Effects of Leadership styles on Organizational commitment in Public and Private sectors of Pakistan

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This master’s thesis is carried out as a part of the education at the University of Agder and is therefore approved as a part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

University of Agder, 2015

School of Business and Law
DEDICATION

I dedicate this thesis as a token of love to my beloved mother ‘Nighat Yasmin’, who is always been a biggest support and encouragement to me.

Her unconditional love and motivation made me able to go out of my homeland with confidence and courage to do something meaningful in my life.

Her strong and gentle soul taught me to learn from the challenges and transforming my weaknesses into my strengths.
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In the name of ALLAH, the most merciful, beneficent and compassionate. It is hard to praise ALLAH Almighty with a limited selection of words. In order to accomplish the goals in life, it is important to seek the help of ALLAH. MY thoughts, my will power, and my ambition to complete the thesis in time are only by the grace of ALLAH Almighty.

Secondly, I would like to thank the Associate Professor. Stina Torjesen for being such a cooperative guide and supervisor for this thesis. She provided me with great help, encouragement and right direction. Her positive critics proved to be very useful in the whole journey of this research.

Finally, I would like to thank the University of Agder for making me able to reach the level of Masters with the achievement of this thesis. This university provided me with an experience full of learning and challenges that make me able to identify myself and achieve my goals along with meeting the international standards of this university.

1st December 2015
PREFACE

The idea of writing about this topic came into my mind when I was stuck and looking for some motivation in my degree. This term ‘motivation’, made me think about the rational approach regarding transformational and transactional attitudes of the seniors who are followed in our lives to draw some goals. So I thought to implement this idea in my own country ‘Pakistan’, where people are lacking motivation due to the same issues I faced in my life. Therefore, I discussed the idea with my supervisor and mutually ended up the discussion in favor of this topic. So I reached to decision on writing about this topic and make it my final thesis report.
ABSTRACT

The aim of this thesis is to depict the relationship of leadership styles and organizational commitment in the Pakistani context. In this thesis, exploration of these variables and their effects has been presented.

The concept of the whole thesis, the background, and significance of the study is discussed in the first chapter. The problem statement is explained along with the research questions. A brief illustration of the dependent and independent variables is presented.

Illustration of all the theories has linked to the thesis. As transformational and transaction leadership is taken in connection with commitment factors, so the description of power distance and motivation for employees is also presented. Transformation leadership is positively linked with motivation whereas, in the transactional approach more power distance is observed.

How power distance is associated to these leadership styles and to what extent is it affecting employees commitment is discussed in this thesis. The main aim of the study is to analyze the hypothesis and for that reason a theory is presented to make readers understand the concepts.

The research design is explained in detail along with population and sample size. Then idea of the questionnaire development is discussed and that how the interpretation is done. The analysis of data collection is explained with detail with all the frequencies of the demographic details of the respondents.

A frequency distribution shows the complete level of respondents’ participation and their respective ages, degrees, departments and gender. The results of regression analysis are correlated with the theories. These results are showing the reliability of hypothesis and that if they are right or wrong.
From this study, it is concluded that Pakistan is following a high power distance culture in both public and private sectors. Employees in different organizations are bound to work because there are less available alternatives for them. They are not allowed to disclose the insights of their company and management. Employees want to have international standards of management practices and employee empowerment.

It is found that transformational leadership is playing a positive role in Pakistani companies and employees in those organizations where leaders are transformational seem to be more satisfied with their jobs than those of transactional leadership. Power distance and motivation is playing an important role in motivating and demotivating people.

It was also noticed that people of Pakistan rely more on materialistic rewards than on verbal motivations and this factor shows the overall economic conditions of Pakistan. Because people are not able to meet the basic living expenses if they stop relying on bonuses and appraisals. Therefore, a strong correlation between contingent rewards and performance has been observed.

**Key words:** Transformational leadership, Transactional leadership, Affective commitment, continuance commitment, normative commitment, power distance, Motivation, Public sector, Private sector, Regression, Pakistan, Survey.
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1 INTRODUCTION

In today's world leadership plays an important part in the wellbeing of the society not only in terms of organization's success but also in establishing and identifying personal skills and hidden qualities which can benefit the society as a whole. In this thesis, the focus will be on Pakistan and how the companies in public and private sectors are following the leadership styles and making employees stay committed. A strong leader can make its employees the most valuable assets of a company.

In this thesis, the importance of leadership styles in connection with organizational commitment in both public and private sectors of Pakistan has been presented with theory and quantitative data. Organizational commitment is a very strong term that is easy to observe but very critical in the real implementation. For any employee, it is not easy to commit to an organization for over years. These days everyone looks for the better opportunity and moves out whenever a better alternative comes in the way.

So in this thesis the basic concept of leadership and how does it affect the organizational commitment in a context of Pakistani culture will be focused. The public and private sectors of Pakistan will be taken in account for the data collection. Both the public and private sector companies will be approached in order to get the desired results of this thesis.

Public and Private sectors of Pakistan are following somehow different leadership styles which will be proved later in the chapters with data analysis. The main leadership styles i.e., transformational and transactional leadership will be discussed in reference with Pakistani culture and how these different styles are affecting the performance of the companies following both public and private sectors.

Here, in the first chapter the background of the subject and its significance will be discussed, then problem statement and base for the research questions will be presented for further study. The major terms will be highlighted in this chapter, for example, Transformational and transactional leadership, organizational commitment, and its dimensions will be discussed at the end of this chapter.
1.1 Structure of the study

This thesis will be consisting of five major sections. The main concept, its purpose, and significance of the study along with the relevant theories will be discussed in chapter one. In the chapter, two theories will be presented which will follow the literature review in chapter 3 for further processing of this study. Chapter four will be about conceptual framework and data collection. Then chapter five will present the methodology and techniques used in this study. Chapter six will be based on results and discussions. The last chapter will be regarding conclusions and relevant recommendation to the subject chosen.

1.2 Background of the subject

As it is already mentioned above that the purpose of this study is to discuss the role of leadership styles in organizational commitment and what affects it has created in Pakistan's context. When leadership and organizational commitment is discussed, then two strong terminologies that are strongly connected to both of target subjects are power distance and motivation.

These two terms are mentioned because, leadership styles that are going to be discussed depicts both power distance and motivation which directly affects the organizational commitment. So, the basic supporters and containers of the subject matter are motivation and power distance which will also be discussed in detail in later chapters in order to link the whole theory. In this whole study, power distance will play a role of moderator and employees' motivation will be the mediator between leadership styles and commitment.

To understand the concept, first of all, it's important to understand the term of leader and how a leader should play his part in the betterment of a company. A leader must be understanding and cooperative because a leader is a pillar in a company that helps the subordinates in meeting their standards as well as the goals of their company. A leader should be an example
or role model for its subordinates and thus, it is important to be patient, honest, enthusiastic and above all he/she should be a problem solver (Northouse, 2015).

About styles of leadership, there are a number of researchers that are in favor and support of both styles. But here as the context is for Pakistan, so the research that is most appropriate in Pakistani culture will be presented. It is important to understand that Pakistani context is not as advanced as the developed countries. Therefore, being a developing country Pakistan still has a long way to improving the targets and levels.

Transactional leadership is more focused on transactional and gives/take approach (B.M Bass, 1985). A transactional leader is more focused on process and follows the system in which he/she controls the tasks and subordinates based on their targets and reward the subordinates based on their performance. For example, if the performance is bad the leader will punish the employee and if the performance is good then he/she will be rewarded accordingly. In simple words, the leader will set the rewards depending upon the level of task achievement (Hand, Hicks, & Bahr, 2015).

Power distance is associated more with transactional leadership as in this style, leaders instruct the employees for task implementation and thus, there is more communication gap between leader and follower which depicts a certain level of power distance. How power distance is playing a strong role in Pakistani context will be further discussed later in the chapter for more understanding. As it is playing a role of moderator, therefore, it is important to understand how it is connected to the subject matter.

Transformational leaders follow a different approach. These leaders try to get into the matter themselves and help their subordinates to perform the task in a better way. These leaders follow the concept of conflict solving and encouragement. They get themselves involved in the whole matter and encourage their juniors to share different ideas and unique ways of accomplishing the tasks. They try to put subordinates in regular discussions and involve them in decision-making in order to make the target achieved (McELROY, 2001).

Motivation plays a role of mediator between transformational leadership and its connection with organizational commitment. The reason is that in transformational leadership employees are involved in all relevant matters of the company and so there is an environment
of motivation in the company and also it enhances the self-esteem of the subordinates (Saeed et al., 2013). This mediation will be discussed in later chapters for clear understanding.

As researchers have discussed that successful leaders follow both transformational and transactional style based on the demand of their role and nature of the task which needs to be achieved according to the desired standards (Bernard M Bass, 1997). As both the styles have different pros and cons depending on the situations a company is facing at the current moment, so, therefore, it is possible that one leader exposes both transformational and transactional approach based on his/her standards.

A company and its management always wish to hire the employees that are most efficient, talented, enthusiastic, and optimistic and above all committed to the company. The reason behind this need is that every management wants to make their organization as a benchmark for others and for this it needs a strong base that form concrete pillars for the future of the company in a strategic way (Voon, Lo, Ngui, & Ayob, 2011).

1.3 Problem Statement

Explaining the problem statement will make the topic easier to be understood and also it makes the reader understand that how Pakistani culture is moving along with these issues. As here the focus is on how the leadership styles affect the organizational commitment (along with supporting factors: motivation and power distance) in public and private sectors of Pakistan. So, here it is important to understand what Pakistani context actually is and how people in Pakistani organizations are adapting to these changes.

In Pakistan, the management practices are different as that of Europe and the United States but with the passage of time a lot of improvement has been seen. The literacy rate of Pakistan is increasing with every year and thus, education is providing new ways for companies to grow, learn and earn. This is because fresh graduates are now given chances to experience the real world organizations and bring improvement with better educational level.

Pakistani companies follow mostly transactional approach. This will be later on discussed with evidence and personal feedback of the companies. Pakistani companies do not focus on
the concept of employee retention and motivation. In most of the companies, employees are work like machines rather than assets of the companies. This shows the sight of power distance which is very common in Pakistan.

High level of Organizational commitment requires strong leadership tactics,, especially in a developing country. Both the leadership styles play an important role in this context because dimensions of organizational commitment differ from each other and requires strong analysis in order to connect the whole concept. Dimensions of the organizational commitment will be discussed later in the theory section.

In this thesis, the exploration of the tactics followed by Pakistani leaders in organizations and how power distance is adopted as a strong technique of task completion. The mediating role of motivation and how people of Pakistan see motivation as a source of organizational commitment will also be discussed. How each of these factors affecting the whole concept is critical to understand and therefore, elaboration of these concepts is mentioned in the problem statement.

1.4 Research Questions

In any study, the most important part is to formulate the research questions because, this is the base of the whole study and every single entity is depending on this part of the thesis. A research question draws the whole concept of study in a precise and understanding way which tells the whole purpose and concept of research in a few sentences (O’Leary, 2013).

As it is already mentioned above the focus of this study. So according to that, the research question here will be:

“How leadership styles (transformational and transactional) affect the organizational commitment in both the public and private sectors of Pakistan”.

This research question formulates the basis of the whole study that going to be presented. But if according to the question, it is noticed that to justify this question without explaining the factors involving in it, is not possible. So, in order to accomplish and justify this research
question answer to a few supporting (sub-research) questions is required to justify the study. These questions are:

*How does the role of moderator (power distance) affect the relationship between leadership and organization commitment?*

*Being a mediator, what effects take place when motivation connects with leadership styles and organizational commitment?*

These questions will be justified with the help of literature review and relevant theories. Later on, these theories will be implemented on the study based on the scenario presented above. There are a number of researchers that have discussed these problems in different contexts. So, relevant previous studies will be taken and justifications will be based on these theories.

As mentioned above that Pakistani culture is not following the international management practices so, therefore, theories will be discussed and associated with Pakistani culture. As now the formulation of the main research question and supporting questions is done, the next step is to discuss the purpose and significance of this study which will make the research objectives clearer and more understandable.

### 1.5 Purpose and Significance of the study

The purpose of this study is to explore the concept of leadership and organization commitment in the Pakistani context. The dimensions of organizational commitment will be discussed in detail to explore the concept. The connection of these dimensions to the leadership styles will represent the whole study. It is important to understand which dimension of organizational commitment is affected by which style and how this interconnection effect as a whole in the public and private sector of Pakistan.

Along with the mentioned factors, this study will explore the effect of power distance in Pakistani culture and how this is affecting the organizational commitment in the longer run. Also, it is important to find out when and how employees feel motivated for their tasks and how they get committed to their organization. This study will further help us to identify the
reasons for why employees look for other alternatives. It is important to understand that leadership styles are independent whereas, organizational commitment is a dependent variable.

The importance of this study is to expose and present the organizational background of Pakistan. Being committed to a company is not an easy job. When an employee gets committed to its organization, it means he/she will put maximum efforts to make the company reach the top. But this commitment does not come easily. Why should an employee be committed to an organization? What factors will be there in order to retain an employee? And why Pakistan needs to consider these things for future development? All these questions show the significance of the study. These questions will be answered in the last chapter after presenting and discussing the whole data.

Pakistan is a developing country and there are a number of organizations supporting this country to do better in the economy. When the background of Pakistan is studied it is viewed that now more companies have been privatized and after privatization the performance level of the employees have gone up. This change is because of the leadership styles. The public sector is more connected to the transactional whereas, the private sector is now focusing more on transformational leadership style and thus, the change for good is taking place.

1.6 Summary

This chapter presents the:

- Structure of the study
- Background of the subject
- Problem statement
- Research questions
- Purpose and significance of the topic

The concept of the whole thesis is discussed now. The background and significance of the study show the value of this thesis which is discussed in detail above. The problem statement
is explained along with the research questions. A brief illustration of the dependent and independent variables is also presented.
2 RELEVANT THEORIES

This chapter will explain the relevant theories in which are:

- Transactional Leadership and its types
- Transformational Leadership and its types
- Organizational commitment and dimensions
- Power distance
- Motivation

2.1 Transformational Leadership

Transformational Leadership is based on the idea of inspiration and stimulation. A leader who is following this style is more motivating, involving, encouraging and helpful. A transformational leader takes the employees together in order to achieve the collective goals and motivates the employees with appreciation, team coordination and individual attention (Masood, Dani, Burns, & Backhouse, 2006).

Transformational leaders contribute more to the organizational goals comparing those who follow transactional style. Organizations and their processes are more effective and efficient with transformational leaders (Bernard M Bass & Avolio, 1993b). Because they put more efforts and work with their subordinates in a manner with less power distance and therefore by looking at an inspirational leader subordinates are more motivated towards hard-work (House & Shamir, 1993).

A leader with this style knows how to retain its employees and how to manage workload in a more friendly and comfortable way. Because this leader is more engaged with the workers, therefore, workers also feel comfortable and satisfied with their work (Allix, 2000). If a worker is getting right supervision in a friendly way then he/she will be more engaged with the company’s goals and objectives. The environment in an organization really matters a lot and is one of the big reasons people stay or quit any job (Bernard M Bass & Riggio, 2006).
The basic theme of this style is that the transformational leader acts like a role model and have a strong influence on its workers due to which employees are pushed towards hard work and goal achievement in a very positive way (Bernard M Bass & Stogdill, 1990).

These leaders do not observe and monitor employees like transactional leaders. They are more focused on how to explain and demonstrate the vision of their company more clearly to the employees so they can strive hard to achieve those goals with a positive attitude.

There are a few components of transformational leadership:

2.1.1 Intellectual Stimulation

Intellectual Stimulation is a technique that is used by transformational leaders in order to motivate employees towards innovation and creative thinking. It focuses on new ways of solving problems and develops the interests of employees to think critically about problems and find new ways to make a positive change (Bernard M Bass & Riggio, 2006).

This technique brings new opportunities to learn and new ideas to generate improved results. It focuses on careful problem solving with new and unique ways. Challenging personal as well as leaders' views and finding the most appropriate ways of dealing with routine problems occur in an organization (Keller, 2006).

As this technique more focuses on creativity and innovation thus it helps employees to improve their level of thinking and taking risks for a positive change.

2.1.2 Individualized Consideration

In this form the leader allows each individual to participate and share the ideas that can benefit the company and personal goals. This technique helps the leader to identify and analyze the individual contribution and attention provided by each individual for the purpose of improving overall performance (Piccolo & Colquitt, 2006).

In this form a leader put attention on each individual's specific needs, hopes, dreams and wants. A leader does not only implements his techniques but also listens to its employees on an individual basis and motivates them to contribute independently and confidently without any hesitation (Judge & Piccolo, 2004).
2.1.3 Inspirational Motivation

Inspirational motivation is the way in which a leader motivates the subordinates and inspires them with his actions and behavior towards the attainment of goals. He communicates the vision clearly to the employees and motivates them to make future forecasts optimistically (Piccolo & Colquitt, 2006). By doing this, the morale of employees go high and they feel more confident, focused and determined while doing their assignments.

In this technique, leader challenges the followers to think beyond their boundaries and zones in order to achieve a meaningful objective with an optimistic approach. The leader basically links the individual goals and organizational goals with a meaningful purpose behind each task followed by strong challenges in an inspiring way, so that outcome can reach higher than expected (B.M Bass, 1985).

2.1.4 Idealized Influence

Transformational leaders act like a role model for the subordinates. The employees of such leader have strong faith in the leadership, supervision, and training of their leader. Transformational leaders try to communicate the vision to their subordinates in a more clear and meaningful way (Bernard M Bass & Riggio, 2006).

This form of leadership is based on giving clear vision, values and how to make a mission successful while working in teams and inspiring the employees in order to motivate them for putting more efforts. Employees under this leadership are usually committed to their organization and work hard to meet the individual as well as organizational goals (Bernard M Bass & Stogdill, 1990).

The purpose of this transformational leadership is to strive hard for mission accomplishment with motivation, enthusiasm, creativity, risk bearing, confidence, and trust.
## 2.2 Transactional Leadership

Transactional Leadership was presented in 1947 by Max Weber and later on was further explained by Bass Bernard in 1981 (Bernard M Bass & Stogdill, 1990). Transactional Leadership is based on the general guidelines of Planning, controlling and organizing in an organizational management process.

The transactional leaders are more authoritative and rigid in rules. In this type of leadership, things are more systematic and straight to the process. When this style is followed in an organization then employees have to listen to the orders of their leaders (Kuhnert & Lewis, 1987).

This style prefers sticks and carrots rule which means if an employee is achieving the desired goals then he will be rewarded and if he fails to meet the expectations then he will be punished as per the rule of the firm (Bernard M Bass, 1997).

As the word, transaction shows that the relationship between a leader and subordinate is based on giving and take. Good results will lead to rewards and promotions whereas bad performance will lead to punishments or demotions (Kuhnert & Lewis, 1987).

In this authoritative style, the assumption of a leader is that the systematic routine will force the employees to meet the expectation and in return when they will get rewards they feel more motivated towards their work. The basic task of the workers is to follow and obey the instructions of their leader and work hard for meeting the desired goals (Ghalandari, 2013).

A plus point of this style is that it follows a proper system and management is more concerned about the goals of the company rather than personal benefits. Leaders try to motivate the employees with rewards contingent to the employees’ performance and punishments where goals are not met. In this setup, employees have a fear of punishments and thus try to work hard so that they do not lose their jobs or positions (Kuhnert & Lewis, 1987).

On the other hand the limitation of this style is that workers cannot be creative and not allowed to meet the goals as per their level of understanding but are always asked to follow
and obey what is being ordered to them and therefore, this routine becomes more like a cycle and innovation becomes challenging in this kind of leadership style (Jung, 2001).

Bass Model of transactional leadership consists of three dimensions:

2.2.1 Contingent Rewards:

In this dimension, leaders focus on the rewards which employees get after meeting the desired goals. In this dimension leader continuously try to motivate employees by positive promises and rewards. It is better for a leader to show continuous involvement and commitment towards his employees in order to make proper give and take relationship in a positive way (Hater & Bass, 1988).

2.2.2 Management by exception (Active):

In this dimension a leader clearly observes the level of performance by each subordinate and guides the workers throughout the process, make changes, improvements in order to get the desired results (Emery & Barker, 2007).

2.2.3 Management by exception (Passive):

In this dimension leaders usually wait for the problems to rise and then they respond accordingly (Emery & Barker, 2007). Transactional Leadership is more on managerial style and based on the lower level needs. Whereas transformational leadership is more focused on the higher level needs.

2.3 Power Distance

Power distance refers to the degree of inequality among more powerful and less powerful people representing a particular society and how their behaviors can affect the whole wellbeing of a society (Hofstede, 1980).

Later on in 1980 Hofstede defines it in a more clear way and he said that it has a social existence. It focuses on power and inequality that lies in a society. Power distance explains the degree to which power is unequally distributed among different people in a society and
the level of acceptance among individuals regarding this inequality (Sivanathan, Pillutla, & Murnighan, 2008).

This term basically is a cultural value which is applied in organizations to measure the degree of inequality within organizations and how the people who are less powerful accept this inequality (Hofstede, 2010). Due to the acceptance of this inequality by less powerful individuals, the expectations of the high authorities usually rise and this cycle moves on with creating more distance among subordinates and authoritative people (Hofstede, 2013).

2.4 Motivation

Motivation is a positive energy that drives a person towards the attainment of goals. It measures the level of persistence that one has in order to achieve some objective. Its focuses on how an individual can manage his/her morale along with the maximum level of effort in order to attain the desired output (Griffin & Moorhead, 2011).

Motivation is a driving force for employees that bring enthusiasm for working hard and satisfaction after the results. In organizations, it is very hard to achieve the desired result without any motivation (Gagné & Deci, 2005). Therefore, it is always recommended to the managers to look after and improve their understanding of the needs and wants of their employees. It is important to motivate people if a manager wants desired results from his/her subordinates (Rainlall, 2004).

If this force is missing in any organization, it will lead to more frustration and anxiety which will make employees feel down and distracted on work. In order to get a positive result and organizational development, one needs to look after the workers and the forces that each individual seeks from his/her organization (Buelens & Van den Broeck, 2007).

2.5 Organizational Commitment

Organizational Commitment means a psychological attachment, sense of belongingness and motivation to contribute to the organizational development. It is a process in which
employees think that it is their moral and ethical responsibility to think for the company’s future and investing time in organizational development will eventually be helpful in meeting their personal goals as well (Gautam, Van Dick, & Wagner, 2004).

 Basically, organizational commitment is a bridge that connects the employees with their company. It measures the level of involvement and attention that each individual of the company puts in and also it tells how integrated are the goals of individuals with the goals of the organization (Feather & Rauter, 2004).

 There can be several reasons for an employee to stay within the organization. For example, one may be psychologically associated with his/her company, maybe they love their work, maybe they are stuck because of good salary package or it may be a burden for someone as if he/she won’t work then might lose job and so the reason is financial instability (Loi, Hang-Yue, & Foley, 2006).

 Therefore, by looking at so many different reasons that keep an employee attached to his/her company, it is clearly visible that there can be both positive and negative effects on employees’ job satisfaction and self-esteem (Lee & Peccei, 2007).

 Organizational commitment tells that how psychologically attached an individual is with its firm and how much involvement is shown in order to meet the goals of a company with extra efforts and motivation. Organizational commitment is, therefore, measuring the level of interest, association, involvement and motivation that an individual holds in favor of a particular organization (J. P. Meyer, Becker, & Vandenberghhe, 2004).

 In order to retain employees and focus more on their interests for which they are staying in the company, the model of organizational commitment will be followed. It includes three dimensions which help in identifying employees’ behavior and how to improve the level of commitment by keeping these dimensions in mind (Hennig-Thurau, 2004).

 **2.5.1 Affective commitment**

 Affective commitment measures the level of attachment and affection that an individual has with the company. Employees sometimes get emotionally attached to their company and this
can be due to several reasons, for example, good internal relations, good atmosphere, friendly environment and peer motivation (Van Knippenberg & Sleebos, 2006).

When an employee gets attention and prominent identity in a company, he/she gets associated to it by heart and then it becomes a reason for them to stay in the company and not leave their jobs. This dimension tells that an employee will not leave the job in the organization because he does not want to leave it. So this is the congruence between organizational goals and personal desire (Powell & Meyer, 2004).

As a matter of fact, employees with this dimension usually have a positive attitude towards the achievement of company’s goals as, their will to stay in the company is not based on economic factors. (Powell & Meyer, 2004).

2.5.2 Continuance Commitment

This dimension is more related to the risks and costs associated when one leaves an organization. This dimension measures the needs of the employees for which they are staying in an organization. An employee might not leave the firm because of the appraisal, salary, medical and other economic benefits or near future promotion. Therefore, they will stay in the firm because they need those benefits (Powell & Meyer, 2004).

This dimension tells us that the employees are staying because they do not have better alternatives and substitutes of the current job and that they have a high level of investments (in terms of time, efforts, future gains) at their current job (J. P. Meyer et al., 2004).

This theory depicts that if the employees are given better opportunities they may leave the company for their personal benefits and will consider them as their first priority. Employees under this category need special attention and motivation because they stick to the company because of economic factors and self-interests (pension plans, designation, experience in specific skills) and so, they can leave the company anytime whenever the will find something better. This dimension links the organizational goals with profit and loss in needs of an individual associated with that particular company (Powell & Meyer, 2004).
2.5.3 Normative commitment

This dimension tells us the degree of involvement that an individual should have in the organization. Employees under this category think that they have to be in this organization because they should be (J. P. Meyer & Parfyonova, 2010). This dimension links the employees’ moral and ethical attitude towards the organization. They consider it as an obligation to be loyal to their company if the company is doing something good for them (Gellatly, Meyer, & Luchak, 2006).

This kind of employees remains loyal to the company as they think their company is providing them with benefits and meeting their needs so they should be loyal to their company in any way. It shows that this type of employees stays in the organization even if they are not completely satisfied with their jobs or even if they get better opportunities they will stick to their company (Gellatly et al., 2006).

Employees with this mind think they should consider their place as priority based on several factors, for example, they think that the company has paid a lot of money on their training so they should not waste this effort of the organization and pay it back with their loyalty and commitment. So this dimension links the social and moral duty of individuals with their company’s goals (Powell & Meyer, 2004).

2.6 Summary

All relevant theories have been discussed in detail in this chapter which will be more explored in the next chapter. It is discussed in detail about:

- Transformational leadership and subtypes
- Transactional leadership and subtypes
- Power distance and effects
- Motivation and its requirement
- Organizational commitment and it’s dimensions
This chapter basically gives the overview of the subject and defines the content, these theories will further be discussed in chapter 3 in the literature review. And the findings of this thesis will be based on these theories and data collection.
3 LITERATURE REVIEW

In order to understand any subject, it is very important to provide some research basis so that the readers can be convinced for the topic and its existence has significant effects and findings previously. The literature review will make the basis of this thesis strong and it will support the hypothesis to be true to the Pakistani situation. Main factors of the topic will be discussed here and then in the next chapter the conceptual framework of the study will be discussed.

So far, the primary purpose and significance of this topic have been discussed. Now, moving on to the next step which is based on research evidence. Previous research and the views shown in them are discussed here. It is already discussed in the previous chapter that power distance and motivation are the two factors moderating the effects of leadership on organizational commitment.

In this chapter, the focus will be on the literature and hypothesis in detail. The main factors by which the topic is surrounded by, are transformational leadership, transactional leadership, and organizational commitment. Then how the level of commitment is affected by motivation and what is the role of power distance in an organization.

Here, what researchers said about these factors is presented and how it was previously discussed. In this chapter, all factors will be discussed in detail with the help of previous research and then how these factors are affecting Pakistani culture and organizations. Then a hypothesis for each factor will be formed on which this thesis project is based.

A number of authors have described these factors in different ways with distinct approaches which will form a strong connection between previous studies and future recommendations. In order to make the whole thesis consistent, it is important to justify the findings with the help of previous research in order to make readers convinced for the topic and its significance.

In this section, presentation of all the previous relevant research is shown which will support the study and will be helpful to justify it in a better way.
3.1 Transformational Leadership

Transformational leadership focuses on high performance while working in teams. Transformational leaders are cooperative and more focused for the individual performance under a team. Here, some previous research background of transformational leadership is discussed and that what researchers have said and about this style.

García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez, (2012) has discussed that transformational leadership helps the organization in enhancing its overall performance. The causes discussed by these authors are innovation and organizational learning. They say that organizational learning and innovation both bring positive change in an organization’s well-being and it makes the employees motivated towards their work and allows them to share their ideas in an open way. And everyone is allowed to share their ideas, therefore, it becomes easy to bring innovation which affects the organization as a whole in a positive way. This shows that directly and indirectly transformational leadership affects organizational commitment positively.

Avolio, Zhu, Koh, & Bhatia, (2004) showed in their survey of the hospital that transformational leadership helps in increasing organizational commitment. In this article, it is mentioned that how an individual gets attached to the company psychologically when he/she is given proper attention and cooperation for task completions and other matters. It showed that transformational leaders do not have large communication gaps and distances with their subordinates which help the employees getting into the task implementation and so, they present different ideas without any hindrance.

Hill, Seo, Kang, & Taylor, (2012) they discussed the effects of transformational leadership on the normative commitment of employee towards their organization. According to the survey, it was shown that different hierarchical levels in an organization bring a little difficulty when a change needs to be implemented within the firm. Whereas, if direct manager follows transformational approach and encourages the employees towards the change in a more positive way then there are more chances of less change resistance and high adaptability.

Joo, Jun Yoon, & Jeung, (2012) presented in his study that employees are more satisfied and committed to their organizations when there is a friendly environment, their leader has the
courage to share his vision and articulate the mission in a friendly and good atmosphere. Most of the employees expect their leader to allow them to participate and share thoughts when making a decision as a whole.

Transformational leadership is explained by Bernard M Bass & Avolio, (1993a). They said that the transformational leaders always try to understand the current and given situation in a company, then make their views and analyze the condition and then discuss this issue to their subordinates not a leader but as a part of the company. The transformational leader puts himself at subordinates place and maintains an environment of equality which makes subordinates comfortable and this process works better for organizational commitment in a long run.

When the categories of transformational leadership are discussed, it is seen that the leaders who follow intellectual stimulation try to bring in innovation in teams. They push the employees towards new techniques of problem-solving and helps them in finding unique ways to accomplish the tasks in a better and more innovative ways that can help the company making its place strong.

Idealized consideration is based on the concept of conflict resolution. Employees always want their leader to be the best problem solver and they want a leader who can guide them towards the right path and present himself like a role model for his subordinates.

Team spirit is a very important thing for task accomplishments. So, inspirational motivation focusses on sharing ideas and views with subordinates and allowing them to participate for the good of the company and considering the company as “their own place”. This sense of belongingness makes the employees feel more committed to the company.

Idealized influence tells us that what picture the employees have in their mind regarding their leader. Employees want to see their leader as an example setter so they can follow him/her and adopt similar style and techniques as their leaders do.

As it is seen that different researchers have described transformational leadership in their own ways. Bass and Avolio as the initial researchers have defined it in a more concrete and systematic way. According to these researchers, it is a process in which leaders and followers unite together for the purpose of personal as well as organizational goals.
In the Pakistani context, it is noticed that this leadership style can have significant effects on the performance of followers. It will be discussed in detail in the analysis part but as Pakistani culture is following power distance, therefore, this study can make noticeable recommendations at the end.

### 3.1.1 Hypothesis of Transformational Leadership

In the first chapter, all dimensions of organizational commitment are defined and here the focus will be on a hypothesis which will show the connection of transformational leadership with these dimensions of organizational commitment. After forming the hypothesis, a discussion on how much impact it has on each dimension will be presented.

**H1: Transformational is positively associated with:**

- a. Normative commitment
- b. Affective commitment
- c. Continuance commitment

### 3.2 Transactional Leadership

Transactional leadership styles are more adopted in Pakistani culture which will be justified later in the results. But different previous researchers have discussed this style in various aspects.

Leaders who follow this style tend to be autocratic and dictatorial which at times can be a good way to force the subordinates if they do not work properly. But in most of the cases it is not a very motivating style as per employees’ recommendation. Transactional leaders try to keep a critics eye on their workers and do not help them in their task as a member of the team but rather they give instructions and supervise the task as a leader but not as a member which gives employee a feeling of low and high level of designations (Zhu, Sosik, Riggio, & Yang, 2012).

Transactional leaders monitor the task as a supervisor and instructs the employees where he/she thinks the work is not done in the desired manner. These leaders focus more on the end results than on the factors of motivating employees towards their work. They tend to be strict
and instructive unlikely transformational leaders. It is important to keep an eye on the employees’ performance but if it handled with motivational and psychological factors, it might prove to be more successful (Ribiere & Sitar, 2003).

Transactional leaders work according to the current situation given to them rather than focusing on the long-term vision. These leaders usually avoid taking risks in their tasks. The work in a do as directed zone and want their subordinates to work accordingly. Risk avoidance is a good strategy at some point but if a company wants to excel in the market then risk taking should be made common part of teamwork. Therefore, these leaders only work according to their own comfort zone and do not allow their subordinates to take a risk in any task (Epitropaki & Martin, 2005).

As it is said that these leaders do not like taking risks as per the researchers claim. It is also said that these leaders do not take innovative actions to change the things for better. Innovation is not a common technique of this leadership style as innovation itself needs risk acceptance. These leaders try to work in a regular routine manner and focus on the short term goal rather than long-term benefits of innovation. Therefore, in this leadership style a company can survive but cannot expect something great out of the employees which can affect future of the company (Pieterse, Van Knippenberg, Schippers, & Stam, 2010).

Transactional leaders do not focus on employees’ psychological empowerment and work which leads to demotivation at times. Because these leaders do not allow the subordinates to work as per their own understanding and use their innovative ideas. Rather, these leaders instruct the employees to work as per the mentioned role description and work accordingly. It is said that (Jung, 2001).

In transactional leadership, the connection between leader and follower lies on the basis of exchanges. These exchanges performance and rewards. Transactional leaders are more focused on the end result of the outcome. These leaders try to achieve their goals by instructing employees and offering different rewards and possible punishments to their employees. For example, if an employee meets the mentioned criteria and achieved the desired goal then he/she will be offered with some promotion, bonus or may be a holiday. Whereas, if an
employee fails to meet the target then he/she can face termination, demotion, extra workload or may be salary cut (Northouse, 2015).

These type of leaders usually stay out of the long-term decision-making process that takes place in their workplace and only focus on their own performance by having short-term targets. In the categories of transactional leadership, it is seen that in the approach of contingent rewards, leaders give rewards and bonuses when the targets are achieved. Whereas punishments are given when the employees fail to meet the goals.

Management by exception is an approach that has two subtypes. In the active type, the leaders monitor the performance of their employees and guide them at every step. Whereas, in passive type, the leaders wait for the outcome and then take actions accordingly. These styles vary for the situation to situation and focuses on short-term task accomplishment.

A number of researchers have discussed the fact that effective leaders use both transformational and transactional leadership styles based on the need of the company and current task that they have to complete. It depends on what is the behavior of employees while working and to what extent they understand their leader. It also depends on the level of interest the employees take while performing a task. Sometimes the sticks and carrots become a need of task implementation and sometimes the employee themselves work so hard that the rewards become a must (Burns, 2003).

In this style, it is seen that a lot of researchers had given their views and most of them said that both the styles are effective in their own way. But Burns has given it a shape for Pakistani context. He has described it in a way that it can suit Pakistani culture and that both the styles have a significant impact on the motivational level of employees. Both the styles have different techniques that affect the employees in different ways.

Transformational leadership allows employees to be more open towards leaders regarding all their concerns. Whereas, in transactional leadership style, employees already know if they can get a reward or punishment and so, they perform accordingly. Both the styles have effects, but that vary from leader to leader and the way they articulate these styles.
3.2.1 **Hypothesis of Transactional Leadership**

By having research evidence, a hypothesis for this leadership style can be formed. As transactional leadership is also connected to motivation. Therefore, in the hypothesis it will be tried to prove that it has a positive connection with the dimensions of organizational commitment. The implementation of the hypothesis will be discussed in the discussed later on in the third chapter. Here, the hypothesis according to the subject is presented.

**H2: Positive connection of transactional leadership with:**

- a. Normative commitment
- b. Affective commitment
- c. Continuance commitment

3.3 **Power Distance**

Power distance is a term that is used for depicting the level of distance between the more powerful and less powerful people in a society. As here Pakistani culture and its organizations are the main subject, so focus on the relevant theories will be done accordingly.

Power distance is a dimension discussed in detail by Hofstede in 1980. Different countries have different cultural values and norms. Some countries are low power distance while others are high power distance countries and Pakistan is one of those countries that follow high power distance in their culture. There can be a number of examples that show how high power distance countries lack in self-confidence and self-esteem. By the passage of time things are getting changed in developing countries because now people are aware of their rights and responsibilities. But there are a lot of organizations that follow this dimension (Hofstede, 2010).

In high power distance culture, subordinates are not allowed to raise their voices and are bound to follow the rules made by their leaders. Power distance does not really help out a company in retaining employees and motivating them in their tasks. In high power distance culture, employees take the company for granted and whenever they get any chance to move
out for better, they always think about them and not the company. This is an alarming condition for a company that its employees are working only for the sake of money and not by their heart (Hofstede, 2013).

In Pakistan as already mentioned that high power distance culture is followed. It is seen that in most of the organizations, subordinates are not allowed to take any decision at their own and are forced to listen to their managers/leaders in each situation. Employees under this culture do not feel any coordination or connection with their company and their responses are always cold regarding the workplace. A lot of researchers have discussed the drawbacks of high power distance in their publications. It is not considered to be a right thing in modern societies where everyone has their right to raise voices against anything (Khilji, 2002).

There is a culture in Pakistani companies, that leaders or managers usually do not share each and every information with their subordinates as they think that employees will become more powerful like this and can take over in future if there will be a chance for them. Leaders share only the basic information regarding any specific task that the subordinates suppose to do (Hofstede, 1983). This culture was very strong in Pakistan a decade before but with the passage of time people started thinking differently as the literacy rate of Pakistan has gone up (Abdullah, Boyle, & Joham, 2011).

High power distance countries follow a culture where people with high designations and wealth in a society are considered as more respectful because they have the authority and that they can use their authority to defend themselves. Whereas, the poor or less powerful is not an important part of the society because the do not have any authority to bring any good or bad change in the society. Therefore, even if people do not like a person, but he/she is a strong name in that time then people will respect those people as they are in power (Zafarullah, Ali, & Young, 1997).

Low and high power distance will be associated with McGregor's theory X and Y. Which says that workers, in theory, X are lazy and careless due to which they need strong control by the leader and that leader needs to be strict to them in order to get the desired outcome of the task. According to studies, theory X workers come under sticks head. Because they need to be threatened in order to finish work in time (McGregor, 1960b).
In theory Y, workers are more responsible and performance oriented. They do not need strong supervision as they already know their roles and work accordingly. This is associated with low power distance and thus it is more about remuneration and trust. People under theory Y are more trustworthy and these are the people that come in carrots head in the sticks and carrot rule. Because they focus on the rewards they are going to get after task completion and them keep themselves motivated with that (McGregor, 1960a).

Power distance plays an important role in the formation of an organization. It is one important factor in the case of Pakistani organizations because Pakistan follows the same trend as of other Asian countries like India and Bangladesh. In the later chapters, the connection of power distance with organizational commitment in Pakistani culture will be more explored.

Here it is noticed that different authors have different findings of power distance but Hofstede has the most in-depth study about this particular topic. He has done many research papers on power distance and has mentioned its effects on nations, culture and behaviors within a society. It is seen that a number of researchers gave the facts, pros, and cons of power distance and how does it affect the countries.

3.3.1 Hypothesis of Power distance

The hypothesis will be formed according to the research performed so far and see how this moderator affects organizational commitment. Here the link of the hypothesis will be formed with different dimensions of power distance and later on results of the questionnaire will make the hypothesis and its condition clearer.

The hypothesis is divided into two major dimensions of leadership and connected to the three dimensions of organizational commitment which are mentioned below.

Here is the brief replacement of:

Style 1: Transformational leadership

Style 2: Transactional leadership
H3: Power distance plays the role of moderator between:
   a. Style 1 and dimensions (organization commitment).
   b. Style 2 and dimensions (organization commitment).

3.4 Motivation

When an employee works in an organization, he/she has specific roles and tasks in that particular company. But to do those tasks there is some driving force for each employee to complete the task. This driving force is called motivation. Motivation is a term that enhances the emotional, psychological and personal characteristics of an employee (Kamery, 2004).

It is a responsibility of a firm to take care of the needs and demands of its employees in order to get them motivated and driven towards their goals. When the link of motivation is formed with leadership traits, it is seen that a good leader is the one that takes in account the expectations of his/her subordinates and treat them accordingly (Garg & Rastogi, 2006).

Motivation can be anything that drives the workers towards their goals. Employees can be promised a reward after task completion, a manager can verbally motivate his/her employees by praising and encouraging them, an employee can be offered a holiday after giving desired performance or in some cases the skill of an employee can also be a reason for him/her to get motivated (J. P. Meyer et al., 2004).

Motivation has a strong connection with transformational leadership which will be showed in the results in chapter 4. But as previous studies have also shown that transformational leaders take care of the subordinates’ needs and their expectation from the company. These leaders make sure that employees get maximum attention and motivation so they can complete their task without hurdles and conflicts (Piccolo & Colquitt, 2006).

Previous studies have shown that motivation has a positive connection with contingent rewards (a type of transactional leadership). This is because employees know that if they complete the task properly and in time they will get their desired rewards and so they get motivated for work. But it has a negative link with management by exception either passive
or active. Because interesting subordinates during the task is performed or even after task accomplishment if it is rejected by the leader, it gives no motivation to the subordinates (Webb, 2007).

In every organization, there are some motivational factors which keep the employees committed to their company. Based on organizational commitment and leadership styles it is seen that motivation plays a role of a mediator and it has its effects on the individuals and their level of commitment towards the workplace.

Here different researchers placed their views and it shows that motivation is also a key factor in measuring the level of commitment of employees with their company. So, after this research it is seen that there is a strong link of motivation with employee commitment. Now this connection in a Pakistani context will be proved with the questionnaire.

A leader can motivate his employees in different ways depending on their needs and expectations from their workplace. If an employee is not motivated towards his/her work then there are more chances of losing the desired results from a task. So in order to get high or as a leader wants the results it is important to put a little emphasis on motivation as well apart from other factors.

3.4.1 Hypothesis of Motivation

Here the hypothesis is based on the topic and effects of motivation on organizational commitment. How this hypothesis are effective for Pakistani companies. Motivation will be a mediator between the styles of leadership and dimensions of organizational commitment. Below are the mentioned hypothesis relevant in this case.

**H4: Motivation will be a mediator between:**

a. Style 1 and dimensions of organizational commitment.

b. Style 2 and dimensions of organizational commitment.

This hypothesis will be proved with the analysis after data collection and interpretation of the results of the questionnaire.
3.5 Organizational Commitment

Organizational commitment is a strong term defined as the level of association and belongingness between an employee and its organization (Mowday, Porter, & Steers, 2013). It is not easy to measure the commitment of an employee with his/her organization as it is an intangible source that cannot be seen or observed physically.

It can be measured if there is an unexpected negative situation is created at workplace then it can be observed that how employees of that particular organization are reacting to it. Either they will stay committed and consistent to their jobs or they will resist and would like to leave the company (Hemmelgarn, Glisson, & James, 2006).

Organizational commitment is not a one day process. It takes months and sometimes years to connect the employees for a lifetime which is not an easy task. It is important to know that employees work for money and skill development. An employee can never work as a volunteer for rest of his life. Therefore, it is important to understand that why an individual will stick to a company for a long time process (Gautam et al., 2004).

A company when to hire employees consider the qualification and hire people who suit the position. In this recruitment process, the company is thinking about its benefit. But, on the same side when a suitable employee signs the contract and take charge of the position he/she is not only told about the job description but are also addressed about the benefits and whole compensation package plan (Fiorito, Bozeman, Young, & Meurs, 2007).

When the employee gets a task done and receives a promotion or increment in salary, he/she feels motivated and connected to the firm. Similar to this, when employees are listened and allowed to take part in the decision-making process and when management considers the suggestion of an employee as important, then it brings with it a sense of belongingness and possession in the mind of that employee (Fiorito et al., 2007).

These motivations are small bricks that commit an employee with its company for a long term process and then employees stop looking for other alternatives. But when these factors are not taken in account and management treats the employees like machines but not assets then it
demotivates the employee towards tasks and assignments. When an employee gets demotivated, he/she starts looking for other options and try to quit their jobs as soon as they find the right alternative (Fiorito et al., 2007).

Here, the dimensions of organizational commitment are explained in detail.

3.5.1 Affective commitment

Affective commitment depicts the level of personal liking and loyalty of an employee towards his/her company. If an employee has a personal liking and is attached to the company emotionally, he/she will try to do the best for the company and provide the company with best of their skills. This emotional attachment brings a sense of satisfaction inside the employees regarding that particular company (Gellatly et al., 2006).

There can be a number of stances that can bound an employee to its company. This personal association of an employee with a company brings a lot of good things for the company itself. Because this kind of employees always tries to make everyone happy and they put maximum efforts in achieving their goals. They think for the betterment of the company without demands (J. P. Meyer et al., 2004).

This kind of employees are always helpful to their subordinates and try to make people comfortable at work with their understanding attitude. If a company has these employees, it can grow rapidly and can make a name in the market for a long time because this kind of employees are always loyal and committed to their jobs and do not look for other alternatives (J. P. Meyer et al., 2004).

These employees are efficient and dedicated trainers. They can train the staff in a very smooth and effective way due to which employee retention and motivation among other staff members also increase. These employees are an asset for the company and retaining this kind of employees is very easy but very beneficial (Gautam et al., 2004).

They have a sense of obligation and always try to be productive at work. They take work as their priority. Several reasons can be there for employees to stay committed. For example, they love their work as it requires the same skill that they are good at, they like the
environment of the company and do not want to leave it, they may have a level of respect and likeliness by people that want to stay with the same people (J. P. Meyer & Allen, 1991).

### 3.5.2 Continuance commitment

This kind of commitment describes the level of benefit associated if the employee stays in the organization and the costs after leaving it. Employees under this category stay committed to the organization because they have some personal benefits. These benefits include promotions, increments, bonuses, appraisals or extra allowances (Reichers, 1985).

When an employee thinks that staying in the company can benefit him/her in future, then they stay and consider the work as an obligation. In this category the foremost factor that can hold an employee is the retirement benefits. Because employees spend a number of years in an organization and when they see after retirement they can get a lot of pension plans, then this point holds them with the organizations for longer times (Kanter, 1968).

This kind of employees are opportunity seekers. They stay in the organization not because of the organization but because of their personal benefits associated with that particular organization. Whenever they find some better option, they can consider that alternative and move out of the company. But if there are high costs associated in leaving the company then these employees stay in the organization despite the fact that they want to leave it (Gellatly et al., 2006).

Outside the company if fewer options are available to switch then employees stay in the same organization and work for its betterment. These employees work for money and benefits. In order to get the rewards associated with a task, they try to complete it in time and effectively. These type of employees believe in ‘give and take’ approach and their motivational thoughts are associated with materialistic rewards (J. Meyer, Becker, & Van Dick, 2007).

If its talked about Pakistani culture, then in the case of continuance commitment, most of the employees stay committed to the organization because in Pakistan it is very difficult to find jobs and people have large families to support. This factor is very important to consider because employment rate in Pakistan is very low and people are bound to stay in the same organization for years even if they want to quit. This is a bitter truth and management of the companies is already aware of it (Powell & Meyer, 2004).
3.5.3 Normative commitment

As it is known that the normative approach is connected to what ‘should be done’. In this dimension, the employees already know the importance of being in the organization. They know their duties and always try to meet the standards not because there is some benefit or cost association but because they take it as an obligation and their duty (Walumbwa, Orwa, Wang, & Lawler, 2005).

In this dimension, employees are attached to their work psychologically. They feel that the company has hired them and now it’s their responsibility to think for its betterment. This is a faithfulness and honesty that shows how committed an employee is with the organization. It is the responsibility of the organization to pay these employees well in order to get benefit from them (J. P. Meyer & Parfyonova, 2010).

Employees who belong to this dimension work hard for the organization and when the company provides them with benefits and appraisals, they get more motivated and work even better. Because these employees do not take their jobs for granted and try to put maximum efforts in doing justice to themselves and the company (Wiener, 1982).

These subordinates are an asset for any company. So, in order to make the company a success or benchmark, it is very important to consider employees as assets. It is the duty of organizations to retain these employees because, with the help of normative and affective connection of employees, a company can gain a competitive advantage in the market (J. P. Meyer & Parfyonova, 2010).

Normative commitment changes according to the present situation of any company. Because it is based on the ‘should or should not’ approach then if, the management is not doing justice with the employee then it is the right of the employee to raise his/her voice for the rights. Otherwise, these employees can be non-productive if not treated well by the organization. Therefore, it is the duty of any company to treat its employees in a way that they like and enjoy to work for the organization (Lub, Nije Bijvank, Matthijs Bal, Blomme, & Schalk, 2012).
Organizational commitment is the main factor of this thesis. Measurement of this factor will be done with the help of other factors. As organizational commitment is dependent on several other aspects so, it was important to discuss them as well and make an analysis for how those factors will affect organizational commitment in what context.

Organizational commitment is the most challenging attribute a company expects from its people. But it is not easy to get committed to an organization when you do not get the desired benefits. Therefore, it is important for a company to look at all these factors where they can retain their employees and how those strategies would help a company in making future profits along with keeping their workers happy.

As this is the main factor which is going to be analyzed along with leadership styles so, the focus will be on how organizational commitment is taking a strong place in Pakistani culture and how does it vary from public sector to private sector. This would be a really interesting study to find out the linkages of these factors and how in Pakistan they are affecting the employees. And then later on based on the findings of the questionnaire, the analysis will be presented which will follow the conclusion with implementable recommendations.

3.5.4 Hypothesis of Organizational commitment

In this case hypothesis, the link of all the factors mentioned above will be formed with organizational commitment and its dimensions. Leadership has two styles and it will show the association of leadership with organizational commitment and that how it affects the surroundings. This connection will be developed with all the dimensions of the organizational commitment. And at the end, the role of power distance and motivation will be depicted and how these factors are making a difference in public and private sectors.

1. Transformational leadership affecting organization commitment dimensions positively.
2. Transactional leadership affecting organization commitment dimensions positively.
3.6 Summary

In this chapter, it is tried to illustrate all the hypothesis linked to the theories. As transformational and transaction leadership is taken in connection with commitment factors, so power distance and motivation along with their hypothesis are also presented. Transformation leadership is positively linked with motivation whereas, in the transactional approach it is observed that more power distance is applied.

How power distance is associated to these leadership styles and to what extent is it affecting employees commitment will be presented later. Then how an employee can be motivated with transformational and transactional leadership will be shown in results. The main aim is to analyze hypothesis and for that reason it is required to integrate the theory with the results to make readers understand the concept.

In the next chapters, exploration of how this connection can be proved with the help of questionnaire development and data collection will be discussed.
4 DATA HANDLING AND CONCEPTUAL FRAMEWORK

This chapter mainly consists of four sections. The phase of data collection and its challenges have been highlighted in this chapter and then the initial conceptual framework which will show the concept of the thesis is presented.

4.1 Challenges of Data collection

During the data collection, some hurdles were found which made the whole process a little slow and time consuming. Initially, it was tried to email a few respondents but did not get proper feedback. Then it was thought to put some online questionnaire tool but in Pakistan most of the people are not used to with online data systems and when people were asked if they can respond to the questionnaires online, most of them refused as the internet at homes is not as common as here in Norway.

So finally old professor from the previous university was contacted and the issue was discussed in detail. After that discussion, it was decided to take a number of bachelor students and divided them into six groups. Each group consisted of three students. These students were given this assignment not as a paid task but as a teamwork by the professor because all the students belong to the management sciences department and this was a field work as part of their study program in the subject of business research methods.

Those questionnaires were distributed among the students and then the data collection was programmed and the students in groups went to different sets of companies and completed the task. It was not done in a day or two, but it was a process of more than a week. Most of the questionnaires are filled in while face to face conversations but a very few are done by emails as well.

4.1.1 Public Sector

Public sector companies are those which are operated by the government. Rules and regulations of the public companies are structured by the government of that particular
country (Hyder & Reilly, 2005). In Pakistan, a few number of public companies were taken who responded in the data collection. The companies taken in this thesis are mentioned below. All the companies are in the growth stage except Wapda ltd. and PTCL. These two companies are now at maturity and have monopoly in their respective industries.

<table>
<thead>
<tr>
<th>Public Companies</th>
<th>Business category</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTCL ltd</td>
<td>Telecom</td>
</tr>
<tr>
<td>WAPDA ltd</td>
<td>Electricity providers</td>
</tr>
<tr>
<td>ICI ltd</td>
<td>Chemical company</td>
</tr>
<tr>
<td>Habib Bank ltd</td>
<td>Bank</td>
</tr>
<tr>
<td>Meezan Bank ltd</td>
<td>Bank</td>
</tr>
<tr>
<td>State Bank ltd</td>
<td>Bank</td>
</tr>
<tr>
<td>Zarai Taraqiati Bank ltd</td>
<td>Bank</td>
</tr>
<tr>
<td>Hum Network</td>
<td>Broadcasting and media</td>
</tr>
<tr>
<td>Gul Ahmad Mills ltd</td>
<td>Textiles</td>
</tr>
<tr>
<td>Standard chartered Bank ltd</td>
<td>Semi-public Bank</td>
</tr>
<tr>
<td>Rafhan Maize products ltd</td>
<td>Food Processing</td>
</tr>
<tr>
<td>Uniliver Pakistan ltd</td>
<td>Personal and household products</td>
</tr>
<tr>
<td>Shell Pakistan ltd</td>
<td>Oil and gas</td>
</tr>
<tr>
<td>Lucky Cement ltd</td>
<td>Construction</td>
</tr>
</tbody>
</table>

*Table 4-1: Public sector companies and their respective businesses*

Because I am here in Norway and I needed some one’s support to go to companies and make them fill the questionnaires. According to them, data collection was a big challenge in Public sector companies like PTCL (Telecom), WAPDA (Electricity Providers), ICI Pakistan Ltd (Chemical Company), Habib Bank Ltd, Meezan Bank Ltd, State Bank of Pakistan, Zarai Taraqiati Bank Ltd. Management from these companies was not cooperative at all and they give different timings to students as the target was to cover different management positions which were not available at one time. Especially approaching the top management like HR people were really challenging. People at top positions consider university tasks as un-important and non-serious.
A few companies were a little cooperative as compared to those mentioned above and those are: Hum Network (Broadcasting and media), Gul Ahmed Textile Mills, Standard Chartered Bank (Semi-Public), Rafhan Maize Products Company (Food processing), Shell Pakistan Ltd (Oil and Gas), Unilever Pakistan (Personal & household products), Lucky Cement Mill (Construction). These companies cooperated a little and students got data on time.

4.1.2 Private Sector

Private sector companies are non-governmental and controlled by private entities. These companies can operate either on profit or on a nonprofit basis. Small and big sole proprietorships as well corporations are included in the private sector. A few multi-categorical private sector companies were also included in which NGOs (non-government and non-profit organizations) as well as some other companies with different businesses were involved. These list of companies is presented below.

<table>
<thead>
<tr>
<th>Private Companies</th>
<th>Business Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suaz &amp; Co Pvt Ltd</td>
<td>Textiles</td>
</tr>
<tr>
<td>Worldcall Telecom Ltd</td>
<td>Telecom</td>
</tr>
<tr>
<td>Ihsan Industries Ltd</td>
<td>Leather Company</td>
</tr>
<tr>
<td>Truman's Pvt Ltd</td>
<td>Sports Wear</td>
</tr>
<tr>
<td>Interwood Pvt Ltd</td>
<td>Interior</td>
</tr>
<tr>
<td>Renacon Pharma</td>
<td>Pharmaceutical</td>
</tr>
<tr>
<td>Noor Fabrics</td>
<td>Textiles</td>
</tr>
<tr>
<td>Sahab Industries</td>
<td>Dental instruments</td>
</tr>
<tr>
<td>Algodon Pvt Ltd</td>
<td>Jeans &amp; T-shirts</td>
</tr>
<tr>
<td>The world Population Organization</td>
<td>UN Based NGO for child rights</td>
</tr>
<tr>
<td>CARE Pakistan</td>
<td>Disaster relief NGO</td>
</tr>
<tr>
<td>Women Aid Trust</td>
<td>Women welfare NGO</td>
</tr>
</tbody>
</table>

*Table 4-2: Private sector companies and their respective businesses*

The private sector was mostly helpful and cooperative. Companies like: Suaz & Co Pvt Ltd (Textiles), Worldcall Telecom Ltd, Ihsan Industries Ltd (Leather Company), Trumans Pvt Ltd
(Sports Wear), Interwood Pvt Ltd (Interior), Renacon Pharma (pharmaceutical), Noor Fabrics (Textiles), Sahab Industries (Dental instruments), Algodon Pvt Ltd (Jeans & T-shirts), World Population Organization (UN Based NGO for child rights), CARE Pakistan (Disaster relief NGO), Women Aid Trust (Women welfare NGO) really helped and cooperated in providing data.

Usually, the public sector companies are more hierarchical as compared to the private sector companies. This will be explored more after presenting the results of the questionnaires so that the picture will become more clear and precise. Throughout it was really challenging but interesting to get views of Pakistani people with regards to the organizational environment. Being a Pakistani, I already knew that questionnaire handling will be difficult and that is what I experienced throughout the process.

4.2 Findings

The questionnaire for the study was distributed in a number of companies representing public and private sectors. A lot of hurdles were faced in data collection but at last the process was ended up collecting 270 questionnaires with proper feedback. In Pakistan, there is no culture for online surveys and thus the task has to be performed manually. Given that a low number of respondents was recorded, the conclusions are been made accordingly.

This study showed us that the connection between the leadership styles and organizational commitment. The effect of moderating variable and mediating variable put more clarity to the concept and to know that with the effect of moderating and mediating variables if there are differences in the results of regression.

The main crux of this proposed study has shown that employees in Pakistani culture have same mentality and expectation, whether they are from public or private sectors. Both the sectors have shown differences in the leadership styles as per data collection, but the expectations of employees are same in these sectors.

This study has shown that power distance in transactional leadership or in transformational leadership does not only represent negative effects. It can be positive in the normative
commitment in association with both leadership styles. It depends on the leader that how well and positively he maintains the distance. And it also depends on the employees that how responsible are they to understand the company’s goals.

In Pakistani culture, power distance is usually high in the companies (both public and private). But the way of maintaining power distance varies. In public sectors, there is more hierarchy and people are bound to obey their leaders even if they are not happy with them and on the same side leaders treat subordinates as low in the hierarchy and do not allow them to interfere and participate in big decisions of the company.

Whereas, in the private sector, power distance is maintained and implemented by evaluating the performance of the employees. Employees who are active and efficient in their tasks are treated as assets whereas, those who fail to meet targets are kept at a distance. Therefore, power distance is followed in both the sectors but in a different way.

When motivation is discussed, it is found that employees’ expectations related to the motivational factors are same in both the sectors. If an employee wants to stay in the organization then he/she does not look for extra efforts by the company to make employees happy. And the same case is for those employees who do not want to stay in the organization, as they will leave the company in any way whenever there is a better alternative available.

As per the results, it is observed that most of the employees expect that company provides them with all the facilities that an employee expects. To have a high level of morale, it is important that a company treat its employees in a good way and meet their expectations.

### 4.3 Limitations of study

Apart from positive findings this study has some limitations also which are important to highlight here, First of all, it was very difficult to gather data in a long distance study. As contacting people in Pakistan from Norway is not an easy job. Especially when there is limited time available to conduct the research. Time was short according to the subject of the study. If the study was about Norway, it could be easier to gather data in a short span of time.
A major issue was the difference of time. It was hard connecting with people in Pakistan because the timing of both the countries does not match. Offices get closed in Pakistan when people are still working here in Norway and so it was a big challenge.

Management of Pakistani companies tries their maximum to hide the insights in order to save the image of the company or to create a fake image. They were hesitant in providing the details and actual differences among management and employees. They tried to portray the image as of the best-operating company.

The analysis was completely based on the findings and that it cannot be guaranteed what is the real mindset of any employee because the focus was only placed on the data provided by them and did not use any psychological technique in order to read the minds of the employees. Therefore, personal attachment to the company cannot be depicted 100% without involving psychological ways.

4.4 Conceptual Framework

A conceptual framework based on the literature review, regression analysis and overall findings of the study was personally drawn. It is presented in order to understand the whole subject in a precise manner. This model will be restructured again after the analysis of the results.

In this framework Independent and dependent variables, mediator and moderator are discussed in detail:

**IV**= Independent variable

1. *Transformational leadership*
2. *Transactional leadership*

**DV**= Dependent variable

1. *Affective*
2. *Continuance*
3. *Normative commitment*
Mo. V = Moderating Variable

1. Power distance

Me. V = Mediating Variable

2. Motivation

![Initial Conceptual Framework](image.png)

**Figure 4-1: Initial Conceptual Framework (Source: Author)**

### 4.4.1 Significance and Description of Conceptual Framework

In this conceptual framework, it was tried to show the effect of all the variables. It is illustrating a clear picture of variables used in the thesis, their effects, impact, and changes. It will help the reader understanding the concept in a short and precise figure. This conceptual framework is showing the crux of the whole thesis and making the subject clearer.

According to the hypothesis, it has to be proved that transactional Leadership has a positive effect on the dimensions of organization commitment. And how the impact of motivation and power distance brings changes in the overall model.
Then it has to be proved that the transformational leadership is positively affecting all dimensions of organizational commitment. And how it changes the model after including mediator and moderator.

So, in this model it was seen that both the leadership styles have an impact on the dimensions of organizational commitment but after adding moderator and mediator the results will show different effects. The analysis will show the effects of mediator and moderator. This will highlight the importance of taking power distance and motivation as affecting forces in the thesis.

### 4.5 Summary

In this chapter, the challenges faced in data collection was explained and that in which sectors the data was collected from, then the findings of the data collection were discussed and what limitations were there in collecting material in the Pakistani context. Then a conceptual framework depending on the theory design made in chapter 3 was formed here. This conceptual framework will later on be modified once the results of data are disclosed.
5 RESEARCH DESIGN AND METHOD

In this thesis, a quantitative approach for collecting data was used which helped us in the analysis. The analysis consists of both the results of data collection and theory presentation. The data was analyzed and theories were implemented accordingly. Quantitative research design refers to the scientific and statistical techniques used to depict the validity and reliability of the subject of study. The research design for this thesis consists of four basic steps:

1. Selecting the possible sample size from available population
2. Designing the questionnaire
3. Interpretation
4. Analysis

5.1 Population and sample selection

In terms of the research population means a particular targeted group of observations are used in this thesis for the research purpose. This means it is a whole set of possible observations needed for research. Population represents a complete set from which the sample for the data collection was taken. In this thesis, the population was private and public sector of Pakistan which were approached and a sample size from that population was picked.

A set of a subset that is taken from the whole population is known as a sample. A particular portion of individuals needed for further. In this thesis, a sample size of 300 respondents was selected from a number of private and public companies listed above. The respondents in the study are representing different roles in their respective companies with different levels of qualifications which are discussed later in this chapter.
5.2 Questionnaire Design

The questionnaire is basically self-administered, but different researchers were followed in the development process. Five Likert scale was used in the questionnaire following from strongly agree as 1 to strongly disagree as 5.

5.2.1 Demographics

First of all, respondents were asked about demographic information of the respondents as this is the most basic and important information for interpretation and analysis. Their age, gender, marital status, qualification, and designation was included in this section. Different codes are given to these demographic variables.

5.2.2 Transformational Leadership

Questions regarding all the types of transformational leadership are included in this section. Again a five Likert scale was used from strongly agree to strongly disagree. Nineteen questions from this section were included by reading the MLQ questionnaires of ‘BM Bass and BJ Avolio’.

5.2.3 Transactional Leadership

All the types of this style are included in this section and in total thirteen questions were formed with the help of ‘BM Bass and BJ Avolio’ MLQ questionnaires. Contingent rewards and management by exception are discussed on a five-point Likert scale.

5.2.4 Power distance

Questions regarding power distance were followed by ‘Geert Hofstede and PW Dorfman’ studies. Six relevant questions were added for this category in order to get the feedback for how power distance as a moderator affects the Pakistani leaders and subordinates.
5.2.5 Motivation

‘JP Meyer and Piccolo’ MLQ questionnaires were followed for developing this category questions. Again six basic questions were taken to know the effect of motivation as a mediator between leadership styles and organizational commitment dimensions.

5.2.6 Organizational commitment

For developing the questions regarding organizational commitment, the studies of ‘Meyer and Allen’ were followed. Twenty-four questions were included with equal distribution among affective, continuance and normative commitment.

5.3 Interpretation

Challenges associated to data collection are already discussed above. Questionnaires were distributed among the respondents of the study. After collecting all the questionnaires, the raw data was interpreted in excel. Then SPSS was used as a statistical tool to apply the statistical technique and the results were analyzed accordingly.

Sampling technique is already presented above. Below are the basics of statistics to understand the phenomenon presented:

Mean: it is similar to average. The mean is calculated when the sum of total values divided by the number of total values in a given sample of the population.

Standard Deviation: It is taken to identify the differences among the variables and the square root of standard deviation shows the variance.

Correlation: It tells us about the type and level of association among different variables and it depicts the variation between variables.

Regression: In this thesis, the main part of the analysis is a regression. It tells us about the effect of variables on each other. Regression has two types: Simple regression and multiple
regression, and in this thesis both of them are used. A simple regression shows the effect of an independent variable on a dependent variable. Whereas, in multiple regression the effects of more than one independent variable can be interpreted simultaneously.

**Reliability and authenticity of results:** After the whole interpretation, it is important to verify the reliability of the tests. All the hypothesis will be tested to check the reliability of the results. When it comes to data collection then Cronbach’s alpha is the most popular technique used in research to test the reliability of the data. The exact value of this model is 1 (Sekaran, 2003). All the results will be presented from SPSS and the test for reliability is presented below:

**Cronbach’s alpha for Variables’ Identification**

- Transformational leadership: style 1
- Transactional leadership: style 2
- Affective commitment: dimension 1
- Continuance commitment: dimension 2
- Normative commitment: dimension 3
- PD: power distance
- EM: Employee motivation

In this table, different levels of reliability are shown in each variable. The independent variables are transformational leadership with reliability value of 0.792 by 19 questions and transactional leadership with reliability value of 0.801 by 13 questions.

Then power distance as moderator shows reliability value of 0.751 by 6 questions and motivation as a mediator with reliability value of 0.760 by 6 questions.

Dependent variables are the dimensions of organizational commitment which are: Affective commitment with reliability value of 0.774 by 8 questions. Continuance commitment with reliability value of 0.834 by 8 questions and normative commitment with reliability value of 0.817 by 8 questions.
<table>
<thead>
<tr>
<th>Variables</th>
<th>Specification</th>
<th>Reliability</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td>Style 1</td>
<td>.792</td>
<td>19</td>
</tr>
<tr>
<td>Independent</td>
<td>Style 2</td>
<td>.801</td>
<td>13</td>
</tr>
<tr>
<td>Moderator</td>
<td>PD</td>
<td>.751</td>
<td>6</td>
</tr>
<tr>
<td>Mediator</td>
<td>EM</td>
<td>.760</td>
<td>6</td>
</tr>
<tr>
<td>Dependent</td>
<td>Dimension 1</td>
<td>.774</td>
<td>8</td>
</tr>
<tr>
<td>Dependent</td>
<td>Dimension 2</td>
<td>.834</td>
<td>8</td>
</tr>
<tr>
<td>Dependent</td>
<td>Dimension 3</td>
<td>.817</td>
<td>8</td>
</tr>
</tbody>
</table>

*Table 5-1: Cronbach's alpha for Variables' Identification*

### 5.4 Analysis

A convenient way of data analysis is adopted so that the reader can easily understand the facts and reality of Pakistani organizations. In order to understand the insights, it is very important to analyze the relationships of the dependent and independent variables along with the mediator and moderator which is discussed in the chapter of results and discussions.

The online questionnaire survey was tried to be adopted but as it is not a common process in Pakistan and people do not respond to online surveys because the internet is not available all over Pakistan at 24/7 basis. So usually people avoid online questionnaires. Therefore, questionnaires were distributed manually. In this matter, I contacted my old university in Pakistan and asked one of the professors to help me distributing it. He formed 5 teams of students who went to different companies to interview people from different designation in different companies.
After that, the data was put in excel for calculation and then SPSS was used to interpret results. In the below sections, the results of SPSS will be displayed in a tabulation form in order to understand it in an easier way. In SPSS, usually a few variables and coefficients that show the whole results are required only. So, only those coefficients will be discussed in detail here to be more precise.

Analysis of the conceptual framework that has been used in this thesis will be discussed in this chapter in detail. The questionnaire was distributed in both the private and public sector companies of Pakistan. Out of 300 questionnaires, a response from 270 respondents was recorded and three questionnaires had missing information.

The results of the regression analysis will be discussed in chapter 4 with SPSS techniques and units of the companies will also be clearer in the next chapter with the help of statistics. As the number of respondents is 270 which is a quite large number for data collection. But the reason behind taking such a large number of respondents was to analyze the views of as many people as possible. Because currently the situation in Pakistan is not so clear regarding leadership and its effects on organizational commitment and thus, I wanted to get the maximum answers to get the clear picture. And how I succeeded in getting answers is already mentioned above.

5.4.1 Descriptive Analysis of the Study

This analysis is used to convert the raw data in a more descriptive and authentic way that provides us relevant frequencies, distributions, and reliability of data and also the demographics like gender, age etc. (Zikmund, Babin, Carr, & Griffin, 2012). Descriptive analysis is used to make a complete picture or profile of the basic component and angles of the whole study. In the descriptive analysis, the unprocessed data collected in the form of a questionnaire was interpreted and analyzed.

5.4.2 Frequencies

Frequency distribution basically tells us the number of occurrences in a selected sample within a particular time zone (Bowman, Duvall, & Meindl, 2002). Frequency distribution/observation is the first and foremost part of data analysis which enables us to
gather the basic components for regarding the population and data. Frequency distribution focuses on:

- Population data size.
- A measure of mean and standard deviation.

Regression is used in this study in order to find out the frequencies and relationships of variables. Respondents in this study have a demographic classification and department information that shows the frequency of control. In order to understand frequencies of the respondents, a table is formed that describes the demographic variables and their frequencies below.

### 5.4.2.1 Demographic variables

In this section, the basic information of the respondents is explored. Table 4.1 is about the age of all the respondents from population group. This information is presented in order to make the reader understand the size of population taken, the age of respondents and that what level of management respond to the questionnaire.

**Frequency distribution of respondents’ age**

<table>
<thead>
<tr>
<th>Range</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>172</td>
<td>63.0036</td>
</tr>
<tr>
<td>31-40</td>
<td>75</td>
<td>27.4725</td>
</tr>
<tr>
<td>41-50</td>
<td>23</td>
<td>8.4249</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>270</strong></td>
<td><strong>98.9010</strong></td>
</tr>
<tr>
<td>Missing</td>
<td>3</td>
<td>1.0989</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>273</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Table 5-2: Frequency distribution of respondents’ age*

In table 3-1, the age of all the respondents of the survey is presented. A total number of answered questionnaires was 270 and three questionnaires were provided with missing details. In the first column, the age group of all the employees is defined. Then in the second
column frequency is given (the number of respondents in each range). The third column represents the percentage of each range varying different organizations.

In the table, the highest and lowest frequency of the age groups is mentioned. The highest frequency among these employees is between 20 to 30 years of age. This means that most of the organizations have young employees. The lowest frequency is for 41 to 50 years, which shows that fewer employees work under this age group.

People in Pakistan take early retirement and thus, by the age of 40 to 50 they do not work unless it is very important. Whereas, companies demand more freshly qualified people and provide them experience with a low salary. This is the tactics used by most of the companies in order to save money and get the expertise.

People in the range of 31 to 40 are mostly specialists of the fields and thus have a low number of jobs. Because in Pakistan, specialists are only contacted when, there is some special need regarding any of the departments. And as a matter of fact, managers come under this age range and each manager has a number of subordinates who are young. So, overall the frequency distribution justifies the results and facts.

**Gender classification with frequency distribution**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>196</td>
<td>71.7948</td>
</tr>
<tr>
<td>Female</td>
<td>74</td>
<td>27.1062</td>
</tr>
<tr>
<td>Sub-total</td>
<td>270</td>
<td>98.9010</td>
</tr>
<tr>
<td>Missing</td>
<td>3</td>
<td>1.0989</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
<td>100</td>
</tr>
</tbody>
</table>

*Table 5-3: Gender classification with frequency distribution*

In the 3-3 table, the Gender specification of the respondents is presented. A total number of male respondents was 196 and female respondents was 74. This shows that male workers are more than female workers. This distribution was very expected because, in Pakistan culture
is followed by male orientation and females usually do not work as much as men do. Therefore, this distribution justified the results.

**Qualification with Frequency Distribution**

<table>
<thead>
<tr>
<th>Degree Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelors</td>
<td>76</td>
<td>27.8388</td>
</tr>
<tr>
<td>Masters</td>
<td>115</td>
<td>42.1245</td>
</tr>
<tr>
<td>MS/M-Phil</td>
<td>79</td>
<td>28.9377</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>270</strong></td>
<td><strong>98.9010</strong></td>
</tr>
<tr>
<td>Missing</td>
<td>3</td>
<td>1.0989</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>273</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Table 5-4: Qualification with Frequency Distribution*

This table shows the level of qualification each respondent had. Respondents that had Master's level have the highest level of frequency which shows that most of the companies have Master level employees. After that comes MS/M-Phil and then Bachelors degree.

These results show that level of qualification among employees of organizations is high and that most of the employees are educated more than a bachelor degree. Although the literacy rate in Pakistan is not so high but when it comes to jobs, then only highly qualified people are considered. This is the reason of low employment rate in Pakistan.

**Classification of Departments with Frequencies**

<table>
<thead>
<tr>
<th>Departments</th>
<th>Frequencies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>57</td>
<td>26.0073</td>
</tr>
<tr>
<td>Marketing</td>
<td>68</td>
<td>23.4432</td>
</tr>
<tr>
<td>Admin</td>
<td>69</td>
<td>23.8095</td>
</tr>
<tr>
<td>Others</td>
<td>76</td>
<td>25.6410</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>270</strong></td>
<td><strong>98.9010</strong></td>
</tr>
<tr>
<td>Missing</td>
<td>3</td>
<td>1.0989</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>273</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Table 5-5: Classification of Departments with Frequencies*
In this table, the departmental information of the respondents of the survey is disclosed. Highest frequency shows that most of the employees work in other departments. Other departments include production unit, quality service, customer care and technical staff. The lowest frequency represents HR staff. This is because every company has fewer people in HR then in other departments therefore, this result was expected.

### 5.5 Summary

In this chapter, the design and methodology are presented. Research design and discussed the population sample is discussed in detail. Then the questionnaire development is formed and showed how the interpretation is done. The analysis of data collection is explained with detail with all the frequencies of the demographic details of the respondents.

A frequency distribution shows the complete level of respondents’ participation and their respective ages, degrees, departments and gender. In the next chapter, the results of regression will be discussed and will formulate the conceptual framework according to the results. Regression and its analysis will be discussed in detail in the next chapter to get more insights.
6 RESULTS OF ANALYSIS

Regression analysis will be discussed in this chapter. First of all, simple regression analysis is used that showed the significance of one independent variable on one dependent variable. Whereas, in multiple regression, the significance of independent variables along with mediator and moderator is shown to specify the results.

In this chapter, the final results of the questionnaire have been disclosed and discussed that was required for the understanding of the whole process. Data and the results are presented according to the statistics. On the basis of these results, the conclusions and recommendations will be presented for the Pakistani companies operating in the public and private sector. Each and every component will be discussed in detail and hopefully by the end of the chapter reader will be able to understand the whole scenario and its importance.

As the frequencies have already been discussed. So here, regression analysis will be performed and then the conceptual framework will be developed accordingly.

6.1 Purpose and Significance of Regression

Regression analysis was taken to prove the significance of the variables used in this thesis. Regression analysis tells the impact of variables on each other. In this section, the hypothesis will be tested one by one based on the techniques of simple and multiple regression. In simple regression, the results of one independent variable on one dependent variable are evaluated. Whereas, multiple regression will show the results of various independent variables on the dependent variable.

Regression analysis will basically be used for the purpose of depicting the variation among different variables which will show the influence of independent variables on each of dependent variable. In this case, independent variables are styles of leadership. Whereas, dependent variables will be the dimensions of organizational commitment.
Apart from this fact that regression analysis is used in this thesis, it is also stated that econometricians might found ground to critic this approach.

6.2 Regression Analysis

In the results of ANOVA, the required coefficient are R-square, F-statistic, B, standard error, t, and sigma. The results of ANOVA are described in an easy tabulation form in order to understand the results in a better way.

Here, the dependent variable will be regressand and independent variable will be regressor, which will show the influence on the relationship of these variables by one another. Before explaining the table, the effect of values of the coefficient, t-statistic, probability, F-statistic, R-square will be discussed briefly.

**Coefficient value:** It shows the negative or positive effect of the variables. If the coefficient value is positive, it shows that independent variable is affecting the dependent variable in a positive way. If the sign is negative, it shows that the effect is negative.

**T-statistic:** T-statistic tells us the impact of one variable on another variable. So, it is a “one variable test”. If $t > 2$, then it means that independent variable has a significant effect on the dependent variable. If $t < 2$, then it shows that the result is insignificant.

**Probability:** Probability and t-statistics basically indicate the same results. Either both of them or just one of them can be taken because in any way the results will show similar indication overall.

**F-statistic:** F-statistic tells us the effect of more than one variables on the dependent variable. For example, to measure that how transformational and transactional leadership simultaneously affect affective commitment, F-statistic will be used. If $F > 4$, it means that there is a significant effect on a dependent variable by independent variable and that the model is a good fit (reliable). Whereas, if $F < 4$, then it means the results are insignificant.

**R-square:** R-square is the coefficient of determination, it explains how much variation in the dependent variable is taking place due to the transformational leadership.
**Constant**: Constant is basically the intercept. It indicates mean value of affective commitment when transformational leadership is zero. For example, if transformational leadership is zero even then there will be some affective commitment. An easy example can be the price, quantity and demand scenario, like if the quantity of rice in the market has demolished and prices went up, even then there will be some demand for rice in the market. Therefore, the value of constant cannot be ignored but it does not affect the result in a direct or indirect way. It just shows that even if the independent variable has zero value, there will be still some value of the dependent variable.

6.2.1 Impact of leadership style 1 on organizational commitment dimension 1

<table>
<thead>
<tr>
<th>Variables</th>
<th>(β)</th>
<th>t</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 1</td>
<td>0.633</td>
<td>8.175</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>1.286</td>
<td>12.927</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-1: Impact of style 1 on dimension 1*

Dependent: affective commitment and

Independent: transformational leadership

\[ F = 15.537 \]

Probability = 0.000

\[ R^2 = 0.187 \]

**Illustration of the Table**

This table is showing the variation of variables used in the analysis. R-square which is the coefficient of determinant telling that how much variation is taking place in affective commitment (dependent variable) due to transformational Leadership (independent variable).
When the table is analyzed it is seen that 18.7% change is taking place in affective commitment due to the transformational leadership. The value of F-statistic is 15.537 which is more than 4 indicates that the model is overall good fit.

The regression results showed the effect of style 1 on dimension 1 as follows:

\[ Y = B_0 + B_1 X + e \]

According to the above table and this figure, it can be seen that the transformational leadership is affecting the affective commitment in a positive way. Coefficient values of transformational leadership indicate that it has a positive effect on affective commitment.

In the above table, \( \beta \) is showing that change in transformational leadership by one unit can effect affective commitment by 0.633. After that value of \( t \) shows the significance or insignificance of independent variable upon dependent variable. If the value of \( t > 2 \), then it means results are significant. Here the value of \( t \) is 8.175 which shows the significance of transformational leadership on affective commitment. Thus, here the hypothesis is accepted.
6.2.2 Impact of leadership style 1 on organizational commitment dimension 2

<table>
<thead>
<tr>
<th>Variables</th>
<th>(β)</th>
<th>t</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 1</td>
<td>0.528</td>
<td>9.136</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>2.206</td>
<td>7.114</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-2: Impact of style 1 on dimension 2*

*Dependent: continuance commitment*

*Independent: Transformational Leadership*

\[ F = 25.549 \]

\[ Probability = 0.000 \]

\[ R^2 = 0.227 \]

**Illustration of the Table**

This table is showing the variation of variables used in the analysis. R-square which is the coefficient of determinant is telling that how much variation is taking place in continuance commitment (dependent variable) due to transformational Leadership (independent variable).

When the table is analyzed it is seen that the value of R-square shows that 22.7% variation is taking place in continuance commitment due to the transformational leadership. The value of F-statistic is 25.549 which is more than 4 indicates that the model is overall good fit.

The regression results showed the effect of style 1 on dimension 2 as follows:
Figure 6-2: Impact of style 1 on dimension 2

Statistical equation as per Model: $Y = B_0 + B_1X + e$

According to the above table and this figure, it can be seen that the transformational leadership is affecting the continuance commitment in a positive way. Coefficient values of transformational leadership indicate that it has a positive effect on continuance commitment.

In the above table, $\beta$ is showing that change in transformational leadership by one unit can effect continuance commitment by 0.528. After that value of$t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of$t > 2$, then it means results are significant. Here the value of$t$ is 9.136 which shows the significance of transformational leadership on continuance commitment. Thus, here the hypothesis is accepted.
6.2.3 Impact of leadership style 1 on organizational commitment dimension 3

<table>
<thead>
<tr>
<th>Variables</th>
<th>(β)</th>
<th>t</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 1</td>
<td>2.594</td>
<td>10.139</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.281</td>
<td>11.910</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-3: Impact of style 1 on dimension 3*

Independent: Transformational Leadership  
Dependent: Normative Commitment

\[ F = 19.790 \]

\[ Probability = 0.000 \]

\[ R^2 = 0.186 \]

**Illustration of the Table**

This table is showing the variation of variables used in the analysis. R-square which is the coefficient of determinant is telling that how much variation is taking place in normative commitment (dependent variable) due to transformational Leadership (independent variable).

When the table is analyzed, it is seen that the 18.6% change is taking place in normative commitment due to the transformational leadership. The value of F-statistic is 19.79 which is more than 4 indicates that the model is overall good fit.

The regression results showed the effect of style 1 on dimension 3 as follows:
According to the above table and this figure, it can be seen that the transformational leadership is affecting the normative commitment in a positive way. Coefficient values of style 1 indicate that it has a positive effect on dimension 3.

In the above table, β is showing that change in transformational leadership by one unit can effect normative commitment by 2.594. After that value of t shows the significance or insignificance of independent variable upon dependent variable. If the value of t > 2, then it means results are significant. Here the value of t is 10.139 which shows the significance of transformational leadership on normative commitment. Thus, here the hypothesis is accepted.
6.2.4 Impact of leadership style 2 on organizational commitment dimension 1

<table>
<thead>
<tr>
<th>Variables</th>
<th>(β)</th>
<th>T</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 2</td>
<td>0.241</td>
<td>14.205</td>
<td>0.0000</td>
</tr>
<tr>
<td>Constant</td>
<td>2.244</td>
<td>6.978</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

*Table 6-4: Impact of style 2 on dimension 1*

Dependent: Affective commitment  
Independent: Transactional Leadership

\[ F = 31.559 \]  
\[ Probability = 0.000 \]  
\[ R^2 = 0.100 \]

**Illustration of the Table**

This table is showing the variation of variables used in the analysis. R-square which is the coefficient of determinant is telling that how much variation is taking place in affective commitment (dependent variable) due to transactional Leadership (independent variable).

When the table is analyzed, it is seen that the value of R-square shows 10% change taking place in affective commitment due to the transactional leadership. The value of F-statistic is 31.559 which is more than 4 indicates that the model is overall good fit.

The regression results showed the effect of transactional leadership on affective commitment as follows:
According to the above table and this figure, it can be seen that the transactional leadership is affecting the affective commitment in a positive way. Coefficient values of transactional leadership indicate that it has a positive effect on affective commitment.

In the above table, $\beta$ is showing that change in transactional leadership by one unit can effect affective commitment by 0.241. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 14.205 which shows the significance of transactional leadership on affective commitment. Thus, here the hypothesis is accepted.

### 6.2.5 Impact of leadership style 2 on organizational commitment dimension 2

<table>
<thead>
<tr>
<th>Variables</th>
<th>$(\beta)$</th>
<th>T</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 2</td>
<td>0.552</td>
<td>14.154</td>
<td>0.0000</td>
</tr>
<tr>
<td>Constant</td>
<td>5.219</td>
<td>9.797</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

*Table 6-5: Impact of style 2 on dimension 2*

*Dependent: Continuance commitment*

*Independent: Transactional Leadership*
When the table is analyzed, it is seen that the value of R-square shows 22.1% variation in continuance commitment due to the transactional leadership. The value of F-statistic is 43.412 which is more than 4 indicates that the model is overall good fit.

The regression results showed the effect of style 2 on dimension 2 as follows:

\[ Y = \beta_0 + \beta_1 X + e \]

According to the above table and this figure, it can be seen that the transactional leadership is affecting the continuance commitment in a positive way. Coefficient values of transactional leadership indicate that it has a positive effect on continuance commitment.

In this table, \( \beta \) is showing that change in transactional leadership by one unit can effect continuance commitment by 0.552. After that value of t shows the significance or insignificance of independent variable upon dependent variable. If the value of \( t > 2 \), then it means results are significant. Here the value of \( t \) is 14.154 which shows the significance of transactional leadership on continuance commitment. Thus, here the hypothesis is accepted.
6.2.6 Impact of leadership style 2 on organizational commitment dimension 3

<table>
<thead>
<tr>
<th>Variables</th>
<th>(β)</th>
<th>T</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 2</td>
<td>0.269</td>
<td>9.215</td>
<td>0.0000</td>
</tr>
<tr>
<td>Constant</td>
<td>7.196</td>
<td>21.167</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Table 6-6: Impact of style 2 on dimension 3

Dependent: Normative commitment
Independent: Transactional leadership

$F = 28.219$

Probability $= 0.000$

$R^2 = 0.237$

Illustration of the Table

When the table is analyzed, it is seen that the value of $R$-square shows that 23.7% variation is taking place in normative commitment due to the transactional leadership. The value of $F$-statistic is 28.219 which is more than 4 indicates that the model is overall good fit.

The regression results showed the effect of style 2 on dimension 3 as follows:

Statistical equation as per Model: $Y = B_0 + B_1 X + e$
According to the above table and this figure, it can be seen that the transactional leadership is affecting the normative commitment in a positive way. Coefficient values of transactional leadership indicate that it has a positive effect on normative commitment.

In this table, \( \beta \) is showing that change in transactional leadership by one unit can effect normative commitment by 0.269. After that value of \( t \) shows the significance or insignificance of independent variable upon dependent variable. If the value of \( t > 2 \), then it means results are significant. Here the value of \( t \) is 9.215 which shows the significance of transactional leadership on normative commitment. Thus, here the hypothesis is accepted.

### 6.2.7 Impact of leadership style 1 on organizational commitment dimension 1 with effect to mediator

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>T</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 1</td>
<td>0.901</td>
<td>9.185</td>
<td>0.000</td>
</tr>
<tr>
<td>Employee motivation</td>
<td>-0.043</td>
<td>-0.753</td>
<td>0.452</td>
</tr>
<tr>
<td>Constant</td>
<td>5.515</td>
<td>6.418</td>
<td>0.00</td>
</tr>
</tbody>
</table>

*Table 6-7: Impact of style 1 on dimension 1 with effect of Motivation*

*Dependent: Affective commitment*

*Independent: Transformational leadership*

*Mediator: Motivation*

\( F = 23.412 \)

Probability = 0.000

\( R^2 = 0.181 \)
Illustration of the Table

Here, in this model a multiple regression is used. As mentioned above that in order to find the relationship of one dependent variable with more than one variable, multiple regression is used. This table is providing information about the relationship of a dependent and independent variable along with the mediation effect of motivation.

In this table three basic conditions of the Significance of variables were tested:

- Independent on Dependent
- Independent on Mediator
- Mediator on Dependent

This table is showing the variation of more than one variables used in the analysis. R-square which is the coefficient of the determinant is telling that how much variation is taking place in affective commitment (dependent variable) due to transformational Leadership (independent variable) along with the effect of motivation.

When the table is analyzed, it is seen that 18.1% variation is taking place in affective commitment due to the transformational leadership. The value of F-statistic is 23.412 which is more than 4 indicates that the model is overall good fit.

The relationship of independent, dependent and mediator according to the above regression analysis is presented in this figure:

Figure 6-7: Impact of style 1 on dimension 1 with effect of Motivation
According to this table and figure, it can be seen that the transformational leadership is affecting the affective commitment in a positive way. Coefficient values of transformational leadership indicate that it has a worthwhile effect on affective commitment.

In this table, $\beta$ is showing that the change in transformational leadership by one unit can effect affective commitment by 0.901. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 9.185 which shows the significance of transformational leadership on affective commitment. Thus, here the hypothesis is accepted.

In the second model where employee motivation is tested in relation with style 1 and dimension 1, it is seen that employee motivation has an insignificant effect on affective commitment as $\beta = -0.043$ and $t = -0.753$. The condition of the hypothesis are not met and thus, employee motivation as a mediator between style 1 and dimension 1 is not proved. So the hypothesis is rejected here.

### 6.2.8 Impact of leadership style 1 on organizational commitment dimension 2 with effect to mediator

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>T</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Style 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>0.485</td>
<td>8.784</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Style 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Motivation</td>
<td>0.687</td>
<td>6.005</td>
<td>0.008</td>
</tr>
<tr>
<td>Constant</td>
<td>0.043</td>
<td>0.671</td>
<td>0.503</td>
</tr>
<tr>
<td>Constant</td>
<td>0.962</td>
<td>4.120</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-8: Impact of style 1 on dimension 2 with effect of Motivation*
Independent variable: transformational leadership
Dependent variable: continuance commitment
Mediator: employee motivation

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.431</td>
<td>72.098</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.458</td>
<td>78.120</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

This table is showing the variation of more than one variables used in the analysis. R-square which is the coefficient of determinant telling us that how much variation is taking place in affective commitment (dependent variable) due to transformational Leadership (independent variable) along with the effect of motivation.

When the first model is analyzed, it depicts the value of R-square showing that 43.1% variation is taking place in continuance commitment due to the transformational leadership. The value of F-statistic is 72.09 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 45.8% and F-statistics is 78.12 which shows similar results as model one.

The relationship of independent, dependent and mediator according to the above regression analysis is presented in this figure:

Figure 6-8: Impact of style 1 on dimension 2 with effect to motivation
According to the above table and this figure, it can be seen that the transformational leadership is affecting the continuance commitment in a positive way. Coefficient values of transformational leadership indicate that it is positively affecting continuance commitment.

In the above table, $\beta$ is showing that the change in transformational leadership by one unit can effect continuance commitment by 0.485. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 8.784 which shows the significance of transformational leadership on continuance commitment. Thus, here the hypothesis is accepted.

In the second model where motivation is tested in relation with transformational leadership and continuance commitment, it is seen that employee motivation is showing the insignificant effect on continuance commitment as $\beta = 0.043$ and $t = 0.671$. The condition of the hypothesis are not met and thus, employee motivation as a mediator between style 1 and dimension 2 is not proved. So the hypothesis is rejected here.

### 6.2.9 Impact of leadership style 1 on organizational commitment dimension 3 with effect to mediator

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>T</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 1 Constant</td>
<td>1.405</td>
<td>7.794</td>
<td>0.000</td>
</tr>
<tr>
<td>Style 1 Employee Motivation Constant</td>
<td>0.908</td>
<td>0.715</td>
<td>0.446</td>
</tr>
<tr>
<td>Style 1 Employee Motivation</td>
<td>1.287</td>
<td>20.105</td>
<td>0.000</td>
</tr>
<tr>
<td>Employee Motivation Constant</td>
<td>0.241</td>
<td>4.681</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>0.852</td>
<td>4.197</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-9: Impact of style 1 on dimension 3 with effect to motivation*
Independent variable: Transformational leadership

Dependent variable: Normative commitment

Mediator: Motivation

Model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.801</td>
<td>63.178</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.818</td>
<td>70.932</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When the first model is analyzed, it is seen that 80.1% changes taking place in dimension 3 due to the leadership style 1. The value of F-statistic is 63.17 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 81.8% and F-statistics is 70.93 which shows similar results as model one.

The relationship of independent, dependent and mediator according to the above regression analysis is presented in this figure:

![Diagram](image)

*Figure 6-9: Impact of style 1 on dimension 3 with effect to motivation*

According to the above table and this figure, it can be seen that the transformational leadership is affecting the normative commitment in a positive way. Coefficient values of transformational leadership indicate that it has a significantly positive effect on normative commitment.
In this table, β is showing that the change in transformational leadership by one unit can effect normative commitment by 1.405. After that value of t shows the significance or insignificance of independent variable upon dependent variable. If the value of t > 2, then it means results are significant. Here the value of t is 7.794 which shows the significance of transformational leadership on normative commitment. Thus, here the hypothesis is accepted.

In the second model where employee motivation is tested in relation with transformational leadership and normative commitment, it is seen that employee motivation is showing the insignificant effect on affective commitment as β= 0.241 and t= 4.681. The condition of the hypothesis are met and thus, employee motivation as a mediator between style 1 and dimension 3 is proved. So the hypothesis is accepted here.

6.2.10 Impact of leadership style 2 on organizational commitment dimension 1 with effect to mediator

<table>
<thead>
<tr>
<th>Variable</th>
<th>Co-efficient</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Leadership</td>
<td>0.276</td>
<td>9.145</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>2.908</td>
<td>13.051</td>
<td>0.000</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>0.371</td>
<td>2.105</td>
<td>0.003</td>
</tr>
<tr>
<td>Employee Motivation</td>
<td>-0.075</td>
<td>-0.681</td>
<td>0.580</td>
</tr>
<tr>
<td>Constant</td>
<td>2.966</td>
<td>12.197</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-10: Impact of style 2 on dimension 1 with effect of Motivation*

*Independent variable: Transactional leadership*

*Dependent variable: Affective commitment*

*Mediator: Motivation*
Model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.311</td>
<td>14.170</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.324</td>
<td>19.942</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When the first model is analyzed, it is seen that 31.1% change is taking place in dimension 1 due to the transactional leadership. The value of F-statistic is 14.170 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 32.4% and F-statistics is 19.942 which shows similar results as model one.

According to this table and figure, the transactional leadership is affecting the affective commitment in a positive way. Coefficient values of transactional leadership indicate that it has a worthwhile effect on affective commitment.

The relationship of independent, dependent and mediator according to the above regression analysis is presented in this figure:

![Figure 6-10: Impact of style 2 on dimension 1 with effect to motivation](image)

According to the above table and this figure, the transactional leadership is affecting the affective commitment in a positive way. Coefficient values of transactional leadership indicate that it has a productive effect on affective commitment.
In the above table, $\beta$ is showing that the change in transactional leadership by one unit can effect affective commitment by 0.276. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 9.145 which shows the significance of transactional leadership on affective commitment. Thus, here the hypothesis is accepted.

In the second model where employee motivation is tested in relation with transactional leadership and affective commitment, employee motivation is showing the insignificant effect on affective commitment as $\beta = -0.075$ and $t = -0.681$. The condition of the hypothesis are not met and thus, employee motivation as a mediator between style 2 and dimension 1 is not proved. So the hypothesis is rejected here.

### 6.2.11 Impact of leadership style 2 on organizational commitment dimension 2 with effect to mediator

<table>
<thead>
<tr>
<th>Variables</th>
<th>$B$</th>
<th>$t$</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Style 2</strong></td>
<td>0.501</td>
<td>6.145</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td>2.908</td>
<td>13.051</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Style 2</strong></td>
<td>0.483</td>
<td>9.105</td>
<td>0.000</td>
</tr>
<tr>
<td>Employee Motivation</td>
<td>-0.085</td>
<td>-0.786</td>
<td>0.580</td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td>2.971</td>
<td>18.127</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-11: Impact of style 2 on dimension 2 with effect of Motivation*

*Independent variable: Transactional leadership*

*Dependent variable: Continuance commitment*

*Mediator: Employee Motivation*
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.420</td>
<td>53.120</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.428</td>
<td>25.982</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When the first model is analyzed it is seen that the value of R-square shows that 42% variation is taking place in continuance commitment due to the transactional leadership. The value of F-statistic is 53.12 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 42.8% and F-statistics is 25.98 which shows similar results as model one.

According to the above table and this figure, the transactional leadership is affecting the continuance commitment in a positive way. Coefficient values of transactional leadership indicate that it has a good effect on continuance commitment.

The relationship of independent, dependent and mediator according to the above regression analysis is presented in this figure:

Figure 6-11: Impact of style 2 on dimension 2 with effect of Motivation

According to the above table and this figure, the transactional leadership is affecting the continuance commitment in a positive way. Coefficient values of transactional leadership indicate that it has a constructive effect on continuance commitment.
In this table, $\beta$ is showing that the change in transactional leadership by one unit can effect continuance commitment by 0.501. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 6.145 which shows the significance of transactional leadership on continuance commitment. Thus, here the hypothesis is accepted.

In the second model where employee motivation is tested in relation with transactional leadership and continuance commitment, employee motivation is showing the insignificant effect on continuance commitment as $\beta = -0.085$ and $t = -0.786$. The condition of the hypothesis are not met and thus, employee motivation as a mediator between style 2 and dimension 2 is not proved. So the hypothesis is rejected here.

6.2.12 Impact of leadership style 2 on organizational commitment dimension 3 with effect to mediator

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>T</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 2 Constant</td>
<td>0.526</td>
<td>10.105</td>
<td>0.000</td>
</tr>
<tr>
<td>Style 2 Employee Motivation</td>
<td>0.645</td>
<td>5.185</td>
<td>0.000</td>
</tr>
<tr>
<td>Style 2 Constant</td>
<td>2.467</td>
<td>13.408</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-12: Impact of style 2 on dimension 3 with effect of Motivation*

*Independent variable: Transactional leadership*

*Dependent variable: Normative Commitment*

*Mediator: Motivation*
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.528</td>
<td>20.150</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.539</td>
<td>19.892</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When the first model is analyzed, it is seen that the value of R-square shows that 52.8% variation is taking place in normative commitment due to the transactional leadership. The value of F-statistic is 20.150 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 53.9% and F-statistics is 19.892 which shows similar results as model one.

The relationship of independent, dependent and mediator according to the above regression analysis is presented in this figure:

![Diagram](image)

*Figure 6-12: Impact of style 2 on dimension 3 with effect of Motivation*

According to the above table and this figure, the transactional leadership is affecting the normative commitment in a positive way. Coefficient values of transactional leadership indicate that it is positively affecting normative commitment.

In the above table, $\beta$ is showing that the change in transactional leadership by one unit can effect normative commitment by 0.526. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 10.105 which shows the significance of transactional leadership on normative commitment. Thus, here the hypothesis is accepted.
In the second model where employee motivation is tested in relation with transactional leadership and normative commitment, employee motivation is showing the insignificant effect on normative commitment as $\beta = -0.278$ and $t = -2.078$. The condition of the hypothesis is met here if the absolute value of $t$ is taken i.e. 2.078 which is more than 2 and thus, employee motivation as a mediator between style 2 and dimension 3 is proved. So the hypothesis is accepted here.

6.2.13 Impact of leadership style 1 on organizational commitment dimension 1 with effect to moderator

<table>
<thead>
<tr>
<th>Variable</th>
<th>Co-efficient</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 1</td>
<td>0.671</td>
<td>11.145</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>1.321</td>
<td>10.811</td>
<td>0.000</td>
</tr>
<tr>
<td>Style 1</td>
<td>0.805</td>
<td>2.880</td>
<td>0.529</td>
</tr>
<tr>
<td>Power distance</td>
<td>0.015</td>
<td>0.774</td>
<td>0.040</td>
</tr>
<tr>
<td>Constant</td>
<td>2.467</td>
<td>13.408</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Table 6-13: Impact of style 1 on dimension 1 with effect of Power Distance*

*Independent variable: Transformational Leadership*

*Dependent variable: Affective commitment*

*Moderator: Power Distance*
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.432</td>
<td>58.140</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.441</td>
<td>29.822</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

Again the multiple regression is used here. The output of these two model is given in the model summary. So the results of Model summary will be analyzed. This table is providing the information about the correlation of dependent and independent variable along with the moderating effect of power distance. In this table three basic conditions of significance of variables are tested:

- Independent on dependent
- Independent on moderator
- Moderator on dependent

This table is showing the variation of variables used in the analysis. R-square which is the coefficient of determinant telling that how much variation is taking place in affective commitment (dependent variable) due to transformational Leadership (independent variable).

When the first model is analyzed, it is seen that the value of R-square shows that 43.2% variation is taking place in affective commitment due to the transformational leadership. The value of F-statistic is 58.14 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 44.1% and F-statistics is 29.82 which shows similar results as model one.

According to the above table and this figure, the transformational leadership is affecting the affective commitment in a positive way. Coefficient values of transformational leadership indicate that it is positively affecting the affective commitment.
The relationship of independent, dependent and mediator according to the above correlation analysis is presented in this figure:

![Diagram](image)

**Figure 6-13: Impact of style 1 on dimension 1 with effect of Power Distance**

In the above table, $\beta$ is showing that the change in transformational leadership by one unit can effect affective commitment by 0.671. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 11.145 which shows the significance of transformational leadership on affective commitment. Thus, here the hypothesis is accepted.

In the second model where power distance is tested in relation with style 1 and dimension 1, the moderator is showing the insignificant effect on affective commitment as $\beta = 0.015$ and $t = 0.774$. The condition of the hypothesis are not met here and thus, power distance as a moderator between style 1 and dimension 1 is not proved. So the hypothesis is rejected here.
6.2.14 Impact of leadership style 1 on organizational commitment dimension 2 with effect to moderator

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>T</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 1</td>
<td>0.429</td>
<td>8.175</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>0.967</td>
<td>5.021</td>
<td>0.000</td>
</tr>
<tr>
<td>Power Distance</td>
<td>0.013</td>
<td>0.784</td>
<td>0.569</td>
</tr>
<tr>
<td>Style 1</td>
<td>0.065</td>
<td>5.289</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>2.907</td>
<td>11.478</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table 6-14: Impact of style 1 on dimension 2 with effect of Power Distance

Independent variable: Transformational Leadership

Dependent variable: Continuance commitment

Moderator: Power distance

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.451</td>
<td>59.130</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.457</td>
<td>27.872</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When the first model is analyzed, it is seen that the value of R-square shows that 45.1% variation is taking place in continuance commitment due to the transformational leadership.
The value of F-statistic is 59.13 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 45.7% and F-statistics is 27.87 which shows similar results as model one.

According to the above table and this figure, the transformational leadership is affecting the continuance commitment in a positive way. Coefficient values of transformational leadership indicate that it has a worthwhile effect on continuance commitment.

The relationship of independent, dependent and mediator according to the above correlation analysis is presented in this figure:

![Figure 6-14: Impact of style 1 on dimension 2 with effect to power distance](image)

In the above table, β is showing that the change in transformational leadership by one unit can effect continuance commitment by 0.429. After that value of t shows the significance or insignificance of independent variable upon dependent variable. If the value of t > 2, then it means results are significant. Here the value of t is 8.175 which shows the significance of transformational leadership on continuance commitment. Thus, here the hypothesis is accepted.

In the second model where power distance is tested in relation with transformational leadership and continuance commitment, power distance is showing the insignificant effect on continuance commitment as β= 0.013 and t= 0.784. The condition of the hypothesis are not met here and thus, power distance in relation with style 1 and dimension 2 is not proving effective and thus the hypothesis is rejected.
6.2.15 Impact of leadership style 1 on organizational commitment dimension 3 with effect to moderator

<table>
<thead>
<tr>
<th>Variable</th>
<th>Co-efficient</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style 1</td>
<td>1.028</td>
<td>23.195</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>0.810</td>
<td>6.031</td>
<td>0.000</td>
</tr>
<tr>
<td>Power Distance</td>
<td>-0.075</td>
<td>-5.784</td>
<td>0.000</td>
</tr>
<tr>
<td>Style 1</td>
<td>1.250</td>
<td>15.279</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>1.907</td>
<td>10.448</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table 6-15: Impact of style 1 on dimension 3 with effect of Power Distance

Independent Variable: Transformational Leadership
Dependent Variable: Normative Commitment
Moderator: Power distance

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.801</td>
<td>240.120</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.823</td>
<td>218.802</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When the first model is analyzed, it is seen that 80.1% change is taking place in normative commitment due to the transformational leadership. The value of F-statistic is 240.12 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 82.3% and F-statistics is 218.80 which shows similar results as model one.
According to the above table and this figure, the transformational leadership is affecting the normative commitment in a positive way. Coefficient values of transformational leadership indicate that it has a significant effect on normative commitment.

The relationship of independent, dependent and mediator according to the above correlation analysis is presented in this figure:

![Diagram](image)

*Figure 6-15: Impact of style 1 on dimension 3 with effect to power distance*

In the above table, $\beta$ is showing that the change in transformational leadership by one unit can effect normative commitment by 1.028. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 23.195 which shows the significance of transformational leadership on normative commitment. Thus, here the hypothesis is accepted.

In the second model where power distance is tested in relation with transformational leadership and normative commitment, power distance is showing the insignificant effect on normative commitment as $\beta = -0.075$ and $t = -5.784$. The condition of the hypothesis are met here and thus, power distance as a moderator between style 1 and dimension 3 is proved. So the hypothesis is accepted here.
6.2.16 Impact of leadership style 2 on organizational commitment dimension 1 with effect to moderator

<table>
<thead>
<tr>
<th>Variable</th>
<th>Co-efficient</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Leadership</td>
<td>0.297</td>
<td>5.125</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>2.775</td>
<td>12.031</td>
<td>0.000</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>0.783</td>
<td>9.021</td>
<td>0.000</td>
</tr>
<tr>
<td>Power Distance</td>
<td>-0.074</td>
<td>-0.820</td>
<td>0.408</td>
</tr>
<tr>
<td>Constant</td>
<td>2.127</td>
<td>5.458</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table 6-16: Impact of style 2 on dimension 1 with effect to power distance

Independent variable: Transactional Leadership

Dependent variable: Affective commitment

Moderator: Power Distance

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.320</td>
<td>48.120</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.410</td>
<td>32.812</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When the first model is analyzed, the value of R-square shows that 32% variation is taking place in affective commitment due to the transactional leadership. The value of F-statistic is
48.12 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 41% and F-statistics is 32.81 which shows similar results as model one.

According to the above table and this figure, the transactional leadership is affecting the affective commitment in a positive way. Coefficient values of transactional leadership indicate that it has a positive effect on affective commitment.

Relationship of the independent, dependent and moderator according to the above correlation analysis is presented in this figure:

![Figure 6-16: Impact of style 2 on dimension 1 with effect to power distance](image)

In the above table, β is showing that the change in transactional leadership by one unit can effect affective commitment by 0.297. After that value of t shows the significance or insignificance of independent variable upon dependent variable. If the value of t > 2, then it means results are significant. Here the value of t is 5.125 which shows the significance of transactional leadership on affective commitment. Thus, here the hypothesis is accepted.

In the second model where power distance is tested in relation with transactional leadership and affective commitment, power distance is showing the insignificant effect on affective commitment as β= -0.074 and t= -0.820. The condition of the hypothesis are not met here and thus, power distance as a moderator between transactional leadership and affective commitment is not proved. So the hypothesis is rejected here.
6.2.17 Impact of leadership style 2 on organizational commitment dimension 2 with effect to moderator

<table>
<thead>
<tr>
<th>Variable</th>
<th>Co-efficient</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Leadership</td>
<td>0.515</td>
<td>8.105</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>3.785</td>
<td>9.021</td>
<td>0.000</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>0.075</td>
<td>12.021</td>
<td>0.000</td>
</tr>
<tr>
<td>Power Distance</td>
<td>0.021</td>
<td>0.219</td>
<td>0.976</td>
</tr>
<tr>
<td>Constant</td>
<td>2.569</td>
<td>13.418</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table 6-17: Impact of style 2 on dimension 2 with effect to power distance

Independent variable: Transactional leadership
Dependent variable: Continuance commitment
Moderator: Power Distance

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.412</td>
<td>48.120</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.423</td>
<td>32.812</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When the first model is analyzed, it is seen that the value of R-square shows that 41.2% variation is taking place in continuance commitment due to the transactional leadership. The value of F-statistic is 48.12 which is more than 4 indicates that the model is overall good fit.
In model two the value of R-square is 42.3% and F-statistics is 32.81 which shows similar results as model one.

According to the above table and this figure, the transactional leadership is affecting the continuance commitment in a positive way. Coefficient values of style 1 indicate that it has a positive effect on dimension 2.

Relationship of the independent, dependent and moderator according to the above correlation analysis is presented in this figure:

![Figure 6-17: Impact of style 2 on dimension 2 with effect to power distance](image)

In the above table, β is showing that the change in transactional leadership by one unit can effect continuance commitment by 0.515. After that value of t shows the significance or insignificance of independent variable upon dependent variable. If the value of t > 2, then it means results are significant. Here the value of t is 8.105 which shows the significance of transactional leadership on continuance commitment. Thus, here the hypothesis is accepted.

In the second model where power distance is tested in relation with transactional leadership and continuance commitment, power distance is showing the insignificant effect on continuance commitment as β= 0.021 and t= 0.219. The condition of the hypothesis are not met here and thus, power distance as a moderator between transactional leadership and continuance commitment is not proved. So the hypothesis is rejected here.
6.2.18 Impact of leadership style 2 on organizational commitment dimension 3 with effect to moderator

<table>
<thead>
<tr>
<th>Variable</th>
<th>Co-efficient</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Leadership</td>
<td>0.592</td>
<td>19.023</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>2.851</td>
<td>13.041</td>
<td>0.000</td>
</tr>
<tr>
<td>Power Distance</td>
<td>0.090</td>
<td>5.021</td>
<td>0.000</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>0.076</td>
<td>1.820</td>
<td>0.298</td>
</tr>
<tr>
<td>Constant</td>
<td>2.651</td>
<td>14.458</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table 6-18: Impact of style 2 on dimension 3 with effect to power distance

Independent Variable: Transactional leadership
Dependent variable: Normative commitment
Moderator: Power distance

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R-square</th>
<th>F-statistic</th>
<th>Prob.(F-statistic)</th>
</tr>
</thead>
<tbody>
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<td>0.000</td>
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<tr>
<td>2</td>
<td>0.616</td>
<td>78.872</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Illustration of the Table

When e the first model is analyzed, it is seen that the value of R-square shows that 53% variation is taking place in normative commitment due to the transactional leadership. The
value of F-statistic is 102.15 which is more than 4 indicates that the model is overall good fit. In model two the value of R-square is 61.6% and F-statistics is 78.87 which shows similar results as model one.

According to the above table and this figure, the transactional leadership is affecting the normative commitment in a positive way. Coefficient values of transactional leadership indicate that it has a positive effect on normative commitment.

The relationship of independent, dependent and moderator according to the above correlation analysis is presented in this figure:

![Figure 6-18: Impact of style 2 on dimension 3 with effect to power distance](image)

In the above table, $\beta$ is showing that the change in transactional leadership by one unit can effect normative commitment by 0.592. After that value of $t$ shows the significance or insignificance of independent variable upon dependent variable. If the value of $t > 2$, then it means results are significant. Here the value of $t$ is 19.023 which shows the significance of transactional leadership on normative commitment. Thus, here the hypothesis is accepted.

In the second model where power distance is tested in relation with transactional leadership and normative commitment, power distance is showing the insignificant effect on normative commitment as $\beta = 0.090$ and $t = 5.021$. The condition of the hypothesis are met here and thus, power distance as a moderator between style 2 and dimension 3 is proved. Therefore, the hypothesis is accepted here.
6.3 Modified Conceptual framework after Results

The model has been modified after the results of regression. The modification has been done in order to show the effects of variables and the changes formed after including employee motivation and power distance.

![Figure 6-19: Modified Conceptual Framework after Results (Source: Author)](image)

In this model, the transactional Leadership and transformational leadership styles have positive effect on the dimensions of organization commitment. The signs of plus and minus are indicating the effect of variables on each other.

**In transformational leadership:**

After adding a mediating variable, the effect on affective and continuance commitment is insignificant but on normative commitment it is positively affecting. This is because when employees are in affective commitment, they are already committed to their company and this mediating variable is not the reason for them to stay in or leave the organization.
It is different for continuance commitment because these employees stay for their personal benefits. Therefore even if they get motivated by the leader there are chances that the employee will leave the organization or vice versa. So insignificance shows that the variables are not an important factor.

In normative commitment employees react and response accordingly. It is seen in the results that if the transformational leaders use the right level of motivation and power distance then they can incorporate the employees to stay within the organization and this will improve the level of commitment. And if this is not implemented carefully then the consequences will be opposite.

Power distance has an insignificant effect on affective commitment because these employees have only pure intentions for the company and there is less chance that power distance can affect their behavior.

It also has an insignificant effect on continuance commitment because these employees will leave the company whenever they find a better option and stays in the company for their personal benefits. So power distance does not affect their decision.

Whereas, it has a negative effect on normative commitment because employees who follow a transformational leader like more friendly and cooperative environment and they are not comfortable in high power distance environment.

**In transactional leadership:**

By adding the mediating variable, the employee motivation has an insignificant effect on both affective and continuance commitment and the reason for this is the same as transformational leadership that, it does not affect the situation when employees follow affective commitment and continuance commitment because in any way they will do as they want to do.

But it has a negative effect on normative commitment because in the normative commitment the employees and the leader act according to the situation and as leaders are more autocratic so less motivational factors are there for employees.

Power distance has an insignificant effect on affective commitment and continuance commitment similar to transformational style. Whereas, it has a positive effect on normative
commitment because employees who follow a transactional leader are more autocratic and the employees are already used to with high power distance environment.

So, in this model, both the leadership styles have positive results for the dimensions of organizational commitment but after adding moderator and mediator the results will show different effects. This will tell the importance of taking power distance and motivation as affecting forces in the thesis.

6.4 Summary

In this chapter, the results of regression are presented in tabulation form to understand the main coefficients and their variation. It is stated that only the relevant coefficients are presented in order to be more precise and to the point. The results of regression analysis are correlated with the theories. These results are showing the reliability of he hypothesis and that if they are right or wrong.

Then, the modified conceptual framework is formed in which the effects are explained more clearly after the addition of motivation and power distance. In the next chapter, this thesis will be ended up with presenting the theoretical implication, conclusions and give relevant recommendations.
7 CONCLUSIONS AND RECOMMENDATIONS

After reading the above chapters, it is now clear that the main focus of the thesis is to discuss and identify the impact or leadership styles on organizational commitment and its dimensions. This study was conducted for the Pakistani companies in which both the public and private sectors were involved.

Data was analyzed and presented in the above chapters. Based on the results of regression, the conclusions will be presented here with the help of a conceptual framework. This framework is showing the relevancy, effects and impacts of all the variables. It will sum up the whole thesis in a very precise and understanding way. In this last chapter, the findings of the studies based on the Pakistani culture are revealed and what effects the companies can face in the future.

The overall experience related to this final project was really interesting and full of learning. It was a great learning experience and identifying the weak areas of the country really helped to generate new ideas for making developments and improvements in the country. The findings of the study were really interesting, but there are some limitations to the study which are presented below.

7.1 Theory in Practice

As all the relevant theories presented in the literature review. After presenting the results of the regression, a discussion on theoretical implications is likely to be presented. Results show that transactional leadership or transformational leadership can have positive as well as negative effects on the overall company commitment.

Where transactional approach then, it is proved by the results that if a leader is positive and his intention is to fulfill his role as part of the organization then he will play an active role in motivating the employees and use power distance in the most normative way. A negative effect can be, for example if the transactional leader has a more personal and self-beneficial approach then he can fail to make his subordinates connected and committed to the company.
Results also showed that transformational leaders can be beneficial but risk as also involved. In a positive direction if the results are analyzed, then when transformational leaders try to bring creativity and sense of responsibility in a teamwork then it is very likely to commit the employees and cohere them with the organization. And a negative approach says that, a leader when become more lenient in a situation where he is supposed to manage motivation and power distance then, employees who are weak performers can take it easy and thus it will weaken the performance of the company which in the long run will affect the commitment.

It also proved that the employees who follow normative approach are easily controllable and have more motivational grounds to their companies whereas, employees with more affective and continuance approaches have their own grounds of staying and leaving the organizations and thus these approaches have insignificant effects by motivation and power distance.

Employee motivation and power distance are taken in the study so that it can differentiate between the level of commitments if they can be affected by leadership styles and how the result varies between dimensions and styles. And hence, it is shown in the results that motivation and power distance when used with the leadership styles then it has a different impact on each dimension which is clearly presented in the conceptual framework.

### 7.2 Conclusions

From this study, it is concluded that Pakistan is following a high power distance culture in both public and private sectors. Employees in different organizations are bound to work because there are less available alternatives for them. They are not allowed to disclose the insights of their company and management. Employees want to have international standards of employee empowerment. Employees in Pakistan are talented and creative, but they are not provided with the right leadership and chances of growth.

Reward expectation is high by the employees as Pakistan is full of the crisis at this time and people are working more than the regular working hours. They want to be treated as international standards. In Pakistan, there is a culture of bribes and references due to which a huge number of talented students and employees are deprived of the proper rights and designations.
It is found that transformational leadership is playing a positive role in Pakistani companies and employees in those organizations where leaders are transformational seem to be more satisfied with their jobs than those of transactional leadership. Power distance and motivation are playing an important role in motivating and demotivating people.

It was also noticed that people of Pakistan rely more on materialistic rewards than on verbal motivations and this factor shows the overall economic conditions of Pakistan. Because people are not able to meet the basic living expenses if they stop relying on bonuses and appraisals. Therefore, a strong correlation between contingent rewards and performance has been observed.

### 7.3 Recommendations

As a final part of this study, some recommendation can provide help in order to develop a sense of bond and commitment in organizations. Leaders of the companies should follow the rules of the company at a first step and then formulate their rules to the subordinates. As a matter of fact in Pakistani companies, rules are imposed on subordinates and managers are not used to follow the rules themselves. There is a sense of blame game in Pakistani culture and employees are held responsible for the tasks which need to be changed.

If the leaders follow transformational approach then the results could be better than now. It is highly recommended to consider the distribution of rewards among employees. Leaders in Pakistan need to understand the condition of Pakistan as a part of the nation so that they can understand the needs of their subordinates. Because in a high power distance culture, it is observed that people with high power try to make others deprived of the basic rights and that they do not understand the needs of the poor or the weak.

A balance of job description and compensation plan should be maintained in order to get the maximum output from employees with a high morale. Loading subordinates with too much work and paying them only the basic salary is a very big reason for dissatisfaction and disappointments among employees. Therefore, compensation plan should not be neglected in order to gain maximum output. If the leaders want their subordinates to follow international
techniques and mentality then they, themselves should try to learn the international standards of employee retention.

7.4 Future Research and limitation

In this thesis, the conclusions are completely based on the data provided by the respondents and as it is not a very large number so, therefore, any strong statement cannot be claimed in favor or against of this research.

The analysis is showing the results according to the companies selected and it is not a representative of each city in the country because the data was taken from the capital city to make things more prominent.

Future research can be done on the gaps in leadership styles that are preventing the overall growth and performance of the companies, how it affects the overall economic progress in the country and how it can be improved. Some other aspects can also be studied in order to bring more improvement in the currently adopted strategies and future plans of the companies.

7.5 Summary

This is the last chapter of the study. In this chapter, the theoretical implications, conclusions, recommendations have been discussed and also what can be the future research on this topic along with the limitations is presented.
APPENDIX

THE IMPACT OF LEADERSHIP ON ORGANIZATIONAL COMMITMENT: THE MODERATING ROLE OF POWER DISTANCE AND MEDIATING ROLE OF EMPLOYEE’S MOTIVATION

Questionnaire

I am a Master’s student and conducting a research study on “Leadership and organizational commitment” I have designed this questionnaire to collect data from Managers/employees working in various organizations (Public and Private both). The information you are providing will be treated as highly confidential. Please accept my gratitude in advance for your anticipation and honest feedback. Your individual responses will be kept confidential. Your participation is highly regarded and appreciated.

Purpose: Thesis (Masters of Business Administration)

Demographic section

What is your age bracket?
20-25 years 26-30 years 31-35 years 36-40 years
41-45 years 46-50 years 51-55 years 56-60 years

What is your level of Education?
Intermediate Bachelor Master MS/M. Phil PhD

What is your Department in the industry?
HR deptt Production Administration Others mention----
**Section I I:** Please indicate the extent of your agreement with the following statement on a 5-point scale. (Please circle your answer)

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<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
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<td>TLIIA-1</td>
<td>Do you agree that your leader Instills pride in others?</td>
<td>1 2 3 4 5</td>
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<tr>
<td>TLIIA-2</td>
<td>Do you agree that your officer Goes beyond self-interest for the good of the group?</td>
<td>1 2 3 4 5</td>
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<tr>
<td>TLIIA-3</td>
<td>Do you agree that your boss acts in ways that builds others trust?</td>
<td>1 2 3 4 5</td>
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<td>TLIIA-4</td>
<td>Do you agree that your boss displays a sense of power and confidence?</td>
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<tr>
<td>TLIIB-5</td>
<td>Do you agree that your boss talks about most important values and beliefs?</td>
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<tr>
<td>TLIIB-6</td>
<td>Do you agree that your boss specifies the importance of having a strong sense of purpose?</td>
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<td>TLIIB-7</td>
<td>Do you agree that your boss considers the moral and ethical consequences of decisions?</td>
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<tr>
<td>TLIIB-8</td>
<td>Do you agree that your boss emphasizes the importance of having a collective sense of mission?</td>
<td>1 2 3 4 5</td>
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<tr>
<td>TLIM-9</td>
<td>Do you agree that your boss talks optimistically about the future?</td>
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<td>TLIM-10</td>
<td>Do you agree that your boss talks enthusiastically about what needs to be accomplished?</td>
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<td>TLIM-11</td>
<td>Do you agree that your boss articulate a compelling vision of the future?</td>
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<tr>
<td>TLIM-12</td>
<td>Do you agree that your boss express confidence that goals will be achieved?</td>
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<td>TLIS-13</td>
<td>Do you agree that your boss re-examine critical assumptions for appropriateness?</td>
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<td>TLIS-14</td>
<td>Do you agree that your boss seek differing perspectives when solving problems?</td>
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<td>TLIS-15</td>
<td>Do you agree that your boss get others look at problems from many different angles?</td>
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<td>TLIS-16</td>
<td>Do you agree that your boss suggest new ways of looking at how to complete assignments?</td>
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<td>TLIC-17 Do you agree that your boss consider an individual as having different needs, abilities, and aspirations from others?</td>
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<td>TLIC-18 Do you agree that your boss delay responding to urgent questions?</td>
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<td>TLIC-19 Do you agree that your boss express satisfaction when others meet expectations?</td>
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<td>TLCR-1 Do you agree that your boss discuss in specific terms who is responsible for achieving performance targets (what u actually do)?</td>
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<td>4</td>
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<tr>
<td>TLCR-2 Do you agree that your boss express satisfaction when others meet expectations (what u actually do)?</td>
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<td>2</td>
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<td>4</td>
</tr>
<tr>
<td>TLMEA-1 Do you agree that your boss concentrate his full attention on dealing with mistakes, complaints, and failures (what u actually do)?</td>
<td>1</td>
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<td>4</td>
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<tr>
<td>TLMEA-2 Do you agree that your boss direct his attention toward failures to meet standards (what u actually do)?</td>
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<tr>
<td>TLMEP-1 Do you feel that your boss wait for things to go wrong before taking action (what u actually do)?</td>
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<tr>
<td>TLMEP-2 Do you feel that your boss show that he is a firm believer in “If it isn’t broke, don’t fix it.” (What u actually do)?</td>
<td>1</td>
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<tr>
<td>PD-1 Do you feel that your managers should make most decisions without consulting subordinates?</td>
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<td>PD-2 Do you feel that it is frequently necessary for a manager to use authority and power when dealing with subordinates?</td>
<td>1</td>
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<td>PD-3 Do you feel that your managers should seldom ask for the opinions of employees?</td>
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<td>PD-4 Do you feel that your managers should avoid off-the-job social contacts with employees?</td>
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<td>PD-5 Do you feel that the Employees should not disagree with management decisions?</td>
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<td>PD-6 Do you feel that your Managers should not delegate important tasks to employees?</td>
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<tr>
<td>IM-1 Do you feel a sense of personal satisfaction when you do this job well?</td>
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<tr>
<td>IM-2 Do you feel that your opinion of yourself goes down when you do this job badly?</td>
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<tr>
<td>IM-3 Do you feel pride in doing your job as well as you can?</td>
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<td>IM-4 Do you feel unhappy when your work is not up to your usual standard?</td>
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<tr>
<td>IM-5</td>
<td>Do you like to look back on the day's work with a sense of a job well done?</td>
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<tr>
<td>IM-6</td>
<td>Do you try to think of ways of doing your job effectively?</td>
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<tr>
<td>OCAC-1</td>
<td>Do you agree that you would be very happy to spend the rest of your career with this organization?</td>
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<td>OCAC-2</td>
<td>Do you agree that you enjoy discussing about this organization with people outside it?</td>
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<tr>
<td>OCAC-3</td>
<td>Do you agree that you really feel as if this organization’s problems are your own?</td>
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<tr>
<td>OCAC-4</td>
<td>Do you agree that you think that you could easily become as attached to another organization as you are to this organization</td>
<td>1 2 3 4 5</td>
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<tr>
<td>OCAC-5</td>
<td>Do you agree that you do not feel like ‘part of the family’ at your organization</td>
<td>1 2 3 4 5</td>
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<tr>
<td>OCAC-6</td>
<td>Do you agree that you do not feel ‘emotionally attached’ to this organization?</td>
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<tr>
<td>OCAC-7</td>
<td>Do you agree that this organization has a great deal of personal meaning for you?</td>
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<td>OCAC-8</td>
<td>Do you agree that you do not feel a ‘strong’ sense of belonging to your organization?</td>
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<tr>
<td>OCCC-1</td>
<td>Do you agree that you are not afraid of what might happen if you quit your job without having another one lined up?</td>
<td>1 2 3 4 5</td>
<td></td>
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<tr>
<td>OCCC-2</td>
<td>Do you agree that it would be very hard for you to leave this organization right now, even if you wanted to?</td>
<td>1 2 3 4 5</td>
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<tr>
<td>OCCC-3</td>
<td>Do you agree that you too much in your life would be disrupted if you decided to leave this organization now?</td>
<td>1 2 3 4 5</td>
<td></td>
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<tr>
<td>OCCC-4</td>
<td>Do you agree that it wouldn’t be too costly for you to leave this organization now?</td>
<td>1 2 3 4 5</td>
<td></td>
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<tr>
<td>OCCC-5</td>
<td>Do you agree that from Right now, staying with this organization is a matter of necessity as much as desire?</td>
<td>1 2 3 4 5</td>
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<tr>
<td>OCCC-6</td>
<td>Do you agree that you feel that you have very few options to consider leaving this organization?</td>
<td>1 2 3 4 5</td>
<td></td>
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</tr>
<tr>
<td>OCCC-7</td>
<td>Do you agree that one of the few serious consequences of leaving this organization would be the scarcity of available alternatives?</td>
<td>1 2 3 4 5</td>
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<tr>
<td>OCCC-8</td>
<td>Do you agree that one of the major reasons you continue to work for this organization is that leaving would require considerable personal sacrifice—another organization may not match the overall benefits you have here?</td>
<td>1 2 3 4 5</td>
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<tr>
<td>OCNC-1</td>
<td>Do you agree that you think that people these days move from company to company too often?</td>
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<td>3</td>
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<tr>
<td>OCNC-2</td>
<td>Do you agree that you do not believe that a person must always be loyal to his or her organization?</td>
<td>1</td>
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<tr>
<td>OCNC-3</td>
<td>Do you agree that jumping from organization to organization does not seem at all unethical to you?</td>
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<tr>
<td>OCNC-4</td>
<td>Do you agree that one of the major reasons you continue to work in this organization is that you believe loyalty is important and therefore feel a sense of moral obligation to remain?</td>
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<td>OCNC-5</td>
<td>Do you agree that if you got another offer for a better job elsewhere you would not feel it was right to leave this organization?</td>
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<td>OCNC-6</td>
<td>Do you agree that you were taught to believe in the value of remaining loyal to this organization?</td>
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<tr>
<td>OCNC-7</td>
<td>Do you agree that things were better in the days when people stayed in one organization for most of their careers?</td>
<td>1</td>
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<tr>
<td>OCNC-8</td>
<td>Do you agree that you do not think that to be a ‘company man’ or ‘company woman’ is sensible anymore?</td>
<td>1</td>
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<td>3</td>
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</table>
BIBLIOGRAPHY


