for homoscedasticity, the scatterplots of studentised residuals against the predicted values can be used (Hair *et al.,* 2010). The homoscedasticity assumptions are related to the error term or commonly known as residual. The researcher needs to examine that the residuals are random in nature and do not indicate any discernible pattern. In order to evaluate homoscedasticity, there are both graphical and statistical methods. As for the graphical method, homoscedasticity could be determined by scatterplots and the statistical method could use Levene test. In this study, homoscedasticity was determined through the scatterplots of studentised residuals against the predicted values.

3.6.5 Independence of Errors

This assumption states that an error from one observation (εi) is independent of the error from another observation (εj). In other words, the error (residual) is independent for each value of X. According to Ramayah (2011), it is necessary to check the residuals before running the regression analysis. The purpose of carrying out an independent residual test is to ensure that the residuals are not correlated serially from one observation to the following observation, and the size of the residual for one case has no influence on the size of the residual for the following case. The statistical method used to test for the presence of serial correlation is Durbin-Watson test. The value of Durbin-Watson statistic ranges from 0 to 4. As a general rule of thumb, the residuals are not correlated if the Durbin-Watson statistic is approximately two. The

statistically acceptable range is 1.5 to 2.5. If the Durbin-Watson statistic value falls within this range, then the analysis satisfies the assumption of independence of errors.

3.6.6 Multicollinearity

Multicollinearity exists when there is a high correlation between two independent variables. When there is a multicollinearity problem, a significant variable becomes insignificant by increasing its standard error (Hair *et al.,* 2010).

Multicollinearity can be measured by using tolerance value and variance inflation factors (VIF). Tolerance is the percentage of variance in the independent variable that is not accounted for by other independent variables. If the tolerance value is 0.1 or less, then it is considered to be problematic. VIF are the reciprocal of tolerance ($1/1-R^2$) and indicate the degree to which standard errors are inflated due to the levels of collinearity. VIF values of 10 or more are considered to be problematic. In this research, multicollinearity was measured by determining the values for tolerance and VIF.

Stage 2 of the data analysis involved the following analytical techniques:

3.6.7 Descriptive Statistics

ANOVA was used to test Research Question 1, and mean and standard deviation was used to answer Research Questions 2, 3 and 4.

3.6.8 Correlation Analysis [Pearson Correlation (r)]

A simple correlation analysis is considered as the most popular technique to demonstrate the relationship between one variable and another. A correlation analysis is performed among variables developed in each hypothesis to ascertain the scope and importance of relationships. In this research, correlation test was used to determine the link between dimensions of leadership styles, organisational commitment and emotional intelligence constructs. In this study, Pearson correlation coefficient(r) was used to address Research Questions 5, 7, 8, 10, 11, 12 and 13. Table 3.5 provides the guideline on the strength of relationship based on Pearson correlation coefficient (Cavanna *et al.,* 2001).

Table 3.5
The Strength of Relationship of Correlation Coefficient

No.	Correlation Coefficient	Type of Strength
1.	0.1 to 0.29 OR -0.1 to -0.29	Weak
2.	0.30 to 0.49 OR -0.30 to -0.49	Moderate
3.	0.50 to 1.0 OR -0.50 to -1.0	Strong

Cavanna *et al.* (2001)

3.6.9 Regression Analysis

One of the techniques used to measure the linear association between an independent anda dependent variable is regression (Zikmund, 2003). Correlation and regression are mathematically related, but regression presumes that the dependent (or criterion) variable, Y is predicted to be linked to the independent (predictor) variable, X.

In this study, bivariate linear regression was used to investigate the linear relationship of the type $Y = \alpha + \beta X + \varepsilon$, where Y is the dependent variable, X is the independent variable, α and β are two constants to be estimated. The symbol α represents a

constant, β is the slope coefficient (Zikmund, 2003) and ε is the random error component.

In order to carry out statistical inference, it is necessary to make a few assumptions about the linear regression model:

$$Y = \alpha + \beta X + \varepsilon$$

This model assumes a linear or straight line relationship between Y and X. For the purpose of statistical inference, it is necessary to make some assumptions on the random error component (ε). The random error component is assumed to be a random variable that has a mean of 0, is normally distributed, has constant variance (σ^2) at every value of X (homoscedastic) and the error terms are assumed to be independent. All these assumptions must be tested before the regression analysis is carried out.

In this research, the regression equation is represented as follows:

$$OCi = \alpha + EI_i + LS_i + \varepsilon_i \text{ where:}$$

OC_i represents organisational commitment in firm i, α represents a constant, EI_i stands for emotional intelligence in firm i and LS_i represents leadership styles in firm i. ε_i denotes the random variation in OC_i that is not captured by EI_i and LS_i.

Organisational commitment is a function of emotional intelligence and leadership styles. Organisational commitment was measured by using three dimensions: affective commitment, continuance commitment and normative commitment. These

three dimensions could be used either individually or combined together to see how the model performs.

The leadership style which is the independent variable in this study is represented by transformational leadership, transactional leadership and passive-avoidant leadership.

The dimensions for transformational leadership were measured by idealised influence [idealised attributes (IA) and idealised behaviours (IB)], inspirational motivation (IM), intellectual stimulation (IS) and individual consideration (IC).

The dimensions for transactional leadership were measured by contingent reward (CR) and management-by-exception: active (MBEA).

Passive-avoidant leadership was measured by management-by-exception: passive (MBEP) and laissez-faire (LF).

The dimensions for emotional intelligence were measured by emotional self-awareness, emotional expression, emotional awareness of others, emotional reasoning, emotional self-management, emotional management of others and emotional self-control.

Hypotheses 1, 2, 3, 4 and 5 were tested by using Pearson correlation and multiple regressions.

3.6.10 Mediator Relationship

Emotional intelligence as a construct was used as a mediator to evaluate its mediating effect on the relationship between leadership styles and organisational commitment. The mediator relationship was examined by using Baron and Kenny's (1986) test to address both research question 13 and Hypothesis 5.

A variable may be considered to be a mediator based on its ability to influence a given independent variable to a given dependent variable. In general, mediation is said to take place when:

1. The independent variable significantly influences the mediator variable.
2. The independent variable significantly influences the dependent variable in the absence of the mediator variable.
3. The mediator variable has a significant effect on the dependent variable.
4. The effect of the independent variable on the dependent variable will be reduced when the mediator variable is added to the model.

Before the test for mediation could be conducted on the model, it is necessary for the model to comply with the following conditions:

1. Need to establish that all simple linear regressions are statistically significant.
2. It is necessary to ensure the following:

    (i) Leaderships styles have significant correlation with emotional intelligence.

    (ii) Emotional intelligence is a significant predictor of organisational

       commitment

       and

    (iii) Leadership styles are significant predictor of organisational commitment.

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If any of these paths are not significant then the test for mediation cannot be carried out. The conclusion will be that the mediator variable does not mediate the relationship between the independent variable and the dependent variable. The hypotheses cannot be tested because there is no strong and significant correlation between the variables. But if the paths a, b and c as shown in Figure 3.2 are statistically significant then can proceed to carry out further analyses on mediation.

According to Baron and Kenny (1986), there are four steps where several regression analyses are conducted and the significance of the coefficients are examined at each step. Figure 3.1 demonstrates how Baron and Kenny's (1986) method is applied.
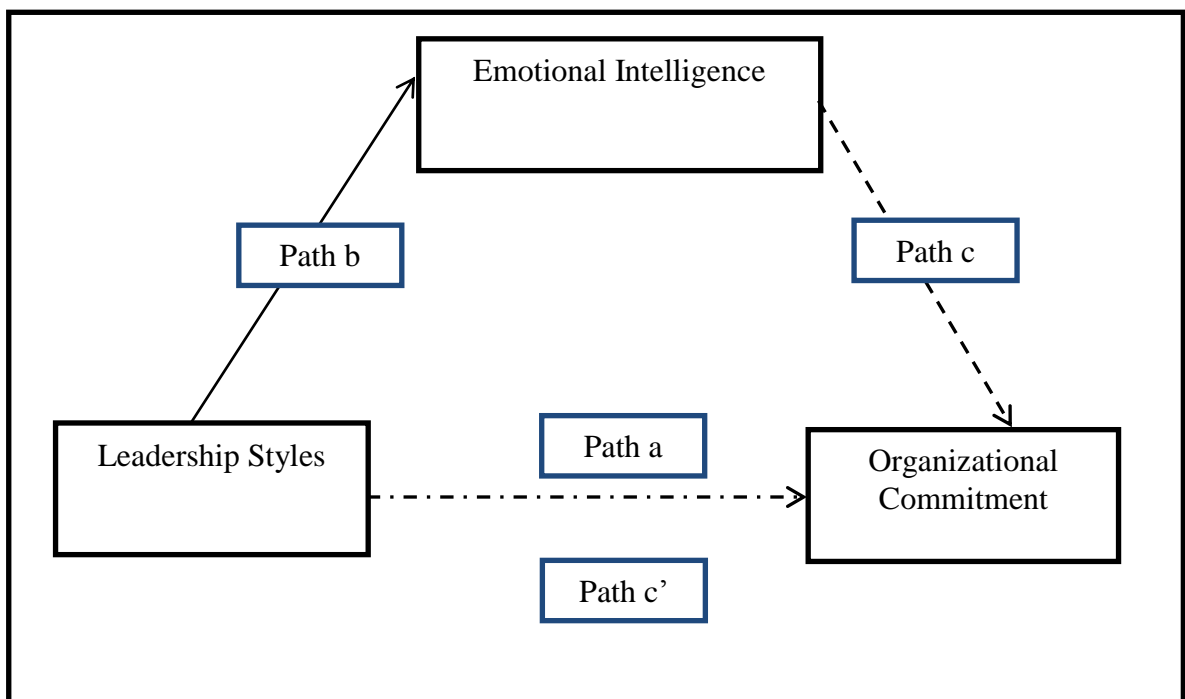
Figure 3.1
The Mediation Model

As mention earlier there are four steps to test for the mediation effects based on Baron and Kenny's model. The four steps are:

Step 1: Path a: Carry out a regression analysis between leadership styles (transformational, transactional and passive-avoidant) and organisational commitment. In this path, organisational commitment acts as the dependent (criterion) variable and leadership styles as independent (predictor) variable.

Step 2: Path b: Run regression analysis to determine the relationship between leadership styles (transformational, transactional and passive-avoidant) and emotional intelligence as the mediator variable. In this case, emotional intelligence is used as the dependent (criterion) variable and leadership styles as an independent (predictor) variable.

Step3: Path c: Show that the mediator variable, emotional intelligence, affects the organisational commitment as an dependent variable. This path evaluates organisational commitment as a dependent (criterion) variable in the regression analysis and emotional intelligence as an independent (predictor) variable.

Step 4: Path c': Under this final step, it is necessary to establish that emotional intelligence as the mediator variable, mediates the leadership styles and organisational commitment.

If after carrying out the regression analysis in Steps 1-3 and it is found that one or more of these relationships are insignificant then it can be concluded that there is no possibility of mediation (MacKinnon, Fairchild, & Fritz, 2007) and if it is found to have significant relationships, then the researcher can proceed to Step 4. In Step 4,

some form of mediation would be supported if the effect of emotional intelligence
(path c) remains significant after controlling leadership styles. If leadership styles are
no longer significant when emotional intelligence is controlled, the finding would
support full mediation. If leadership styles are still significant, i.e., both leadership
styles and emotional intelligence significantly predict organisational commitment, and
then the finding would support partial mediation.

3.7 Summary of the Statistical Methods Used to Answer Research Questions

Table 3.6
Summary of the Statistical Methods Used in Answering the Research Questions

No.	Research Question (RQ)	Analytical Method
RQ 1	Is there a significant relationship between leadership styles (transformational transactional and passive-avoidant) of managers and organisational commitment of employees in the medium-sized enterprises?	Pearson correlation and regression
RQ 2	Which among the leadership styles (transformational, transactional and passive-avoidant) is the best predictor of organisational commitment?	Pearson correlation and regression
RQ 3	Is there a significant relationship between leadership styles (transformational, transactional and passive avoidant) and the three dimensions of organisational commitment (AC,CC and NC)?	Pearson correlation and regression
RQ 4	Is there a significant relationship between leadership styles and the emotional intelligence of managers of medium-sized enterprises?	Pearson correlation and regression
RQ 5	Which among the leadership styles (transformational, transactional and passive-avoidant) tends to display a better level of emotional intelligence?	Pearson correlation and regression
RQ 6	Is there a significant relationship between emotional intelligence of managers and organisational commitment of employees of medium-sized enterprises?	Pearson correlation and regression
RQ 7	Is there a significant relationship between emotional intelligence and the three dimensions of organisational commitment (affective, continuance and normative)	Pearson correlation and regression
RQ 8	Are leadership styles and emotional intelligence significant predictors of organisational commitment?	Pearson correlation and regression
RQ 9	Is emotional intelligence a significant mediator in the relationship between leadership styles and organisational commitment?	Multiple regression
RQ 10	What is the level of organisational commitment among employees in the selected medium-sized enterprises?	Mean and standard deviation
RQ 11	What are the leadership styles (transactional, transformational and passive- avoidant) of managers of medium-sized enterprises as perceived by the employees?	Mean and standard deviation
RQ 12	What is the level of emotional intelligence of managers of medium-sized enterprises as perceived by the employees?	Mean and standard deviation
RQ 13	Do demographic factors have an influence on leadership styles, emotional intelligence and organisational commitment?	ANOVA

3.8 Conclusion

This chapter outlines the research framework and hypotheses of the study. The methodology and the research approach applied in this research are presented. This study was conducted through a survey by using quantitative research approach as proposed by Leedy and Omrod (2005). The quantitative data were collected from the respondents by using the survey instruments established by Bass and Avolio (2004) for leadership styles, Genos EI Inventory Questionnaire developed by Palmer and Stough (2006) to measure emotional intelligence and finally the OCQ developed by Meyer and Allen (1997). The validity and reliability of the three sets of instruments used by other researchers in their previous researches are presented.

The population of this research is the employees from the medium-sized enterprises from the manufacturing sector located in Selangor. Approximately 1200 questionnaires were distributed to the employees of the medium-sized enterprises. The respondents for the study were selected through simple random sampling.

Before distributing all the 1,200 questionnaires to the target respondents, a pilot study was conducted using 46 respondents from the randomly selected medium-sized enterprises. The reliability of the questionnaires was tested and found that the Cronbach's alpha coefficients were within the acceptable range which implied a satisfactory reliability.

The analyses of the data were carried out in two stages. In the first stage, the preliminary tests were done, for example, non-response bias test, reliability and validity tests, descriptive analysis, normality test, outlier test, homoscedasticity and

multicollinearity test. Following that, the correlation analysis and regression analysis were carried out. The hypotheses were tested by using the correlation and regression analysis. The mediating effect was tested by using Baron and Kenny (1986) test. Finally, the regression equations were formulated for this study.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

In this chapter, the results of the analysis are presented and discussed. The chapter is organised into ten sections. The first section provides the overview of this chapter.

The data collection process, response rate of the respondents and the non-response bias report are discussed in section two. Under the third section, a detailed discussion is provided on the data screening process, detecting missing data and identifying outliers. The fourth section focuses on the demographic profile of the respondents.

The fifth section provides the discussion on the goodness of measure which includes the validity and reliability tests of the measurement instruments used in the study. In section six, the various statistical tests conducted to confirm whether the data collected were suitable for regression analysis (assumptions for multiple regression) are presented. The statistical tests conducted were as follows: normality, linearity, homoscedasticity, multicollinearity and independence of errors tests. Following that, section seven looks at the impact of demographic profiles on leadership styles, emotional intelligence and organisational commitment. The types of leadership styles and the level of emotional intelligence of leaders of medium-sized enteprises are discussed in section eight. In section nine, the outcome of the correlation analysis conducted to identify the relationship between independent, mediator and dependent variables are provided. Finally, in section ten, the results of the hypotheses testing by using regression analysis are reported.

4.2 Data Collection Process and Survey Responses

The data collection was carried out in mid-November 2013. The data collection process lasted until the end of February 2014. The researcher had to make several follow up telephone calls and follow up visits to the selected enterprises in order to ensure an adequate number of responses. The response rate and non-response bias results are discussed below.

4.2.1 Response Rate

A total of 224 (19 percent) questionnaires were distributed and collected back from the respondents within the first one month. Another 184 (15 percent) questionnaires were collected from mid- January to end-February 2014 after several follow up calls and visits to the respondents' companies.

Table 4.1 illustrates the response rate for the survey.

Table 4.1
Summary of Response Rates

Details	Rate
Questionnaires Distributed	1200
Returned Questionnaire	408
Incomplete	32
Questionnaire Completed	376
Response Rates	**31.0%**

As illustrated in Table 4.1, out of 1,200 questionnaires distributed to the medium-sized manufacturing companies, only 408 (34 percent) questionnaires were returned. Of these, 32 were returned incomplete and only 376 (31 percent) questionnaires received were usable.

4.2.2 Nonresponse Bias

Non-response bias can be defined as the type of bias displayed when some of the participants choose not to respond to some of the questions or fail to respond or answer the questions at all (Berg, 2005). Similarly, non-response bias could also occur when the non-respondents are different in some meaningful ways from those who do respond. When the respondents fail to return the questionnaires or fill them completely, this can affect the size and characteristics of the sample (Berg, 2005).

It is often difficult to compare the responding and non-responding participants due to the lack of comparable data (Zou *et al.,* 1997). The other best approach is to use the early responses as compared to late responses when responses are received after several follow ups (Armstrong & Overton, 1977). This method assumes that those who respond late are similar to non-respondents (Zou *et al.,* 1977).

In order to overcome this problem of non-response bias, the researcher distributed 1,200 questionnaires, approximately three times the number of samples (377) required for the study based on the population. Zou *et al.,* (1977) proposed to use t-test by assuming both equal and unequal group variances.

The mean and standard deviation of demographic variables and the t-tests for the variables for both early and late respondents were undertaken in order to determine whether there were any differences between these two groups.

An analysis was carried out on the full 376 samples received. The results for the mean, standard deviation and t-tests on the demographic data of respondents and the t-

test for independent, dependent and mediator variables showed no significant differences between late and early responses (Appendix 6).

Thus, it can be concluded that there is no significant non-response bias in this research and the sample is representative of the population of interest. This is an indication that there is reasonable consistency of response pattern between early and late respondents. In view of this, the responses from both late and early respondents were combined and used for statistical analysis.

4.3 Data Cleaning

Under data cleaning, there are two main steps: 1. to identify the missing data; and 2. to identify if there are any outliers in the data collected.

4.3.1 Missing Data

Analysis of the data indicated that there were no missing data. Thirty two questionnaires that were found to be incomplete were removed.

4.3.2 Outliers

The next step in the data screening stage is to identify whether there are any outliers. As discussed in Chapter 3, outliers are defined as observations that are substantially different from others and have extreme value characteristics. For the purpose of this study, the outliers were detected through z-score and boxplot.

According to Tabachnick and Fidell (2001), when the standardised residual or z-score value is more than 3.3 and less than -3.3 then there is a possibility of having outliers in the data. The value for z-score for small samples (less than 80) should be between -2.5 and +2.5 and as for large samples the range should be between 3 to 4. The z-score showed a value of more than 3.3 therefore there are outliers in the data. In order to further confirm that there were outliers a boxplot was used. From the boxplot three outliers associated with the variable emotional intelligence were detected. The three cases were 16, 33 and 322 (Appendix 9, p.326). These three cases were discarded leaving 373 cases for further statistical analysis.

4.4 Descriptive Statistics – Profile of Respondents

As discussed under Methodology, the respondents for this study comprised employees selected from medium-sized manufacturing enterprises located in Selangor. Section 1 of the questionnaire provides the demographic profile of the respondents. The demographic profiles of the respondents are discussed below.

4.4.1 Demographic Profiles of the Respondents

The results of the demographic profiles of the respondents from the medium-sized enterprises are shown in Table 4.2. From the 373 respondents selected for this study, 60.3 percent are male and 39.7 percent are female. Almost 42.4 percent of the respondents are from the age group 31 to 40 years and this was followed by the age group 20-30 years which totalled 34.1 percent. Respondents between the ages of 41 to 50 constituted 21 percent while only 2.4 percent of the respondents are more than 50 years old. From the Table below, it can be said that almost 76 percent of the respondents are below the age of 40. Based on ethnic origin, most of the respondents

are Malays (66.2 percent) followed by Indians (22.3 percent) and Chinese (10.9 percent). This distribution of respondents based on ethnic origin reflects the general population in the manufacturing sector. Most of the Chinese are in managerial positions. The ethnicity based on their position is consistent with that reported by Krishna Moorthy *et al.,* (2012) and Zorah and Mohamed Sulaiman (2011). They conducted their studies among managers in SMEs and their respondents were mostly Chinese.

Based on the respondents' length of service, the majority of them, that is almost 46 percent have been working for the organisation for five years or less. Almost 48 percent of the respondents have been working in their organisation for more than six years but less than 15 years. The other six percent was represented by respondents who have been in their organisation for more than 25 years. From the Table below, there is some evidence to show that a sizeable percentage that is 46 percent of the respondents have been with their organisations for at least five years.

Regarding the qualifications of the respondents, it was found that 52 percent have Bachelor's Degrees, 20.9 percent have Diplomas, 11.5 percent have professional qualifications, 8.6 percent have certificate level qualification and seven percent have other qualifications, like SPM and STPM. All the respondents in the executive category have either a Bachelor's Degree or Diploma qualification. The non-executives have diplomas, or professional qualifications or certificates or lower qualification levels.

The majority of the respondents are Malaysians (98.9 percent) while only 1.1 percent are foreigners. These foreigners are employed as engineers. The respondents were divided into two groups, namely, executive and non-executive. From the 373 responses, 71 percent are from the executive level and only 29 percent are from non-executive level. The higher response from the executives may be due to their having higher qualifications than the non-executives. Most of the executives have either degree or diploma qualification and they might have had a better understanding and ability to respond to the questionnaires. The majority of the respondents are from the Operations department (47 percent).

Table 4.2
Profile of the Respondents

Demographics	Frequency (n)	Percentage (%)
Gender		
Male	225	60.3
Female	148	39.7
Age (Years)		
20 to 30	127	34.1
31 to 40	158	42.4
41 to 50	79	21.1
51 and above	9	2.4
Ethnic		
Malay	249	66.2
Chinese	41	10.9
Indian	84	22.3
Others	2	0.6
Length of Service		
5 Years and below	171	45.9
6 to 10 years	91	24.4
11 to 15 years	90	24.1
16 to 20 years	15	4
21 to 25 years	4	1.1
25 years and above	2	0.5
Education Level		
Degree	194	52
Diploma	78	20.9
Professional Qualification	43	11.5
Certificate	32	8.6
Others	26	7
Nationality		
Malaysian	369	98.9
Non-Malaysian	4	1.1

Table 4.2 (Continued)

Demographics	Frequency (n)	Percentage (%)
Designation		
Executive	264	71
Non-Executive	109	29
Departments		
Human Resource	43	11.5
Sales and Marketing	60	16.1
Finance	48	12.9
Information Technology	18	4.8
Customer Service	6	1.6
Administration	16	4.3
Operations	174	46.6
Others	8	2.2
Number of employees		
51-75	131	34.8
76-100	123	32.7
101-125	33	8.8
126-150	89	23.7

4.5 Assumptions for Multiple Regressions

Multiple regressions were used as an analytical tool in this study. Tests for normality, homoscedasticity, linearity, independence of error and mutlicollinearity of the data were carried out.

4.5.1 Normality, Linearity, Homosecdasticity, Independence of Error and Multicollinearity

The skewness, kurtosis, histogram and Q-Q plots confirmed the existence of normality property for the data. The results are shown in Appendix 9. The test for the error term properties of homoscedasticity, independence of error and multicollinearity tests showed the data fulfilled these requirements and are shown in Appendix 9.

4.6 Factor Analysis and Reliability Tests

This section explains the factor analysis and reliability tests to determine the reliability of instruments used in the data collection. It is very important to determine the goodness of the measures to ensure the reliability of the actual data.

Subsequently, reliability tests were carried out on all the 13 dimensions of the instruments. Cronbach's alpha coefficient was used to determine the reliability of the instruments used for the data collection.

4.6.1 Factor Analysis

This section discusses whether the factor analysis method used in confirming the items in the measurement instrument used are accurate in each variable.

This research used confirmatory factor analysis because the current study has adopted previous well established research instruments in order to confirm that the selected measurements are a good fit.

In the current research, the outputs of factor analyses are presented separately for each set of independent, mediator and dependent variables. There are three sets of variables used in this study namely: leadership styles, organisational commitment and emotional intelligence. Confirmatory factor analysis was applied and the items were selected if their factor loading was greater or equal to 0.5 and cross-loading was less than 0.35 (Igbaria, Livari & Maragahh, 1995).

4.6.1.1 Factor Analysis for Leadership Styles

Table 4.3

Factor Loading for Leadership Styles

Item	Factor Loading		
	1	**2**	**3**
1. Transformational			
Re-examines critical assumptions of question whether they are appropriate.	0.981		
Talks about their most important values and beliefs.	0.851		
Seeks differing perspectives when solving problems.	0.982		
Talks optimistically about the future.	0.837		
Instills pride in me for being associated with him/her.	0.831		
Talks enthusiastically about what needs to be accomplished.	0.821		
Specifies the importance of having a strong sense of purpose.	0.814		
Spends time teaching and coaching.	0.781		
Goes beyond self-interest for the good of the group.	0.780		
Treats me as an individual rather than just as a member of a group.	0.762		
Acts in ways that builds my respect.	0.752		
Considers the moral and ethical consequences of decisions.	0.748		
Displays a sense of power and confidence.	0.746		
Articulates a compelling vision of the future.	0.721		
Considers me as having different needs, abilities, and aspirations from others.	0.718		
Gets me to look at problems from many different angles	0.625		
Helps me to develop my strengths.	0.621		
Suggests new ways of looking at how to complete assignments.	0.621		
Emphasises the importance of having a collective sense of mission.	0.610		
Expresses confidence that goals will be achieved.	0.582		
2. Transactional			
Provides me with assistance in exchange for my efforts.		-0.666	
Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.		0.625	
Discusses in specific terms who is responsible for achieving performance targets.		-0.654	
Makes clear what one can expect to receive when performance goals are achieved.		-0.558	
Concentrates his/her full attention on dealing with mistakes, complaints, and failures.		-0.556	
Keeps track of all mistakes.		0.533	
Directs my attention towards failure to meet standards.		0.549	
Expresses satisfaction when I meet expectations.		-0.532	

Table 4.3 (Continued)

Item	Factor Loading		
	1	**2**	**3**
3. Passive-Avoidant			
Fails to interfere until problems become serious.			-0.722
Avoids getting involved when important issues arise.			0.715
Is absent when needed.			0.701
Waits for things to go wrong before taking action.			0.700
Shows that he/she is a firm believer in 'if it ain't broke, don't fix it:'			0.673
Demonstrates that problems must become chronic before taking action.			0.654
Avoids making decisions.			0.639
Delays responding to urgent questions.			-0.612
Eigenvalue >1	8.480	4.270	3.598
% of Variance (Total: 45.411)	20.652	14.517	10.242
KMO	0.723		
Bartlett's Test (Chi-Square)	9872.328		
Sig.	0.000		

Table 4.3 presents the results of the factor analysis for leadership styles. There were 36 items for leadership styles. A factor analysis using principle component analysis with varimax rotation was done to validate whether the respondents perceived the three constructs to be distinct. The results showed a three factor solution with eigen values greater than 1.0, all items had high factor loading which is more than 0.50 and the total variance explained was 45.411 percent of the total variance. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.723 indicating sufficient intercorrelations while the Bartlett's Test of Sphericity was significant (Chi square=9872.328, p< 0.01). Hence, no items were omitted from leadership styles questionnaires.

As shown in Table 4.3, Factor 1 consists of 20 items relating to transformational leaders. This factor accounted for 20.652 percent of the total variance and loading value for items ranged from 0.582 to 0.981. The second factor was represented by

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eight items and was labelled as transactional because all these items were related to transactional leaders. This factor accounted for 14.517 percent of the total variance and factor loading for items ranged from 0.532 to 0.666.

Factor 3 is represented by eight items. This factor had 10.242 percent of the total variance and factor loading for items ranged from 0.612 to 0.722. This factor refers to the passive- avoidant type of leadership. The output of factor analysis resulted in three factors and confirmed the first factor as transformational, second factor as transactional and third factor as passive-avoidant. The factor analysis has thus confirmed that leadership styles have three dimensions and these findings further validate the literatures on leadership styles.

4.6.1.2 Factor Analysis for Organisational Commitment

Table 4.4
Factor Loading for Organisational Commitment

Items	Factor Loading		
	1	2	3
1. Affective Commitment			
I would be very happy to spend the rest of my career with this organisation.	0.819		
I really feel as if this organisation's problems are my own.	0.733		
I do feel a strong sense of "belonging" to my organisation.	0.789		
I do feel "emotionally attached" to this organisation.	-0.627		
I do feel like "part of the family" at my organisation	0.628		
This organisation has a great deal of personal meaning for me.	-0.624		
2. Continuance Commitment			
Right now, staying with my organisation is a matter of necessity as much as desire.		0.755	
It would be very hard for me to leave my organisation right now, even if I wanted to.		0.746	
Too much of my life would be disrupted if I decided I wanted to leave my organisation now.		0.235	
I feel that I have too few options to consider leaving this organisation.		0.723	

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Table 4.4 (Continued)

Items	Factor Loading		
	1	2	3
If I had not already put so much of myself into this organisation, I might consider working elsewhere.		0.652	
One of the few negative consequences of leaving this organisation would be the scarcity of available alternatives		0.635	
3. Normative Commitment			
I do feel any obligation to remain with my current employer			0.655
Even if it were to my advantage, I do not feel it would be right to leave my organisation now.			-0.641
I would feel guilty if I left my organisation now.			-0.634
This organisation deserves my loyalty.			0.623
I would not leave my organisation right now because I have a sense of obligation to the people in it.			0.621
I owe a great deal to my organisation.			0.608
Eigenvalue >1	4.285	2.711	2.437
% of Variance (Total: (52.405)	19.192	18.052	15.161
KMO	0.604		
Bartlett's Test (Chi-Square)	3406		
Sig.	0.000		

Table 4.4 presents the results of the factor analysis for organisational commitment. There were 18 items for organisational commitment. A factor analysis using principle component analysis with varimax rotation was done to validate whether the respondents perceived the three constructs to be distinct. The results showed a three factor solution with eigen values greater than 1.0, all items had high factor loading which is more than 0.50 except for one item 'CC3' and the total variance explained was 52.405 percent of the total variance. KMO measure of sampling adequacy was 0.604 indicating sufficient intercorrelations while the Bartlett's Test of Sphericity was significant (Chi square=3406, p< 0.01) which indicated the feasibility of carrying out factor analysis.   Hence, only one item was omitted from organisational commitment questionnaires [**"Too much of my life would be disrupted if I decided I wanted to leave my organization now**" **(CC3)].**

As reported in Table 4.4, Factor 1 consists of six items which refers to affective commitment. This factor accounted for 19.192 percent of the total variance and loading value for each item ranged from 0.624 to 0.819. The second factor was represented by five items and refers to continuance commitment. This factor accounted for 18.052 percent of the total variance and factor loading for each item ranged from 0.652 to 0.755. Factor 3 is represented by six items without any items being deleted. This factor had 15.161 percent of the total variance and factor loading for each item ranged 0.608 to 0.655. This factor confirmed the items in Factor 3 to represent normative commitment. The factor analysis has thus confirmed that organisational commitment has three constructs and these findings further validate the literatures on organisational commitment.

4.6.1.3 Factor Analysis for Emotional Intelligence

Table 4.5
Factor Loading for Emotional Intelligence

Items	Factors						
	1	2	3	4	5	6	7
1. Emotional Self-Awareness							
Is aware of things that upset him/her at work	0.657						
Is aware when he/she is feeling negative at work.	0.656						
Is aware of how his/her feelings influence the way he/she responds to colleagues.	0.651						
Is aware of his/her body language at work.	0.635						
Is aware of his/her mood state at work.	0.68						
Is aware of the tone of voice he/she uses to communicate with others at work.	0.658						
Succeeds to recognise how feelings drive behaviour at work.	0.666						

Table 4.5 (Continued)

Items	Factors						
	1	2	3	4	5	6	7
Is aware of how his/her feelings influence the decisions he/she makes at work.	0.65						
Finds it easy to identify his/her feelings on issues at work.	-0.641						
Is aware of things that make him/her feel positive at work.	0.623						
2. Emotional Expression							
Effectively expresses how he/she feels about issues at work		-0.81					
Expresses how he/she feels to the wrong people at work.		0.835					
Expresses positive emotions he/she experiences at work appropriately.		0.712					
Expresses how he/she feels at the appropriate time.		-0.732					
Provides positive feedback to colleagues.		-0.617					
Expresses how he/she feels effectively when he/she is happy at work.		-0.613					
Expresses his/her feelings effectively when someone upsets him/her at work.		-0.612					
Effectively expresses optimism at work.		0.611					
Has finding the right words to express how he/she feels at work.		0.611					
Discusses his/her frustrations appropriately.		0.57					
3. Emotional Awareness of Others							
Is aware of the things that make colleagues feel satisfied at work.			0.809				
Finds it easy to identify the things that motivate people at work.			0.806				
Succeeds in identifying the way people respond to him/her when building rapport.			0.796				
Understands the things that cause others to feel engaged at work.			-0.77				
Demonstrates an understanding of others' feelings at work.			-0.765				
Recognises when colleagues' emotional reactions are appropriate.			-0.629				

Table 4.5 (Continued)

Items	Factors						
	1	2	3	4	5	6	7
Identifies others' non-verbal emotional cues (e.g. body language).			0.618				
Understands the things that make people feel optimistic at work.			-0.604				
Understands what makes people feel valued at work.			-0.602				
Identifies the way people feel about issues at work.			-0.586				

4.   Emotional Reasoning

Items	Factors						
Asks others how they feel about different solutions when problem solving at work.				0.619			
Demonstrates to colleagues that he/she has considered others' feelings in decisions he/shemakes at work.				0.617			
Considers the organisation's values when making important decisions.				0.608			
Demonstrates to others that he/she has considered his/her own feelings when making decisions at work.				-0.606			
Communicates decisions at work in a way that capture's others' attention.				0.605			
Gains stakeholders' commitment to decisions he/she makes at work.				0.604			
Communicates decisions to stakeholders appropriately.				0.602			
Considers the way others may react to decisions when communicating them.				0.601			
Takes into account both technical information and the way he/she feels about different choices when making decisions at work.				0.599			
Focuses on teamwork for facts and technical information related to problems when trying to derive a solution.				0.592			

5.   Emotional Self-Management

Items	Factors						
Ignores criticism from colleagues					0.782		
Engages in activities that make him/her feel positive at work.					0.765		
Does not ruminate about things that anger him/her at work.					0.759		

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Table 4.5 (Continued)

Items	Factors						
	1	2	3	4	5	6	7
Effectively deals with things that annoy him/her at work.					0.753		
Appropriately responds to colleagues who frustrate him/her at work.					0.743		
Demonstrates positive moods and emotions at work.					0.702		
Quickly adjusts to new conditions at work.					0.693		
Successfully handle stressful situations at work effectively.					0.69		
Responds to events that frustrate him/her effectively					0.69		
Explores the causes of things that upset him/her at work.					0.68		
6. Emotional Management of Others							
Creates a positive working environment for others.						0.762	
Successfully gets colleagues to cooperate.						0.713	
Motivates others toward work related goals.						0.712	
Effectively demonstrates empathy to colleagues when necessary.						0.709	
Is effective in helping others feel positive at work.						0.707	
Helps people find effective ways of responding to upsetting events.						0.701	
When colleagues are disappointed about something, he/she helps them feel differently about the situation.						0.701	
Helps people deal with issues that cause them frustration at work.						0.699	
Know what to do or say when colleagues get upset at work						0.609	
Succeeds in resolving emotional situations at work effectively.						0.603	
7. Emotional Self-Control							
Demonstrates enthusiasm appropriately at work.							-0.76
Remains focused when anxious about something at work.							0.761
Behaves appropriately when angry at work.							0.754

Table 4.5 (Continued)

Items	Factors						
	1	**2**	**3**	**4**	**5**	**6**	**7**
Demonstrates excitement at work appropriately.							0.768
When under stress, he/she remains calm							0.766
Successfully controls his/her temper at work.							0.776
Holds back his/her initial reaction when something upsets him/her at work.							0.769
Is patient when things don't get done as planned at work.							0.643
Still thinks clearly when upset at work.							0.645
Fails to keep calm in difficult situations at work.							0.615
Eigenvalue >1	22.51	7.969	4.78	3.972	3.127	2.488	2.244
% of Variance(Total: 67.273)	18.647	12.105	10.522	9.012	6.41	6.073	4.504
KMO	0.836						
Bartlett's Test	32352						
Sig.	0.000						

Table 4.5 presents the results of the factor analysis for emotional intelligence. There

were 70 items for emotional intelligence. A factor analysis using principle component

analysis with varimax rotation was done to validate whether the respondents

perceived the seven constructs to be distinct. The results showed a seven factor

solution with eigenvalues greater than 1.0. All items had high factor loading more

than 0.50 and the total variance explained was 67.273 percent of the total variance.

KMO measure of sampling adequacy was 0.836 indicating sufficient intercorrelations

while the Bartlett's Test of Sphericity was significant (Chi square= 32352.00, p<

0.01). Hence, no items were omitted from emotional intelligence questionnaires.

The factor analysis further confirmed the literatures on emotional intelligence that the

Genos EI questionnaire has seven dimensions.

Table 4.6
Summary of the Number of Items before and after Factor Analysis

Dimension	Before Factor Analysis	Number of Dropped Items	After Factor Analysis
Transformational	20	-	20
Transactional	8	-	8
Passive Avoidant	8	-	8
Affective Commitment	6	-	6
Continuance Commitment	6	1	5
Normative Commitment	6	-	6
Emotional Self-Awareness	10	-	10
Emotional Expression	10	-	10
Emotional Awareness	10	-	10
Emotional Reasoning	10	-	10
Emotional Self-Management	10	-	10
Emotional Management	10	-	10
Emotional Self-Control	10	-	10

4.6.2 Reliability Tests

According to Sekaran (2000), it is necessary to subject the items that represent the dimensions in the questionnaire to reliability test. Reliability test was conducted for this study in order to ensure that the measures for the variables have internal stability and consistency across time. The reliability test was conducted in order to examine the goodness of the data and also to find out the consistency of the answers provided by the respondents to all the items in the questionnaires. The Cronbach's alpha coefficient was used to determine the reliability of the questionnaires. According to Hair *et al.,* (2010), if the Cronbach's alpha's value is either 0.6 or above the data is said to be reliable (refer Table 3.4).

Table 4.7
Results of the Reliability Test for the Instruments Used for this Study

Variable	Cronbach's Apha (before Item Deleted)	Item Deleted	Cronbach's Alpha (after Item Deleted)	Number of Items Retained	Strength
Leadership Styles					
Transformational	0.835		-	20	Very good
Transactional	0.600	TC 7	0.636	7	Moderate
Passive-avoidant	0.792	-	-	8	Good
Organisational Commitment					
Affective	0.702	-	-	6	Good
Continuance	0.738	CC3	-	5	Good
Normative	0.667	-	-	6	Moderate
Emotional Intelligence					
Emotional Self-Awareness	0.708	-	-	10	Good
Emotional Expression	0.568	EE2	0.641	9	Moderate
Emotional Awareness	0.743	-	-	10	Good
Emotional Reasoning	0.886	-	-	10	Very Good
Emotional Self-Management	0.71 1	-	-	10	Moderate
Emotional Management	0.763	-	-	10	Good
Emotional Self-Control	0.821	-	-	10	Very Good

Based on Table 4.7, the Cronbach's alpha value for transformational leadership with 20-items, transactional leadership with eight items and passive-avoidant with eight items were found to be 0.835, 0.600 and 0.792, respectively. The value of Cronbach's apha for transformational leadership fell within the range of very good; for transactional, weak and for passive-avoidant, good. The researcher then decided to improve the Cronbach's alpha value for transactional leadership by deleting one item TC 7 (TC7 - Directs my attention toward failures to meet standards) under the questionnaire. After deleting question TC7, the Cronbach's alpha value increased to 0.636 and was within the moderate range.

Similarly the Cronbach's value for dimensions under the construct emotional intelligence were within the range of moderate and very good except for the dimension emotional expression where the value was 0.568. The value for Cronbach' alpha increased to 0.641 after deleting EE2 (I express how I feel to the wrong people at work).

All the three variables in this study have been tested using relevant statistical analysis and found to be valid and meet the requirements for regression analysis. The data collected in this survey is suitable to perform regression analysis.

4.7 Correlation and Regression Analysis

4.7.1 Correlation between Leadership Styles of Managers and Organisational Commitment of Employees of Medium-sized Enterprise

Table 4.8
Correlation between Leadership Styles and Organisational Commitment

		Organisational Commitment
Leadership style	Pearson	0.420**
	Sig (2-tailed)	0.000
	N	373

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

The results indicate that there is a positive and significant relationship between leadership styles and organisational commitment. All are significant at the 99% confidence level. The values for Pearson correlation between organisational commitment and leadership styles is r=0.420 at p< 0.01.

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4.7.2 Regression analysis between Leadership Styles and Organisational Commitment

A standard linear regression analysis was conducted to investigate the influence of leadership styles on organisational commitment.   Table 4.9 shows the summary of regression results between leadership styles and organisational commitment.

Table 4.9

Summary of Regression Results between Leadership Styles and Organisational Commitment

Independent Variable	Unstanderdised Coff		Standerdised Coff	T	sig
	B	Std. Error	β		
(Constant)	2.868	0.062		46.073	0.000
Leadership styles	0.209	0.023	0.420	8.916	0.000
$R^2 = 0.174$		$F^* = 79.503$			

* Significant at $p < 0.01$

The above results indicate that leadership style is positively and significantly related to organisational commitment. This shows that 17.4 percent of the variance of organisational commitment is contributed by leadership styles.   This indicates that leadership styles are significant predictor of organisational commitment.

This addresses the Research Question 1:   Is there a significant relationship between leadership styles (transactional, transformational, and passive-avoidant) of leaders and organisational commitment of employees?

4.7.3 Correlation between the Three Dimensions of Leadership Styles (Transformational, Transactional and Passive-Avoidant) of Managers and Organisational Commitment of Employees of Medium-sized Enterprise

Table 4.10

Correlation between the Three Dimensions of Leadership Styles (Transformational, Transactional and Passive-Avoidant) of Managers and Organisational Commitment of Employees of Medium-sized Enterprise

		Transformational	Transactional	Passive Avoidant
Transactional	Pearson Correlation	.362**		
	Sig. (2-tailed)	.000		
	N	373		
Passive-Avoidant	Pearson Correlation	-.131*	-.107*	
	Sig. (2-tailed)	.011	.038	
	N	373	373	
Organisational Commitment	Pearson Correlation	.349**	.245**	-.158**
	Sig. (2-tailed)	.000	.000	.005
	N	373	373	373

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

The values for Pearson correlation between organisational commitment and transformational, transactional and passive-avoidant leadership are $r = 0.349$, $r = 0.245$ and $r = -0.158$ respectively at $p < 0.01$. These values indicate that there is a positive and significant relationship between transformational and transactional leadership styles and organisational commitment and a negative and significant relationship between passive-avoidant leadership style and organisational commitment. This means that a leader who practises transformational or transactional leadership styles will be able to increase the level of commitment of employees towards their organsation. Between transformational and transactional leadership, the result shows that transformational leadership is better than transactional leadership in increasing the level of organisational commitment of employees. On the other hand, a passive-avoidant type of leadership tends not to increase the level of commitment of employees to their enterprise.

4.7.4 Regresssion analysis on the relationship between the Three Dimensions of Leadership Styles (Transformational, Transactional and Passive-avoidant) and Organisational Commitment

A standard linear regression analysis was performed to investigate the influence of transformational, transactional and passive-avodant leadership on organisational commitment. Table 4.11 shows the summary of the regression results between transformational, transactional and passive-avoidant leadership and organisational commitment. $R^2 = 0.149$ F*=21.566

Table 4.11

Summary of Regression Analysis between Transformational, Transactional and Passive-Avoidant Leadership and Organisational Commitment

Independent Variable	Unstandardised Coefficient		Standardised coefficient	t	Sig
	B	**Std. Error**	**β**		
(Constant)	2.221	0.189		11.142	0.000
Transformational	0.308	0.055	0.289	5.575	0.000
Transactional	0.139	0.056	0.129	2.496	0.013
Passive Avoidant	-0.046	0.021	-0.106	-2.193	0.029
$R^2 = 0.149$	F*=21.566				

* Significant at $p < 0.05$

From the above results, it is evident that leaders with transformational leadership style have greater impact on the organisational commitment of their employees compared to leaders with transactional and passive-avoidant leadership styles. Therefore, based on the results obtained from both correlation and regression analyses it could be concluded that transformational leadership is the best predictor of organisational commitment.

This addresses Research Question 2: Which among the leadership styles (transformational, transactional and passive-avoidant) is the best predictor of organisational commitment?

4.7.5 Correlation between the Dimensions of Leadership Styles (Transformational, Transactional and Passive-Avoidant) and Dimensions of Organisational Commitment (AC, CC and NC)

Table 4.12

Correlation between the Dimensions of Leadership Styles (Transformational, Transactional, and Passive-Avoidant) and Dimensions of Organisational Commitment (Affective, Continuance and Normative Commitment)

		Affective Commitment	Continuance Commitment	Normative Commitment
Transformational	Pearson Correlation	.268**	.218**	.349**
	Sig. (2-tailed)	.000	.000	.000
	N	373	373	373
Transactional	Pearson Correlation	-.024	.103*	.233**
	Sig. (2-tailed)	.647	.046	.000
	N	373	373	373
Passive-Avoidant	Pearson Correlation	-.035	-.037	-.129*
	Sig. (2-tailed)	.502	.471	.013
	N	373	373	373

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

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

Table 4.12 shows the correlation between each of the dimensions of leadership styles with each of the constructs of organisational commitment. The findings indicate that transformational leadership is positively and significantly correlated with affective, continuance and normative commitment. The Pearson correlation values between transformational leadership and affective, continuance and normative commitment are r=0.268, r=0.218 and r=0.349 respectively and significant at $p<0.05$. Transformation leadership has a better influence on normative commitment followed by affective and continuance commitment.

The results for transactional leadership reveal that there is a positive and significant relationship between transactional leadership and continuance and normative commitment. There is no significant relationship between affective commitment and transactional leadership. The Pearson correlation values between transactional

leadership and continuance and normative commitment are r= 0.133 and r = 0.233

respectively and significant at p< 0.05 Transactional leadership has better influence

on normative commitment than continuance commitment. Passive-avoidant leadership

is negatively and significantly related to normative commitment. The Pearson

correlation value between passive-avoidant leadership and normative commitment is r

= - 0.24. and significant at p< 0.05.

4.7.6 Regression Analysis between Transformational Leadership and AC, CC and NC

Table 4.13
Summary of the Regression Analysis between Transformational Leadership and AC, CC and NC

	Unstandardised coefficient		Stdandardised coefficient				
	B	Std Error	B	t	R^2	F	Sig
AC	0.427	0.080	0.268	5.363	0.072	28.758	0.000
CC	0.346	0.081	0.218	4.299	0.045	18.450	0.000
NC	0.478	0.067	0.349	7.173	0.119	51.452	0.000

Table 4.13 illustrates the results obtained after performing the regression analysis to

investigate the influence of transformational leadership on the three constructs of

organisational commitment. The results indicate that there is a positive and significant

relationship between transformational leadership and AC, CC and NC. The R-square

value for NC is the highest compared to AC and CC. It can be said that 11.9 percent

in the variance of NC, 6.9 percent of variance in AC and 4.5 percent of variance in

CC are contributed by transformational leadership. From the above results, it can be

concluded that transformational leadership has a better influence on NC than on AC

and CC.   This indicates that for every one percent increase in transformational

leadership, there will be an increase of 11.9 percent, 6.9 percent and 4.5 percent in the

NC, AC and CC, respectively.

4.7.7 Regression Analysis between Transactional Leadership and AC, CC and NC

Table 4.14
Summary of the Regression Analysis between Transactional Leadership and AC, CC and NC

	Unstandardised coefficient		Stdandardised coefficient				
	B	**Std Error**	**B**	**t**	**R²**	**F**	**Sig**
AC	0.015	0.032	-0.024	-0.459	-0.062	0.210	0.647
CC	0.064	0.032	0.103	2.001	0.008	4.004	0.046
NC	0.168	0.036	0.233	4.605	0.052	21.206	0.000

A regression analysis was conducted between transactional leadership and the three

dimensions of organisational commitment. The results show that only CC and NC are

positively and significantly related to transactional leadership. AC is not significant.

About 5.2 percent of the variance in NC and 0.8 percent variance in CC are

contributed by transactional leadership. For every one percent increase in

transactional leadership style, there will be an increase of 5.2 percent and 0.8 percent

increase in NC and CC, respectively. Transactional leadership has better influence on

NC than CC.

4.7.8 Regression Analysis between Passive-Avoidant Leadership and AC, CC and NC

Table 4.15

Summary of the Regression Analysis between Passive-Avoidant Leadership and AC, CC and NC

	Unstandardised coefficient		Stdandardised coefficient				
	B	Std Error	B	t	R^2	F	Sig
AC	-0.054	0.080	-0.035	-0.672	-0.001	0.451	0.502
CC	-0.057	0.080	-0.037	-0.721	-0.001	0.520	0.471
NC	-0.230	0.092	-0.129	-2.505	0.014	6.273	0.013

The regression analysis between passive-avoidant leadership and the three constructs of organsiational commitment shows that only NC is negatively and significantly related to this style of leadership. About 1.4 percent of the variance in NC is contributed by passive- avoidant leadership style. This means that for every one percent increase in passive-avoidant leadership, there will be a decrease of 1.4 percent in NC.

This addresses the Research Question 3: Is there significant relationship between the three dimensions of leadership styles (transformational, transactional and passive-avoidant) and the three dimensions of organisational commitment (affective, continuance and normative commitment)?

4.7.9 Correlation between Leadership Styles and Emotional Intelligence of Managers of Medium-sized Enterprises

Table 4.16
Correlation between Leadership Styles and Emotional Intelligence

		Emotional intelligence
Leadership style	Pearson	0.531**
	Sig (2-tailed)	0.000
	N	373

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed)

Table 4.16 illustrates the correlation between leadership styles and emotional intelligence. The results indicate that there is a positive and significant relationship between leadership styles and emotional intelligence. All are significant at the 99% confidence level. The value for the Pearson correlation between leadership styles and emotional intelligence is r= 0.531.

4.7.10 Regression analysis between Leadership Styles and Emotional Intelligence of Managers of Medium-sized Enterprises

Table 4.17
Summary of Regression Analysis between Leadership Styles and Emotional Intelligence

Independent Variable	Unstandardised Coefficient		Standardised coefficient	t	Sig
	B	Std. Error	β		
(Constant)	1.656	0.137		12.106	0.000
Leadership styles	0.621	0.051	0.531	12.063	0.000
$R^2 = 0.282$		$F^* = 145.505$			

The results in Table 4.17 indicate that there is a positive and significant relationship between leadership styles and emotional intelligence. The R-square value of 0.282 indicates that 28.2 percent of the variance in emotional intelligence of leaders is contributed by different leadership styles of the leaders.

This addresses the Research Question 4: Is there a significant relationship between leadership styles and the emotional intelligence of managers of medium-sized enterprises?

4.7.11 Correlation between Dimensions of Leadership Styles and Emotional Intelligence

Table 4.18
Correlation between Dimensions of Leadership Styles and Emotional Intelligence

		Emotional Intelligence	Transformational	Transactional
Emotional Intelligence	Pearson Correlation Sig. (2-tailed) N			
Transformational	Pearson Correlation Sig. (2-tailed) N	$.201^{**}$ .000 373		
Transactional	Pearson Correlation Sig. (2-tailed) N	$.242^{**}$ .000 373	$.362^{**}$ .000 373	
Passive-Avoidant	Pearson Correlation Sig. (2-tailed) N	$-.162^{**}$ .002 373	$-.131^{*}$ .011 373	$-.107^{*}$ .038 373

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

The values for Pearson correlation (r) between emotional intelligence and transformational, transactional and passive-avoidant leadership are 0.201, 0.242 and -0.162 respectively and are significant at $p< 0.05$. Transformational leadership and transactional leadership are positively correlated with emotional intelligence but passive-avoidant leadership style is negatively correlated with emotional intelligence. This indicates that a leader with transformational and transactional leadership style tends to display a high level of emotional intelligence unlike a leader who displays a passive-avoidant style of leadership. A leader with passive-avoidant style of leadership tends to display low levels of emotional intelligence

The results also indicate that there is a significant correlation between the different leadership styles. Transformational leadership is positively and significantly correlated to transactional leadership (r=0.362, p<0.05) but passive-avoidant leadership style is negatively and significantly correlated to transactional (r = -0.131, p<0.05) and transformational leadership styles (r = -0.107, p<0.05). This shows that a transformational leader does display some of the characteristics of a transactional leader but leaders with passive-avoidant leadership style tend to possess lower qualities or characteristics of transformational and transactional leadership style.

Regression analysis was performed between the three different leadership styles (transformational, transactional and passive-avoidant) and emotional intelligence to determine which among these leadership styles displays higher levels of emotional intelligence.

4.7.12 Regression analysis between Dimensions of Leadership Styles (Transformational, Transactional and Passive-avoidant) and Emotional Intelligence

Table 4.19
Summary of Regression Analysis between Transformational, Transactional and Passive-avoidant Leadership and Emotional Intelligence

Independent Variable	Unstandardised Coefficient		Standardised coefficient	t	Sig
	B	**Std. Error**	**B**		
(Constant)	2.549	0.229		11.142	0.000
Transformational	0.146	0.067	0.117	2.187	0.029
Transformational	0.146	0.067	0.117	2.187	0.029
Passive Avoidant	-0.065	0.026	-0.127	-2.525	0.012
$R^2 = 0.089$	F*=12.031				

* Significant at $p < 0.05$

Table 4.19 illustrates the results of the regression analysis between transformational, transactional and passive avoidant leadership and emotional intelligence. The results indicate that transformational and transactional leadership is positively and significantly related to emotional intelligence but passive-avoidant is negatively and significantly related to emotional intelligence

From the above results, it can be said that leaders with transformational and transactional leadership styles tend to display better levels of emotional intelligence compared to leaders with passive-avoidant leadership style.

This answers the Research Question 5: Which among the leadership styles (transformational, transactional and passive-avoidant) tends to display a better level of emotional intelligence?

4.7.13 Correlation between Emotional Intelligence of Managers and Organisational Commitment of Employees

Table 4.20
Correlation between Emotional Intelligence and Organisational Commitment

		Organisational Commitment
Emotional intelligence	Pearson	0.325**
	Sig (2-tailed)	0.000
	N	373

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Table 4.20 shows that there is a significant and positive correlation between emotional intelligence and organisational commitment ($r = 0.325$, $p<0.05$). This seems to prove that a leader who tends to display appropriate levels of emotional

intelligence will be able to increase the organisational commitment of the employees

to the organization.

4.7.14 Regression analysis between Emotional Intelligence and Organisational Commitment

Table 4.21

Summary of Regression Analysis between Emotional Intelligence and Organisational Commitment

Independent Variable	Unstandardised Coefficient		Standardised Coefficient	t	Sig
	B	Std. Error	β		
(Constant)	2.946	0.071		41.775	0.000
Emotional intelligence	0.138	0.021	0.325	6.616	0.000
$R^2 =$ 0.103		$F* = 43.774$			

Table 4.21 illustrates the results of the regression analysis between emotional

intelligence and organisational commitment. The results indicate that emotional

intelligence is positively and significantly related to organisational commitment. The

R-square value of 0.103 means that 10.3 percent of the variance in organisational

commitment can be explained by emotional intelligence. When there is a one percent

increase in emotional intelligence among the leaders, it would increase the

organisational commitment of employees by 10.3 percent. This indicates that

emotional intelligence is a significant predictor of organisational commitment.

Both the correlation and regression analyses address the Research Question 6: Is

there a significant relationship between emotional intelligence and organisational

commitment?

4.7.15 Correlation between Emotional Intelligence and the three Dimensions of Organisational Commitment (Affective, Continuance and Normative)

Table 4.22

Correlation between Emotional Intelligence and the Three Dimensions of Organisational Commitment (Affective, Continuance and Normative)

		Affective Commitment Scale	Continuance Commitment Scale	Normative Commitment Scale
Emotional Intelligence	Pearson Correlation	.394**	.100*	.295**
	Sig. (2-tailed)	.000	.046	.000
	N	373	373	373

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

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

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From the results shown in Table 4.22, there is a positive and significant relationship between emotional intelligence and affective, continuance and normative commitment. The Pearson correlation values are r = 0.394, r = .100 and r = 0.295 respectively. The results indicate that emotional intelligence has a higher influence on affective commitment followed by normative and continuance commitments

4.7.16 Regression analysis between Emotional Intelligence and the Three Dimensions of Organisational Commitment

Table 4.23

Summary of Regression Analysis Results between Emotional Intelligence and Affective (AC), Continuance (CC) and Normative (NC) Commitment

	Unstandardised Coefficient		Standardised Coefficient				
	B	Std Error	β	t	R^2	F	Sig
AC	0.309	0.037	0.394	8.256	0.153	68.166	0.000
CC	0.078	0.040	0.100	1.928	0.007	3.718	0.046
NC	0.269	0.045	0.295	5.946	0.085	35.360	0.000

Table 4.23 shows the results of the regression analysis carried out between emotional intelligence and the three constructs of organisational commitment (AC, CC and NC). The findings reveal that emotional intelligence is positively and significant related to all the three

constructs of organisational commitment. The R Square values for AC, CC and NC are 0.153, 0.007 and 0.085, respectively. This means that 15.3 percent of variance in AC, 0.7 percent variance in CC and 8.8 percent of variance in NC are contributed by emotional intelligence. Emotional intelligence has the greatest influence on AC.

This addresses the research Question 7: Is there significant relationship between emotional intelligence and the three dimensions of organisational commitment (AC, CC and NC).

4.7.17 Regression Analysis with Leadership Syles and Emotional Intelligence Predicting the Organisational Commitment

Table 4.24
Output of Regression Analysis with Leadership Syles and Emotional Intelligence Predicting the Organisational Commitment

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	2.768	.073		37.9345.	.000			
LStyle	.172	.027	.345	6.249	.011	-.158	-.121	-.113
Emotional Intelligence	.060	.023	.142	62.571	.000	.351	.337	.333
R^2= 0.187		F=43.658						

a. Dependent Variable: Organizational Commitment

From Table 4.18, Table 4.20 and Table 4.24 it could be concluded that leadership style (r=0.420, b=0.172, β=0.345, p<0.005) and emotional intelligence (r= 0.325, b=0.060, β=0.142, p<0.01) are significant predictors of organisational commitment.

Both the correlation and regression analyses address the Research Question 8: Are leadership styles and emotional intelligence significant predictors of organisational commitment?

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4.7.18 The Mediating Effect of Emotional Intelligence on the Relationship between Leadership Styles and Organisational Commitment

Baron and Kenny's (1986) Test for Mediation

Regression analysis was used to determine the influence of the mediating variable emotional intelligence on the relationship between leadership styles (transformational, transactional and passive avoidant) and organisational commitment. The mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment was tested by using Baron and Kenny's (1986) test.

Before conducting mediation test on the model depicted in Figure 3.2 several tests were carried out to ensure the model fulfilled the following conditions:

1. All simple linear regressions are statistically significant.

2. Leadership styles have a positive and significant correlation with emotional intelligence; and

3. Emotional intelligence is a significant predictor of organisational commitment and leadership styles are significant predictor of organisational commitment.

Table 4.25
Output of Regression Analysis with Leadership Syles and Emotional Intelligence Predicting the Organisational Commitment

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Correlations		
	B	**Std. Error**	**Beta**			**Zero-order**	**Partial**	**Part**
(Constant)	2.768	.073		37.9345.	.000			
LStyle	.172	.027	.345	6.249	.011	-.158	-.121	-.113
Emotional Intelligence	.060	.023	.142	62.571	.000	.351	.337	.333
R^2= 0.187		F=43.658						

a. Dependent Variable: Organizational Commitment

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Figure 4.1 shows the standardised coefficient (β) before mediation for the tested variables (leadership styles, emotional intelligence, and organisational commitment). From Figure 4.1 it can be deduced that there are significant relationships between leadership styles, emotional intelligence and organisational commitment. Baron and Kenny (1986) mentioned that if the relationship between leadership styles (independent variable) and organisational commitment (dependent variable) is no longer significant when emotional intelligence (mediator variable) is controlled, then the finding will support full mediation. In this research, the results in Figure 4.1 and 4.2 show that although the standardised coefficient value (β) has reduced from 0.420 to 0.345 there is a significant relationship between leadership styles and organisational commitment after mediating with emotional intelligence. Hence, this finding supports partial mediation. Finally, from this result, it could be concluded that emotional intelligence mediates the relationship between leadership styles and organisational commitment, but only partially.

This addresses the Research Question 9: Is emotional intelligence a significant mediator in the relationship between leadership styles and organisational commitment?
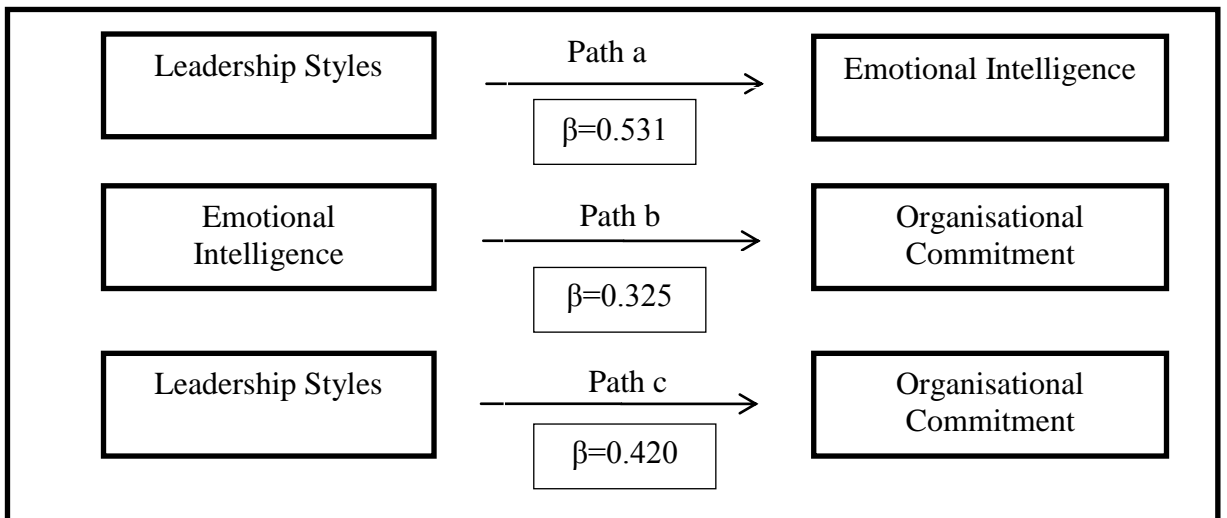
Figure 4.1
Relationship between the Variables (LS, EI and OC) before Mediation
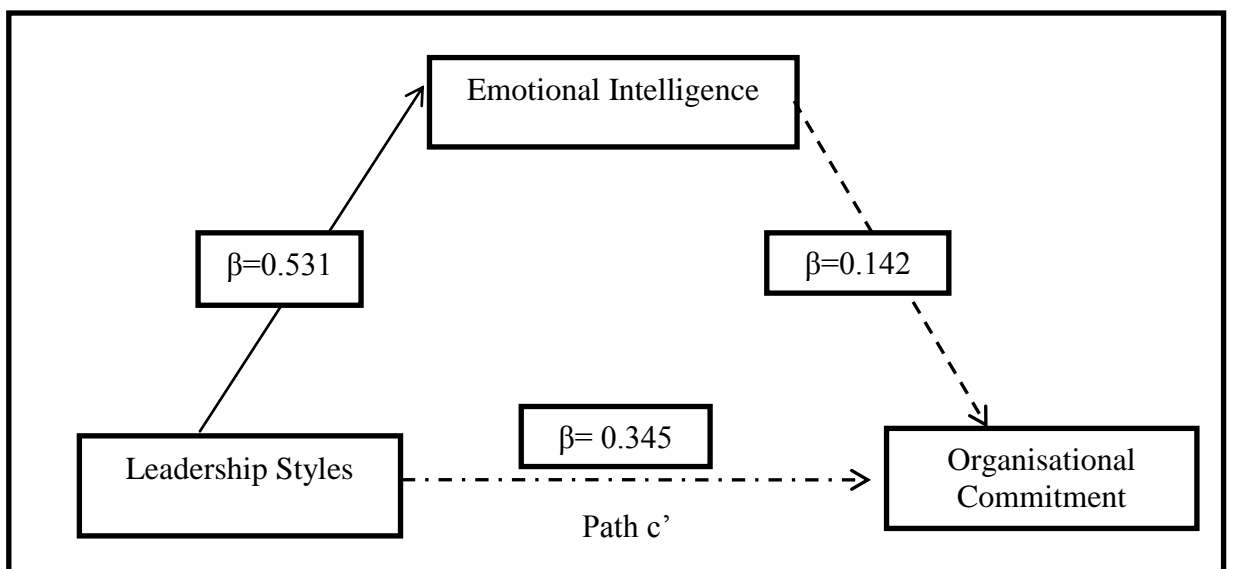
Figure 4.2
Relationship between the Variables (LS, EI and OC) after Mediation

4.8 Descriptive Statistics

4.8.1 Level of Organisational Commitment

Table 4.10 illustrates the mean scores for organisational commitment and three constructs of organisational commitment respectively. A mean score of between 1-1.99 is considered to be low, between 2-3.99 is moderate and between 4-5 is high.

Table 4.26
Mean Score for Organisational Commitment

Variable/ Dimensions	Mean	Std. Deviation	Level
Organisational Commitment	3.385	0.453	Moderate
Affective Commitment	3.240	0.683	Moderate
Continuance Commitment	3.122	0.682	Moderate
Normative Commitment	3.333	0.507	Moderate

According to the results in Table 4.25 the mean value for organisational commitment among employees is 3.385 and is considered to be at moderate level. The respondents seem to display a higher level of normative commitment by having higher mean (M=3.333, SD=0.508) than affective commitment (M=3.240, SD=0.683) and continuance commitment (M=3.122, SD=0.682).

This addresses the Research Question 10: What is the level of organisational commitment among employees in the selected mediun-sized enterrpises?

4.8.2 The Leadership Styles of Leaders of Medium-sized Enterprises as Perceived by the Employees

Tables 4.27 and 4.28 illustrate the leadership styles of leaders as perceived by the employees.

Table 4.27
The Leadership Style of the Leaders as Perceived by the Employees

	Frequency	Percent
Transformational	123	33.0
Transactional	161	43.2
Passive Avoidant	89	23.9
Total	**373**	**100.0**

Table 4.28
Mean score for Leadership Styles

Variable/ Dimensions	Mean	Std. Deviation	Level
Leadership Styles			
Transformational	2.815	0.430	Moderate
Transactional	3.123	0.425	Moderate
Passive Avoidant	1.910	1.050	Low

In this study, three leadership styles of the leaders of the medium-sized enterprises were investigated, namely, transformational leadership, transactional leadership and passive-avoidant leadership. Based on Tables 4.27 and 4.28   , 43.2 percent of the respondents rated their leaders as possessing moderate transactional leadership style (M=3.123, SD=0.425), 33 percent perceive their leaders to have moderate transformational leadership style (M=2.815, SD=0.430) and 23.9 percent rated their leaders to have low passive avoidant leadership style (M=1.91, SD=1.050). The employees perceived their leaders in the medium-sized enterprises to be more transactional than transformational leaders.

This addresses the Research Question 11: What are the leadership styles (transactional, transformational and passive avoidant) of leaders of medium-sized enterprises as perceived by employees?

4.8.3 The Level of Emotional Intelligence of Leaders of Medium-sized Enterprise as Perceived by Employees

The results showing the frequency of leaders displaying emotional intelligence and the mean scores for the level of emotional intelligence is displayed in Table 4.29 and Table 4.30 respectively.

Table 4.29
Demonstrates the Frequency of the Leaders Displaying Emotional Intelligence as Perceived by the Employees

	Frequency	Percent
Almost Never	-	-
Sometimes	281	75.3
Always	92	24.7
Total	**373**	**100.0**

Table 4.30
Mean Score for Emotional Intelligence of Leaders in the Medium-sized Enterprises as Perceived by the Employees

Variable/Dimension	Mean	Std. Deviation	Level
Emotional Intelligence	3.202	1.016	Moderate

Table 4.29 shows the frequency of the leaders displaying emotional intelligence as perceived by the employees. About 75 percent of the respondents agreed that their leaders sometimes display some level of emotional intelligence and 25 percent of the respondents agreed that their leaders always display some level of emotional intelligence. In general, it could be said that the leaders in medium-sized enterprises display emotional intelligence in their leadership style.

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Table 4.30 illustrates the mean value for the level of emotional intelligence. The mean value for emotional intelligence is 3.202. This indicates that the employees in medium-sized enterprises perceived their leaders to possess moderate levels of emotional intelligence.

This addresses the Research Question 12: What is the level of emotional intelligence of leaders of medium-sized enterprises perceived by employees?

4.8.4 Relationship between Demographic Factors of Respondents and Leadership Styles, Emotional Intelligence and Organisational Commitment

In order to investigate the influence of demographic factors on leadership styles, emotional intelligence and organisational commitment, ANOVA test was conducted. The only variable that was found to be significant to demographic factors was organisational commitment. The demographic factors that were found to be significant to organisational commitment were the number of years employees had been working in the organisation and their educational level. The results are shown in Tables 4.31 and 4.32, respectively.

Table 4.31
ANOVA Test Result Regarding Number of Years Employees have been Employed in the Organisation and Leadership Styles, Emotional Intelligence and Organisational Commitment

Number of Years Working in the Organisation			
Variable	**F**	**Sig.**	**Significant/Not Significant**
Organisational Commitment	3.538	0.040	Significant
Leadership Styles	0.198	0.963	Not Significant
Emotional Intelligence	0.353	0.880	Not Significant

Table 4.31 illustrates the ANOVA test results. The F value is 3.538 and significant at p-values less than 0.05. This indicates that there is a positive and significant

relationship between the number of years employees have been employed in the company and organisational commitment. Leadership styles and emotional intelligence do not display any significant relationship with the number of years employees have been employed in the organsiation.

Table 4.32

ANOVA Result between Education Level and Leadership Styles, Emotional Intelligence and Organisational Commitment

	Educational Level		
Variable	**F**	**Sig.**	**Significant/Not Significant**
Organisational Commitment	3.840	0.005	Significant
Leadership Styles	1.171	0.321	Not Significant
Emotional Intelligence	1.267	0.283	Not Significant

Table 4.32 shows the F value is 3.840 and is significant at p-value less than 0.05. This indicates that education level does have an influence on the employees' commitment towards their organisation.

Age, gender and other demographic and organisational factors were found to be insignificant in all the three variables.

This addresses the Research Question 13: Do demographic factors have influence on leadership styles, emotional intelligence and organisational commitment.

4.9   Hypotheses Tests

The linear and multiple regressions were used to test the research questions in Section 1.3 and hypotheses (H_01, H_01a, H_01b, H_01c, H_02, H_02a, H_02b and H_02c, H_03, H_04 and H_05) under Section 3.2. The results of the regression analysis for the hypotheses are reported under Section 4.7.

Hypothesis H_01: **There is no significant relationship between leadership styles and organisational commitment.**

Based on the results from the linear regression analysis which tested the relationship between leadership styles and organisational commitment, the standardised coefficient (β) is 0.420 at significant value of $p < 0.05$ (Table 4.18). This clearly indicates that there is a positive and significant relationship between leadership styles and organisational commitment in medium-sized enterprises.

Therefore, Hypothesis H_01 is rejected and it could be concluded that leadership styles do have a positive and significant relationship with organisational commitment. This shows that leaders in medium-sized enterprises are able to increase the organisational commitment of employees by displaying appropriate type of leadership styles.

Hypothesis H_01 answers Research Question 1 - Is there a significant relationship between leadership styles (transactional, transformational, and passive-avoidant) of leaders and organisational commitment of employees?

Hypothesis H_01_a: **There is no significant relationship between transformational leadership and organisational commitment**.

Table 4.11 illustrates the regression results between transformational leadership and organisational commitment. The standardised coefficient (β) is 0.289 at significant value of $p < 0.05$. This shows that there is a positive and significant relationship

between transformational leadership and organisational commitment in medium-sized enterprises. Therefore, Hypothesis H_01_a is rejected.

Hypothesis H_01_b: There is no significant relationship between transactional leadership and organisational commitment.

The results illustrated under Table 4.11 shows the regression results between transactional leadership and organisational commitment. The standardised coefficient (β) is 0.129 at significant value of $p<0.05$. This shows that there is a positive and significant relationship between transactional leadership and organisational commitment in medium-sized enterprises. Therefore, Hypothesis H_01_b is rejected.

Hypothesis H_01_c: There is no significant relationship between passive avoidant leadership and organisational commitment.

Table 4.11 shows the regression results between passive-avoidant leadership and organisational commitment. The standardised coefficient (β) is - 0.106 at significant value of $p<0.05$. This shows that there is a negative and significant relationship between passive avoidant leadership and organisational commitment in medium-sized enterprises. This indicates that when a leader displays high passive avoidant leadership style, then the organisational commitment of employees tends to be low. Therefore, Hypothesis H_01_c is rejected.

From Tables 4.11, it can be summarised that transformational leadership is the best predictor of organisational commitment because it has the highest standardised

coefficient, $\beta = 0.289$, followed by transactional leadership, $\beta = 0.129$ and passive-avoidant leadership, $\beta = -0.106$.

This answers the Research Question 2 - Which among the leadership styles (transformational, transactional and passive-avoidant) is the best predictor of organisational commitment?

Table 4.17 shows the results of the linear regression between leadership styles and emotional intelligence. Based on the results the standardised coefficient (β) is 0.531 at significant value of $p < 0.05$. This clearly indicates that there is a positive and significant relationship between leadership styles and emotional intelligence of leaders in medium-sized enterprises.

Therefore, Hypothesis H_02 is rejected and it could be concluded that leadership styles do have a positive and significant relationship with emotional intelligence. This posits that emotional intelligence of the leaders is an important element of effective leadership.

Hypothesis H_02 answers Research Question 4 - Is there a significant relationship between leadership styles and the emotional intelligence of managers of medium-sized enterprises?

Hypothesis H_02_a: There is no significant relationship between transformational leadership style and emotional intelligence of leaders.

Table 4.26 illustrates the regression analysis results between transformational leadership and emotional intelligence. The standardised coefficient (β) is 0.399 at significant value of $p<0.05$. This shows that there is a positive and significant relationship between transformational leadership and emotional intelligence of the leaders in medium-sized enterprises. Therefore, Hypothesis H_02_a is rejected.

Hypothesis H_02_b: There is no significant relationship between transactional leadership style and emotional intelligence of leaders.

The results in Table 4.27 show the regression analysis results between transactional leadership and emotional intelligence of leaders of medium-sized enterprises. The standardised coefficient (β) is 0.297 at significant value of $p<0.05$. This shows that there is a positive and significant relationship between transactional leadership and emotional intelligence in medium-sized enterprises. Therefore, Hypothesis H_02_b is rejected.

Hypothesis H_02_c: There is no significant relationship between passive-avoidant leadership style and emotional intelligence of leaders.

Table 4.28 shows the regression analysis results between passive-avoidant leadership and emotional intelligence. The standardised coefficient (β) is -0.230 at significant value of $p<0.05$. This shows that there is a negative and significant relationship between passive avoidant leadership and emotional intelligence in medium-sized enterprises. This indicates that a leader who displays passive avoidant leadership style tends to be low in emotional intelligence. Therefore, Hypothesis H_02_c is rejected.

From Tables 4.26, 4.27 and 4.28, it can be summarised that leaders who display transformational leadership tend to have higher levels of emotional intelligence because it has the highest standardised coefficient (β), $\beta= 0.399$, followed by transactional leadership,

$\beta= 0.297$ and passive-avoidant leadership, $\beta= -0.230$.

This answers the Research Question 5 - Which among the leadership styles (transformational, transactional and passive-avoidant) tend to display a better level of emotional intelligence?

Hypothesis $H_0 3$: **There is no significant relationship between emotional intelligence and organisational commitment.**

The results in Table 4.29 were obtained from regression analysis conducted on the relationship between emotional intelligence and organisational commitment. They show that there is a positive and significant relationship between emotional intelligence and organisational commitment, where the standardised coefficient (β) is 0.325 and significant at $p<0.05$. Therefore, Hypothesis $H_0 3$ is rejected. From the above results, it could be concluded that emotional intelligence has a positive and significant relationship with organisational commitment. This result is indicative that a leader who displays a certain level of emotional intelligence is able to increase the organisational commitment of the employees.

Hypothesis $H_0 3$ answers Research Question 6: Is there a significant relationship between emotional intelligence of managers and organisational commitment of employees of medium-sized enterprises?

Hypothesis H$_0$4:   Leadership styles and emotional intelligence are not the predictors of organisational commitment.

A regression analysis was carried out on the relationship between leadership styles and emotional intelligence on organisational commitment to find out whether leadership styles and emotional intelligence are significant predictors of organisational commitment. The results in Table 4.31 show that both leadership styles and emotional intelligence are significant predictors of organisational commitment.

Hypothesis H$_0$4 answers Research Question 8: Are leadership styles and emotional intelligence significant predictors of organisational commitment?

Hypothesis H$_0$5:   There is no mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment.

A mediation test was carried out using Baron and Kenny's (1986) test to determine the mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment. From the results shown in Figures 4.3 and 4.4 it is confirmed that emotional intelligence does act as a significant mediator on the relationship between leadership styles and organisational commitment but it mediates partially. Thus Hypothesis H$_0$5 is rejected.

Hypothesis $H_0 5$, tend to answer Research Question 9: Is emotional intelligence a significant mediator in the relationship between leadership styles and organizational commitment?

4.10 Conclusion

From the overall findings it can be concluded that leadership styles and organisational commitment are affected by emotional intelligence. The level of emotional intelligence of leaders in the medium-sized enterprises is a significant factor in determining organisational commitment of employees. This finding has an important policy implication for managing organisations. Further discussions on the results and implications of the findings are taken up in Chapter 5.

CHAPTER FIVE

DISCUSSION AND CONCLUSION

5.1 Introduction

This chapter provides the discussions and implications of the findings from the study as reported in Chapter 4. There are six sections in this chapter. The first section recapitulates what was reported in Chapter 4. This is followed by the discussion and

summary of results based on the research questions. The implications of the mediating effect of emotional intelligence on the relationship between leadership style and organisational commitment are also highlighted in this chapter.

In the later parts of the chapter, discussion on the managerial implications and limitations of the study are provided. The recommendations for future research and conclusion are included in the final part of the chapter.

5.2 Recapitulation of the Study

The major objective of this study is to explore the mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment. Second, this study intends to explore the different leadership styles and the level of emotional intelligence of managers in the medium-sized enterprises. In order to determine these relationships, several correlation and regression tests were conducted. The results of Pearson correlation analysis and regression analysis support all the hypotheses formulated in this research. The summary of the results on hypotheses testing is provided in Table 5.1.

Table 5.1
Summary of the Results of Hypotheses Testing for the Relationship among Leadership Styles, Emotional Intelligence and Organisational Commitment

No.	Null Hypothesis	Accepted/ rejected	Significant /non-significant	Remarks
H_01:	No significant relationship between leadership styles and organisational commitment	Rejected	Significant	Answers Research Question 1
H_01_a, H_01_b, H_01_c	No significant relationship between transformational, transactional and passive avoidant leadership and organisational commitment	Rejected	Significant	H_01_a, H_01_b and H_01_c: Answers Research Question 2.
H_02	No significant relationship between leadership styles	Rejected	Significant	Answers Research

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		and emotional intelligence			Question 4
H_02_a, H_02_c	H_02_b	No significant relationship between transformational, transactional, passive avoidant leadership and emotional intelligence	Rejected	Significant	H_02_a H_02_b and H_02_c: Answers Research Question 5
H_03		No significant relationship between emotional intelligence and organisational commitment	Rejected	Significant	Answers Research Question 6
H_04		Leadership styles and emotional intelligence are not predictors of organisational commitment	Rejected	Significant	Answers Research Question 8
H_05		There is no mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment	Rejected	Significant	Answers Research Question 9

Table 5.1 illustrates that all the null hypotheses are rejected, indicating a significant relationship between leadership styles and organisational commitment. Similarly, there is a significant relationship between leadership styles and emotional intelligence and between emotional intelligence and organisational commitment. The hypotheses answer Research Questions 1, 2, 4, 5, 6, 8 and 9.

From the results obtained, it is evident that there is a critical need to understand the significance of leadership styles and leaders' level of emotional intelligence on employees' organisational commitment.

5.3 Discusssion on the Findings

The following is the detailed discussion on the findings based on the research questions of the study.

RQ1: Is there significant relationship between leadership styles (transactional, transformational, and passive-avoidant) of managers and organisational commitment of employees in the medium-sized enterprises?

Correlation and regression analysis were performed to determine the relationship between leadership styles and organisational commitment. The values for Pearson correlation between transformational, transactional and passive-avoidant leadership styles and oranisational commitment are r = 0.338, r = 0.270 and r = - 0.144, respectively at p<0.05. A linear regression between leadership styles and organisational commitment shows that the unstandardised coefficient, b is 0.209, β=0.420 and the R-square value is 0.174 and is significant at p<0.05. This means that 17.4 percent of the variance of organisational commitment is contributed by leadership styles.

The findings show that there is a positive and significant relationship between leadership styles and organisational commitment. These results illustrate that transformational and transactional leadership styles are positively and significantly related to organisational commitment but passive avoidant leadership is negatively and significantly related to organisational commitment. A leader who displays either transformational or transactional leadership style is able to increase the organisational commitment of employees.

RQ2: Which among the leadership styles (transformational, transactional and passive-avoidant) is the best predictor of organisational commitment?

Further regression was conducted to determine which among the leadership styles the best predictor of organisational commitment is. The regression results on the three constructs of leadership styles and organisational commitment show that the unstandardised coefficients (b) are 0.372, 0.264 and -0.069, respectively. The results show that transformational leadership is better than transactional leadership in enhancing the commitment level of the employees to their organisation. Passive avoidant leadership style is negatively correlated to organisational commitment and a leader who displays a passive avoidant type of leadership tends not to increase the commitment level of the employees. This finding seems to be consistent with what was reported by Avolio and Bass (1995) that passive avoidant leadership is considered as an inactive and the least preferred leadership style. Hence, transformational leadership is the best predictor of organisational commitment.

Similar findings have been reported in earlier researches by Egri and Herman (2000); Lowe *et al.,* (1996); and Gardner and Stough (2002), that transformational leadership is more effective than transactional leadership. Passive avoidant leadership is an ineffective leadership style in increasing organisational commitment of employees. According to Bycio, Allen and Hackett (1995) and Kent and Chelladurai (2001), there is a significant association between transformational leadership and organisational commitment. Walumba and Lawler (2002) reported that the effectiveness of transformational leadership in enhancing employees' commitment is not limited to any particular culture or geographical location. Yohchouchi (2009) and Lo, Ramayah and Hii (2009), in their study carried out in Lebanon and Malaysia, respectively, reported that they found a positive and significant link between transformational leadership and organisational commitment. Avolio, Zhu, Koh and Bhatia (2004), in

their study in a large public hospital Singapore, found that transformational leadership increases organisational commitment of employees. Limsila and Ogunlana (2007) and Annekinda and Noor Siti Rahmani (2013), in their studies conducted in Thailand and Indonesia respectively, found similar findings where transformational leadership has significant relationship with organisational commitment.

Based on these findings, it is imperative for the management to emphasise on the development of transformational leadership among managers in the medium-sized enterprises to increase organisational commitment of employees. In view of the positive characteristics of transformational leadership, it should be an incentive for transactional leaders to change their leadership styles and engage in transformational leadership behaviour. Medium-sized enterprises in the manufacturing sector need to identify and formulate appropriate training programmes that can help encourage the managers to develop their leadership skills from transactional to transformational leadership. The current study concludes that among the three constructs of leadership styles, transformational leadership is the best predictor of organisational commitment.

RQ3: Is there significant relationship between leadership styles (transformational, transactional and passive-avoidant) and the three dimensions of organisational commitment (AC, CC, and NC))

Further correlation and regression tests were carried out on the three constructs of leadership styles (transformational, transactional and passive avoidant) and the three

constructs of organisational commitment (affective, continuance and normative). The results indicate that transformational leadership is positively and significantly linked to all the three constructs of organisational commitment (AC: r=0.268, b=0.169, β=0.268, R^2=0.069, p<0.05; CC: r= 0.218, b=0.137, β=0.218, R^2=0.045, p<0.05; NC: r=0.349, b=0.255, β=0.349, R^2=0.119, p<0.05). Transformational leadership tends to have a better influence on normative commitment compared to affective and continuance commitments.

Transactional leadership has significant influence on continuance and normative commitments only but not affective commitment (CC: r=0.103, b=0.064, β=0.103, R^2=0.08, p<0.05; NC: r=0.233, b=0.168, β=0.233, R^2=0.052, p<0.05).

Passive-avoidant leadership shows that it is significantly and negatively associated with normative commitment (NC: r= -0.129, b= -0.230, β=0.129, R^2=0.014, p<0.05). Passive avoidant leadership does not have any influence on affective and continuance commitments. This finding suggests that passive-avoidant type of leadership has negative influence on normative commitment. This means that when a leader displays passive-avoidant leadership style, the employees do not feel obligated to continue to work in the organisation**.**

The above findings are in consonance with the findings of Shamir, House and Arthur (1993); Bycio, Hackett and Allen (1995); Shamir, Zakay, Brenin and Popper (1998); Kent and Chelladurai (2001); Walumba and Lawler (2003) and Hayward, Goss and Tolmay (2004), which found transformational leadership to be more effective than

transactional leadership in developing high level of organisational commitment among employees.

RQ4: Is there a significant relationship between leadership styles and the emotional intelligence of managers of medium-sized enterprises?

Correlation and regression tests between leadership styles and emotional intelligence indicate that there is a positive and significant relationship between `leadership styles and emotional intelligence. The Pearson correlation (r) values for transformational, transactional and passive avoidant leadership styles and emotional intelligence are 0.201, 0.242 and -0.162, respectively.

A linear regression between leadership styles and emotional intelligence shows that the unstandardised coefficient (b) is 0.62, β= 0.531 and the R-square value is 0.280 and is significant at $p<0.05$. This shows that 28 percent of the variance in the emotional intelligence of the leaders is contributed by different leadership styles.

The findings of this study are in consonance with leadership and emotional intelligence theories developed and tested in Western countries. This study contributes to the literature by showing the external validity of these theories in a non-western setting.

RQ5: Which among the leadership styles (transformational, transactional and passive-avoidant) tends to display a better level of emotional intelligence?

A separate regression was carried out between transformational, transactional and passive avoidant leadership styles and emotional intelligence. The regression results show that transformational leadership has a positive and significant influence on emotional intelligence (b=0.249, β=0.399, R^2=0.007, $p<0.05$). Similarly, the results between transactional leadership and emotional intelligence seems to show that there is a positive and significant relationship (b=0.247, β=0.297, R^2=0.007, $p<0.05$). The regression results between passive-avoidant and emotional intelligence show that there is a negative and significant relationship (b= -0.236, β= -0.230, R^2= 0.05). These results indicate that leaders with transformation and transactional leadership styles tend to have better level of emotional intelligence. Leaders with passive- avoidant leadership style tend to be low in their emotional intelligence level. This finding is in consonance with the findings reported by Avolio and Bass (1995) where they found passive-avoidant leadership to display a lack of leadership qualities and is the least effective leadership style.

The findings of this study are consistent with the findings of Barling, Slater and Kelloway (2000); and Leban Zulauf (2004) in the US; Esfahani and Soflu (2011) in a study among physical education leaders in Iran; Hur et al. (2011) in a study among staff of the South Korean public sector; and Jayawardena (2012) in a study among managers from Sri Lankan University. In these previous researches, it is established that leaders with high emotional intelligence are able to contribute positively to the organisation by improving employees' performance, productivity, creativity and profitability.

The current study finds that the leadership styles of managers in the medium-sized enterprises are more transactional and have moderate level of emotional intelligence. Therefore, it is necessary to develop transformational leaders or convert both transactional and passive avoidant leaders into transformational leaders through appropriate training. Similarly, training needs to be intensified to increase the level of emotional intelligence of leaders. The managers should be made aware of their leadership styles and the level of emotional intelligence so that appropriate training could be conducted to transcend the managers from transactional to transformational leaders with high emotional intelligence. In view of this, it is imperative for HR managers to develop HR development policies which emphasise on developing the level of emotional intelligence of managers.

RQ6: Is there a significant relationship between emotional intelligence of managers and organisational commitment of employees of medium-sized enterprises?

Correlation and regression tests were performed on emotional intelligence and organisational commitment. The Pearson correlation value between emotional intelligence and organisational commitment is 0.351, the unstandardised coefficient value (b) is 0.138, $\beta=0.325$ and R-square is 0.103. About 10.3 percent of the variance in the organisational commitment of the employeees is contributed by emotional intelligence of the leaders. These results indicate that there is a positive and significant relationship between emotional intelligence and organisational commitment. Hence, organisational commitment of employees can be increased by leaders who display high level of emotional intelligence.

Current findings of the study are consistent with earlier researches. Carmelli (2003) reported that there is a significant relationship between emotional intelligence and organisational commitment among 263 senior managers of a local government in Israel. Similar findings were reported by Rathi and Rastogi (2009) in India; Khalili (2011) in Iran; Humphreys, Brunsen and Davis (2005) in a study conducted among healthcare workers in the US; Chi, Tsai and Chang (2007) in a study among salespersons in Thailand; and Seyal and Afzaal (2013) who found that emotional intelligence and organisational commitment are significantly related in a study carried out among academic staff of a technical university in Brunei Darussalam. From the findings in the current study and earlier studies, the results seem to be consistent across the region and different sectors.

The results of this study show that the employees in the medium-sized enterprises perceive their managers to possess moderate level of emotional intelligence and they are moderately committed to their organisation. In view of this finding, the management of medium-sized enterprises could benefit from understanding the role of emotional intelligence in the organisation and conduct appropriate training to create awareness on the important role of leaders' emotional intelligence in increasing employees' organisational commitment.

RQ7: Is there significant relationship between emotional intelligence and the three dimensions of organisational commitment (AC, CC, and NC)?

Further correlation and regression tests were conducted on emotional intelligence and the three constructs of organisational commitment. Both correlation and regression results show that emotional intelligence is positively and significantly related to affective, continuance and normative commitments (AC: r= 0.394, b= 0.309, β=0.394, R^2 = 0.153, p<0.05; CC: r= 0.100, b=0.078, β=0.100, R^2=0.007, p<0.05; NC: r=0.295, b=0.269, β=0.295 R^2= 0.085, p<0.05). Emotional intelligence seems to have better influence on affective commitment, followed by normative and continuance commitments.

RQ8: Are leadership styles and emotional intelligence significant predictors of organisational commitment?

After carrying out both correlation and regression analysis, it can be concluded that both leadership styles and emotional intelligence are significant predictors of organisational commitment (Leadership styles: b=0.209, β=0.420, R^2=0.174, p<0.05; Emotional intelligence: b=0.138, β=0.325, R^2=0.103, p<0.05).

RQ9: Is emotional intelligence a significant mediator in the relationship between leadership styles and organisational commitment?

The final regression analysis was performed to determine the influence of mediating variable, emotional intelligence, on the relationship between leadership styles and organisational commitment. The mediating effect was tested by using Baron and Kenny's (1986) test. Results show that emotional intelligence is a significant mediator between leadership styles and organisational commitment, but it only

partially mediates the relationship between leadership styles and organisational commitment. This means that there is a significant relationship between each of the variables both in the presence and absence of the mediator variable. This indicates that leadership styles have significant influence on organisational commitment, both directly and indirectly, through emotional intelligence. If there is full mediation, leadership styles of leaders do not have direct effect on organisational commitment. Only leadership styles which display high level of emotional intelligence have influence on organisational commitment.

These findings are in consonance with the studies carried out by Dasgupta and Mukherjee (2011) from India; Tsai, Tsai and Wang (2011) from Taiwan; Elbers (2007) from Netherlands; and Siti Sarawati, Ishak and Zainuddin (2012) from Malaysia, where they found emotional intelligence to be a mediator variable. The results in the current study confirm that emotional intelligence mediates the relationship between leadership styles and organisational commitment but only partially. Hence, emotional intelligence can help in determining the kind of leadership styles the organisation wants to enhance its organisational performance. Developing emotional intelligence among leaders in the organisation can lead to improved leadership styles and higher organisational commitment among employees.

RQ10: What is the level of organisational commitment among employees in the selected medium-sized enterprises?

In determining the level of organisational commitment of the employees, the mean value of 3.385 shows that they are moderately committed to their organisation. The

mean value for affective, continuance and normative commitment levels of the employees are 3.240, 3.122 and 3.333, respectively. This shows that the employees seem to have higher level of normative commitment than affective and continuance commitments. This finding could be explained by the fact that 55 percent of the respondents have been employed for five years or more and they feel obligated to continue to work in their organisation. According to Mayer and Schoorman (1992), employees tend to exhibit normative commitment when they accept the company's values. When the company's values and the employees' values are congruent, they tend to display normative commitment. The longer the employees are employed in an organisation, the more they appreciate and adopt the company's values.

The manifestations of low organisational commitment are high turnover and absenteeism of employees. In the current study, the feedback of the employees reveal that there is turnover problem among the employees (Figure 4.1 and Figure 4.2). One of the ways to reduce or prevent employee turnover is by increasing employee commitment to the organisation (Greenberg and Baron, 2000). Several studies have been carried out in different countries and industries where the results indicate that through employee commitment, organisations can prevent employee turnover and develop their loyalty to the organisation. Marsh and Mannari (1977), in their study conducted in Japan, found that Japanese companies have lower employee turnover rates than American companies due to high employee commitment and loyalty. Employee commitment can be increased through positive work experiences (Meyer, Irving & Allen, 1998); retirement benefits (Mayer and Schoorman, 1998); person-job fit-skills and abilities possessed by the employees and compensation (Nurita, Fatimah, Ram & Noor, 2011); job satisfaction (Rohani, Nair & Haryanni, 2012; Kanwar, Singh

& Kodwani, 2012; Srivastava, 2013); and organisational support (Hussain & Asif, 2012). All these studies were conducted in different countries, namely the US, Thailand, Malaysia, Japan and Iran, and the findings show the factors that enhance organisational commitment are consistent across different industries and geographical locations.

The results of this study indicate that employees from medium-sized enterprises have moderate level of organisational commitment. The management of these organisations should emphasise on increasing the commitment level of employees from moderate to high. Based on the literature mentioned above, the medium-sized manufacturing companies can enhance employee commitment by ensuring employee job satisfaction, providing better compensation and retirement benefits, increasing organisational support and enhancing the skills and abilities to ensure person-job fit.

RQ11: What are the leadership styles (transactional, transformational and passive- avoidant) of managers of medium-sized enterprises as perceived by the employees?

In this study, the employees were required to determine the leadership styles of their managers in the medium-sized enterprises. Based on the feedback from the employees, it is found that most of the managers in the medium-sized manufacturing companies tend to display transactional (43 percent, M=3.123, SD=0.425), followed by transformational (33 percent, M= 2.185, SD=0.430) and passive-avoidant (24 percent, M = 1.91, SD=1.050) leadership styles. The mean values indicate that the leaders in the medium-sized enterprises tend to display moderate level of

transformational and transactional and low passive-avoidant leadership styles. But the employees perceive their managers to be more transactional than transformational and less passive-avoidant.

Another interesting finding in this study is that there is a significant link among the leadership styles. The findings show that transformational leadership is positively and significantly related to transactional leadership (r=0.362, p<0.05). Passive-avoidant leadership is negatively and significantly correlated with both transformational (r= -0.107, p<0.05) and transactional leadership (r = - 0.131, p<0.05). This finding seems to be consistent with the findings of Egri and Herman (2000) and Lowe et al. (1996), where they reported that leaders do possess both transformational and transactional leadership styles. It has been posited that transformational leadership has an influence on transactional leadership (Judge & Bono, 2000). Gardner and Stough (2002) reported in their study that transformational leadership is more effective than transactional leadership.

In an earlier study, Bass and Avolio (1994) found transformational and transactional to be two separate dimensions of leadership but that did not mean that they are not related. Bass (1985) believed that both these leadership styles complement each other and transformational leadership style is an extension of transactional leadership style. Bass, Avolio and Goodheim, (1987) suggested that transformational leadership is insignificant when transactional leadership is completely non-existent between leaders and subordinates.

Similar studies by other researchers in SMEs in Malaysia have found that the leaders in SMEs display the characteristics of transformational and transactional leadership (Roslan, 2010; Ahmad Fadhly, Boucher & Muenjohn, 2013; Ahmad Fadhly and Norhayati, 2013; Roslan et al., 2013). These findings are consistent with the study conducted in Pakistan's SMEs. According to Hayat and Riaz (2011), transformational and transactional leadership styles are relevant in relation to the SME business environment.

Most related literature report that transformational leadership is more effective than transactional leadership (Walumba, Wang, Lawler & Shi, 2004; Yang, 2008; Pradeep & Prabhu, 2011; Voon, Lo, Ngui & Ayob, 2011). Since the leadership styles of managers in the medium-sized enterprises are more transactional, hence the management of these organisations should emphasise on developing leaders from transactional into transformational. Transactional leaders are more result-oriented whilst transformational leaders are people-oriented. One of the ways to develop transformational leaders is by training. Barling et al. (1996) and Barling and Kelloway (2000) found that managers who undergo training demonstrate an increase in their transformational leadership behaviour. Dvir *et al.,* (2002) conducted a study to investigate the influence of transformational leadership training on an individual's development. The findings reveal that leaders who undergo transformational leadership training have a direct influence on followers' development. From these studies, it can be concluded that transformational leaders can be developed through appropriate training. Hence, the management of medium-sized enterprises should provide training to develop and transcend the current leaders from transactional and passive avoidant to transformational leaders to ensure the continued growth and

success of these organisations. Transformational leaders are able to reduce employee turnover and absenteeism, thereby reducing the associated costs.

From the above results, it can be concluded that both transformational and transactional leadership styles play a significant role in ensuring organisational success. Effectiveness of leadership styles is not influenced by any particular industry or geographic location. Previous literatures indicate that effective leadership styles tend to be consistent across industries and geographical locations globally irrespective of the industry or the location of the industry.

RQ12: What is the level of emotional intelligence of managers of medium-sized enterprises as perceived by the employees?

Over the past two decades, there has been an increase in the number of studies on emotional intelligence in various organisations and in different geographical locations. In this study, emotional intelligence is the mediator variable where it mediates the relationship between leadership styles and organisational commitment. The model used in this study is called the Genos EI developed by Palmer and Stough (2004) because it is appropriate for use in the workplace.

Tests were performed to identify the level of emotional intelligence by determining the mean values and seven constructs of emotional intelligence. The findings show that employees of medium-sized enterprises perceive that their leaders display moderate level of emotional intelligence (M=3.202) and the mean values for the seven dimensions of emotional intelligence are between 3.357 and 3.590.

A similar survey in Malaysia conducted on the level of emotional intelligence among the executives from the manufacturing sector in SMEs found that the executives have low level of emotional intelligence (Tee, Anantharaman & Yoon, 2011).

From this finding, it can be said that executives and managers do display emotional intelligence but managers tend to display higher level of emotional intelligence. The levels of emotional intelligence among leaders or managers play an important role in the performance of their subordinates.

Previous literatures have shown that emotional intelligence plays a significant role in enhancing employees' performance at the workplace (Dulewicz & Higgs, 2003; Goleman, Boyatziz & McKee, 2002). According to Slaski and Cartwwright (2002), individuals with high emotional intelligence tend to have less stress, better quality of life and improved performance. Rajagopal and Rekha (2004) suggested that potential employees should undergo tests on emotional intelligence before they are selected. Cote and Miners (2006) reported that cognitive intelligence alone cannot predict an individual's success at the workplace. They found that individuals with low cognitive skills tend to perform better if they display high level of emotional intelligence. Thiruchelvi and Supriya (2009) found that there is a significant relationship between emotional intelligence and job performance because emotional intelligence tends to use both cognitive and emotional skills   Castro *et al.,* (2012) found that leaders with high emotional intelligence are able to develop their subordinates' creativity. It has been reported that developing individuals' emotional intelligence can lead to their adapting to their careers easily.

Since the results of the current study show that managers in the medium-sized manufacturing enterprises have moderate level of emotional intelligence, hence it is necessary for organisations to develop the emotional intelligence of their managers from moderate to high level. One of the ways to develop emotional intelligence of leaders is by providing training on emotional intelligence. Goleman (1995) reported that emotional intelligence can be developed at any age. Bruce and Blackburn (1992) found that by developing emotional intelligence of individuals, their commitment and productivity in the workplace improves. Jennings and Palmer (2007) reported that salespersons who undergo training on emotional intelligence demonstrate an increase in the level of emotional intelligence.

The results from these empirical studies show that emotional intelligence can be developed and enhanced through training. Therefore, medium-sized enterprises should formulate formal training strategies to develop emotional intelligence of their managers.

RQ13: Do demographic factors have influence on leadership styles, emotional intelligence and organisational commitment?

ANOVA test was carried out on leadership styles, organisational commitment, emotional intelligence and the demographic profiles of the respondents. The results show that there is a significant relationship between organisational commitment and

number of years the employees have been employed in the organisation and level of education of the respondents (F=3.538, p<0.05). This finding is consistent with Mayer and Schoorman (1998), where they reported that the longer the employee's tenure with the organisation, the higher the commitment of the employees due to the investment of time in the organisation. According to Meyer and Allen (1997), the longer the employees work for an organisation, the greater the attachment. Similar findings have been reported in other studies on the significant relationship between number of years in an organisation and organisational commitment (Sheldon, 1971; Blackhurst, Brandt & Kalinowski, 1998; Wahn, 1998).

As for the level of education, the findings show that there is a significant relationship between organisational commitment and educational level (F=3.840, p<0.05). The finding is consistent with the findings of Ritzer and Trice (1969), which found that employees with higher educational level are able to obtain better jobs in other organisations and are not committed to any one organisation. According to Mowday, Porter and Steers (1982), employees with higher level of education tend to have high expectations in their career and the organisation may not be able to meet those career demands. This will lead them to leave the organisation. In another study, it was reported that employees with high educational levels display less commitment to their organisation (Mathieu & Zajac, 1990). Employees with lower education levels tend to be more committed to the organisation because they may find it difficult to find an equivalent job elsewhere with their level of education and this may be a barrier to exit the organisation.

There is a contradictory finding by Lok and Crawford (1999). They did not find any significant relationship between organisational commitment and level of education and number of years in the organsiation.

The results of the ANOVA test do not show any significant relationship between demographic profiles of respondents and leaderships styles. Similarly, no significant relationship is established between demographic profiles of respondents and emotional intelligence. But in studies conducted by Kumar and Muniandy (2012) and Ahuja (2011), it was found that there is a significant relationship between age and emotional intelligence, i.e., emotional intelligence improves with age.

5.4 Managerial Implications

From the above findings, this study provides both theoretical and practical implications to the body of knowledge on the mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment.

5.4.1 Theoretical Implications of the Study

One of the major implications from this research is that the findings provide potential entrepreneurs of medium-sized enterprises in the manufacturing industry a better understanding of the factors that affect the employees' organisational commitment. Organisational commitment is required for the sustained development of medium-sized enterprises. This is to ensure that their businesses continue to grow and ultimately help to support the development of the Malaysian economy.

This study identifies the leadership styles and emotional intelligence of managers and how it affects the organisational commitment of employees in the medium-sized manufacturing industries in Selangor. The review of previous work on this topic reveals that no similar study has been undertaken in medium-sized enterprises. The finding of this study has thus added to the knowledge on emotional intelligence and its relationship to leadership styles and organisational commitment.

5.4.2 Practical Implications of the Study

There are several significant contributions of this study to the industry practitioners. First, there is a significant relationship between leadership styles of the managers and organisational commitment of the employees. Second, there is a significant link between leadership styles and emotional intelligence. Third, there is significant association between emotional intelligence of the managers and the employees' commitment to their organisation. Fourth, emotional intelligence mediates the relationship between leadership styles and organisational commitment in the medium-sized industries. This is an important finding because to the best of the researcher's knowledge, there is no similar finding in other researches in relation to medium-sized enterprises in the manufacturing sector located in Selangor. In other words, this study attempts to present a new contribution to the medium-sized enterprises by identifying the leadership styles that exist among the managers and how the emotional intelligence of these managers can enhance employee commitment to their organisation.

The findings in this study imply that managers displaying the right kind of leadership styles can increase organisational commitment of employees. This finding is

important, since SMEs are the backbone of the country's economy and knowledge of factors that can contribute to the retention of employees and success of the company will be beneficial. From the hypotheses, the results show that there is positive and significant relationship between the leadership styles of the leaders and their emotional intelligence. The finding also indicates that both leadership styles and emotional intelligence have positive and significant relationship with organisational commitment. This suggests that leadership styles (transformational and transactional leadership) and emotional intelligence are significant predictors of organisational commitment. These findings suggest that managers who are higher on emotional intelligence are more likely to achieve better business performance through enhanced employee commitment (Rosete & Ciarrochi, 2005).

The results of this study also show that the managers in the medium-sized enterprises tend to be more transactional than transformational. Several previous literatures have reported that transformational leadership is a more effective leadership style in ensuring organisational commitment of the employees. Hence, in order to improve the leadership style of the managers from transactional to transformational leadership, the medium-sized enterprises should focus on the development of transformational leadership through appropriate recruitment and HR development programmes.

The other main finding is that it provides a platform to understand the concepts of emotional intelligence and its relationship with leadership styles and organisational commitment. Generally, it is believed that individuals with better emotional intelligence tend to be better leaders or managers. Apart from that, this study demonstrates that emotional intelligence of managers can help to improve or enhance

the commitment level of the employees. The level of emotional intelligence among the leaders in the medium-sized enterprises is found to be at moderate level. These findings emphasise the significance and importance of managing the relationship of leaders with their employees. In view of this, the leaders need to monitor the quality of relationship between themselves and their subordinates so that high quality relationships are maintained. Emotional intelligence training may play an important role in enhancing emotional intelligence (Jordan & Troth, 2011). Therefore, organisations must first conduct training programmes to create awareness among the managers on their level of emotional intelligence. Following that, other follow up training programmess can be undertaken to increase the level of emotional intelligence of these managers.

With the appropriate training and HR development programmes undertaken to convert transactional leadership to transformational leadership and increase the level of emotional intelligence of the leaders, the medium-sized enterprises will be able to increase the commitment level of employees from the current moderate level to high level. These findings can be used by medium-sized enterprises to enhance the organisational commitment and performance of employees and in the selection of leaders to manage these enterprises.

5.5 Limitations of the Study

There are few limitations in the current study.

The samples for this study were drawn from employees who are from the non-managerial category of the medium-sized manufacturing enterprises. Thus, the

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leadership issues examined in this study come from respondents from the manufacturing sector only. Hence, the results obtained from this study do not represent what happens in other sectors in the medium-sized enterprise for example, the service, agriculture and other sectors. The respondents in this study rated their immediate managers' leadership style and emotional intelligence but not the leadership style and emotional intelligence of the top management. The top management leadership style may have a strong influence on the organisational commitment of the employees to their organisation.

The sample size used in the data analysis of 373 is considered to be at the minimum level required for a study of this nature. Even though the results can be generalised but better results could be achieved if more respondents participated in this research. It is believed that emotional intelligence could fully mediate the relationship between leadership styles and organisational commitment if larger samples had been used.

This study is limited to the perception of the employees towards their managers' leadership styles and emotional intelligence and their own organisational commitment to the organisation. How top management or the managers rate their own leadership styles and their level of emotional intelligence is however not obtained. By conducting this comparative study, the results obtained from the employees could be compared with that of the leaders' own rating to see if there is any congruence between both responses.

This study also did not examine the managers in greater detail by looking at their background or training history. By treating all managers as a uniform group,

differences that may arise due to varying socio-economic and educational backgrounds and their impact on emotional intelligence was not studied.

5.6 Recommendations for Future Research

This research was conducted in the medium-sized manufacturing industries located in Selangor. There is an opportunity to replicate this study in other SMEs in other states as well. The main focus of this study is the manufacturing sector only; therefore, similar studies can be conducted in other sectors under the SMEs, such as service or agriculture sectors.

In the current study, the employees rated their immediate managers' leadership styles and level of emotional intelligence. Both managers and the top managers (CEOs or Managing Directors) play an important and significant role in enhancing employee commitment to the organisations. Future studies should cover the top management. It is very important for the employees to rate their top management on their leadership styles and level of emotional intelligence and how it affects the employees' commitment to the organisation.

The positive characteristics of transformational leadership style in relation to its link to higher job satisfaction, reduced turnover, absenteeism and productivity indicate that management of medium-sized enterprises should take into consideration the leadership characteristics of candidates when carrying out job search for new managers or top management and selection of employees in general.

There is plethora of research that has found effective leadership to be a fundamental key to success of organisations. The leaders or owners of SMEs should regularly evaluate their own leadership styles and of their managers in terms of effectiveness, efficacy and outcomes since these variables contribute by enhancing productivity and overall performance of SMEs.

In this study, emotional intelligence is used as the mediator variable. The results show that emotional intelligence is a significant mediator between leadership styles and organisational commitment but it only mediates partially. In order to find out whether emotional intelligence fully mediates this relationship, a larger sample is required. For future studies, the sample size should be increased to about 500 samples to fully examine the full mediating effect of emotional intelligence.

The findings of this study are that leadership styles and emotional intelligence are significant predictors of organisational commitment. Future research should investigate the appropriate type and mode of training that must be conducted for developing leaders into transformational leaders with high level of emotional intelligence.

5.7 Conclusion

Considering the paucity of research on the mediating effect of emotional intelligence on the relationship between leadership styles and organisational commitment, this study contributes valuable insights that may be put to use by the SMEs in general to enhance productivity and contribute towards national economic growth. The findings of this study emphasise the importance of developing leaders into transformational

leaders and to develop their emotional intelligence to enhance employees' commitment to the SMEs. Attending to interventions that can assist the SMEs to develop transformational leaders with high emotional intelligence is crucial for dealing with the challenges faced by SMEs in retaining talented employees.

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