

## **The impact of leadership model on employee commitment within small-medium enterprises in Ndola, Zambia**

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### **Abstract**

The basic aim of this research is to examine the association between models of leadership (supportive, autocratic, collegial, and custodial leadership) and employee commitment. The research was based on primary data, and this research was conducted on the employees working in different organizations within territory of Copperbelt region, Ndola, Zambia. Data were collected through questionnaire consisting of several questions; the sample consisted of 100 employees of different organizations. The Correlation analysis test was applied through STATA to find out the results of research. Results indicate on the nature of organization how a leadership model significantly affects employee commitment. So the findings of research prove that leadership is an important element which highly influences the organisational performance and in turn affects employee commitment. This was done to investigate the different relationships between and the impact of the variables on each other. Based on the results of this research, it has been recommended which leadership model should be practiced in SMEs to gain satisfied employees. Leaders need to state their views clearly; they need to consider employee capabilities and needs. This could ultimately lead to a better performance and a competitive advantage for the organization.

**Keywords:** leadership, Employee Commitment, Small-Medium Enterprises (SMEs)

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### **1. Introduction**

Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The word leadership has been described in terms of the position, personality, responsibility, influence process; instrument to achieve a goal, behaviors (Akehurst, 2009) [1]. Most definitions have a common theme of directing a group towards a goal. Therefore, the leadership can be broadly defined as the relationship between an individual and a group built around some common interest wherein the group behaves in a manner directed or determined by the leader (Bass, 2006) [3]. Leaders can influence the behavior of their followers through the use of different styles, or approaches, to managing others. For the past three decades, some leadership models (Autocratic, custodial, supportive, collegial leadership) have received a significant amount of attention.

The concept of employee commitment has recently evolved in management and attracts significant response in studying workplace behaviors and attitudes (Buitenbach, 2005) [6], as it is associated with two important organizational problems, one is employee's intention to leave organization followed by actual decision to quit the organization (Eslami, 2012) [10]. Commitment includes employee's organizational loyalty, eager to be the part of organization, willingness to do level best for organization, and the extent to which employees perceive organizational goals and values their own (Galup, 2008) [11]. Employee commitment is associated with a psychological condition of employee's attachment to the organization (Meyer, 1997) [21] further describes that affective commitment is "when the employee identifies with a particular organization and its goals in order to maintain membership to facilitate the goal" (Bateman, 1984) [4]. In order

to measure the organizational commitment they developed a scale, widely used in past studies for its measurement.

Employee commitment has long been a topic of interest to organizational researchers (Eslami, 2012) [10], (Meyer, 1997) [21]. One of the main reasons for its popularity is that organizations have continued to find and sustain competitive advantage through teams of committed employees. Many researchers found that an organization's success is determined, in part, by having a high degree of organizational commitment (Jassawalla & Sashittal, 2003) [14]. Commitment has attracted considerable attention in theory and research because of its attempt to understand and clarify the intensity and stability of employee dedication to work organizations (Eisenberger, Fasolo & Davis-Lamastro, 1990) [9]. Research literature states that organizational commitment is defined as a subordinate's identification with the mission, goals, and vision of the organization.

Employees that are committed are also less likely to leave the organization to explore other. Therefore, carrying out a study of this nature will be important in trying to find out in this case. Therefore this study seeks to investigate the impact of leadership models on employee organizational commitment among selected Small-Medium Enterprises in Ndola, Zambia.

### **1.2 Statement of the Problem**

In the majority of reported studies, leadership has been considered as a single construct (Simosi & Xenikou, 2010) [25]. Defining and testing models that take into account the diverse dimensions of leadership can allow us to gain a more precise understanding about how leadership enhances employee commitment. The relationship between employee commitment and leadership model, the effect that leadership style, (as independent variable), has on job satisfaction and employee

commitment (as a dependent variables) in SMEs, has not been given much attention in research (Lok, 1999) [18]. Many of the studies on this topic were done in large companies and in different concept relationships, so this research will view these concepts from another angle by looking at the relationships between them in Small and Medium sized Enterprises. The relationships are different because they have fewer resources, smaller communication systems, different leadership models and slim growth opportunities. These characteristics are expected to be different in SMEs. We want to see what will be uncovered when a research is done.

### 1.3 Significance of the study

From a managerial perspective, the study will improve our understanding of how overall employee commitment can be enhanced through appropriate leadership behaviors. This will allow leaders in SMEs to knowingly lead in ways more likely to strengthen a culture. The findings will help policy-making management executives and human resource specialists to support initiatives such as employee training and leadership career development, and help positively shape the organization's environment. The study highlights the importance of leadership behaviors during the process of a service encounter. Since leaders often represent the organisation in the eyes of employees and customers, it is paramount for them to understand how leadership quality perceptions can be enhanced through the display of appropriate behaviors on the part of Small-medium enterprises.

### 1.4 Study Site

Participants of this research paper were the employees of different organizations. My targets were the selected employees of different Small-medium enterprises on the Copperbelt part of Zambia, in Ndola.

## 1.5 Literature Review

### 1.5.1 Autocratic Model

This model came about during the industrial revolution, in the 1800's and 1900's. It depends on power the manager has the power to demand "you do this or else" and an employee who does not follow orders is punished. The manager has formal, official, authority over employees. This model assumes that employees have to be directed and pushed into doing the work. In this model, management does the thinking; employees obey orders and depend on the manager. Employees are tightly controlled. The manager can hire, can fire and "perspire" them. Employees may obey managers but employees may not respect management. Typically, employees receive minimum pay for minimum expected performance. Employees may have lower skills. Often, employees work in the authority model because they have to provide subsistence for themselves and their families.

Its weakness is that it leads to "micro management" (Autgis, 2006) [2]. With micro management, managers control all details of daily operations. Managers control time and processes, they put their needs above those of employees; they insist on complicated approval processes for even the smallest things and closely monitor all results. The problem with the autocratic model and micro management is that it leads to low employee morale, poor decision-making (no one will make a decision because he/ she is afraid of the decision being over

turned) and high turnover. As well, employees kept quiet about hating the workplace, they certainly made their feelings known at home and in the community. This model can get things done but it has high human costs. It can be useful in crisis situations, within armies or with short-term employees. The autocratic model was acceptable 100 years ago. However, today's understanding of people's needs as well as changing society values show better ways to organize behavior.

### 1.5.2 Custodial Model

In the late 1800's, employers realized that employees might work better if their basic needs more satisfied, if they were more secure and had a better quality of work life. This was called paternalism - taking care of employees by providing them with benefits to meet their security needs. The custodial approach depends on economic resources money for wages and benefits - to motivate employees. The company has to have enough money to cover these costs. By the 1930's most employers were offering welfare programs...for example, housing, medical care and insurance, fewer working hours, sick pay, pensions and paid vacation time off (Yukl, 2006) [26]. The problem with the custodial model is that it leads to dependence on the organization by the employee because of the security offered. Employees do not want to leave the organization, not so much because they like the job, but because they like or depend on the benefits that go with it. They cannot afford to quit. In this model, employees may focus on economic rewards. They may be reasonable content, but may not be highly motivated just passively cooperative. Companies that adopt the custodial approach normally have a lower staff turnover. However, employees do not produce their best work and are not motivated to grow to their full potential. The custodial model is a good foundation for organizations to grow to the next approach.

### 1.5.3 Supportive Model

The supportive model came from research done in the 1920's and 1930's. It depends on leadership, not authority or money. Through leadership, managers provide a work situation in which employees can develop. The supportive model assumes that employees want to work and will take responsibility. Employees are encouraged to be involved in the organization. Employees are more strongly motivated because their status and recognition needs are better met than with earlier models. The supportive approach is not about money, but about the way people are treated at work. A supportive manager helps employees solve problems and accomplish their work. However, some managers may agree with the model but not actually practice it at work. This model is followed widely, especially in the West, because it responds to employee drives for complex needs. It is especially useful in production work places. Employees in developing countries are aware of management practices around the world and are demanding more modern approaches (Eisenberger, 1990) [9].

Management orientation, therefore, is to support the employee's job performance rather than to simply support employee benefit payments as in the custodial approach. Since management supports employees in their work, the psychological result is a feeling of participation and task involvement in the organization. Employees may say "we", instead of "they" when referring to their organization. Employees are more strongly motivated than by earlier models

because their status and recognition needs are better met. Thus they have awakened drives for work.

#### **1.5.4 Collegial Model**

The term “collegial” relates to a body of people working together cooperatively (Bugler, 2002) [5]. The collegial model depends on management’s building a feeling of partnership with employees. The result is that employees feel needed and useful. They feel that managers are contributing also, so it is easy to accept and respect their roles in their organization. Managers are seen as joint contributors rather than as bosses. The managerial orientation is toward teamwork. Management is the coach that builds a better team. The employee’s response to this situation is responsibility. For example employees produce quality work not because management tells them to do so or because the inspector will catch them if they do not, but because they feel inside themselves an obligation to provide others with high quality (Chen, 2008) [7]. They also feel an obligation to uphold quality standards that will bring credit to their jobs and company. The psychological result of the collegial approach for the employee is self-discipline. Feeling responsible, employees discipline themselves for performance on the team in the same way that the members of a football team discipline themselves to training standards and the rules of the game.

This model began about 50 years ago. Many employees feel satisfied that they are making a worthwhile contribution (Cranny, 1992) [8]. This leads to self-actualization and moderate enthusiasm in the way they perform. The collegial model is especially useful for creative work like marketing or communications or in thinking environments, like education or planning. In this kind of environment employees normally feel some degree of fulfillment, worthwhile contribution, and self-actualization, even though the amount may be modest in some situations. This self-actualization will lead to moderate enthusiasm in performance.

#### **1.6 Organizational commitment**

Organizational commitment is defined in multiple ways. Organizational commitment refers to the employee’s emotional attachment to, identification with, and involvement in the organization and it is generally considered as a three dimensional construct comprising affective commitment, continuance commitment and normative commitment (George, 2008) [12] and (Hilgerman, 1998) [13]. It can be added that the concept of organizational commitment refers to the extent to which an employee feels a sense of allegiance to his or her employer organization. Therefore, an employee who is engaged to the organization is emotionally, cognitively and personally committed to the organization and its goals by exceeding the basic requirements and expectations of the job.

The concept of organizational commitment has recently evolved in management and attracts significant response in studying workplace behaviors and attitudes Meyer (1997) [21], as it is associated with two important organizational problems, one is employee’s intention to leave organization followed by actual decision to quit the organization Kotter (2001) [15]. Organizational commitment includes employee’s organizational loyalty, eager to be the part of organization, willingness to do level best for organization, and the extent to which employees perceive organizational goals and values their own (Bateman, 1984). Organizational commitment is

associated with a psychological condition of employee’s attachment with the organization (Lanshbrook, 1997) [16]. Organizational commitment is important for organizational effectiveness in that it enhances employees’ desire to remain in an organization, improves their performance, and stimulates their utmost efforts to accomplish the organization’s goals. It is also related to numerous work-related attitudes and behaviors, including satisfaction, involvement with one’s job and work motivation.

Moreover, organizational commitment has been linked to increased knowledge sharing, increased organizational citizenship behaviors, better organizational performance, reduced absenteeism and reduced turnover (Lee, 2009) [17]. Employee turnover is very costly as organizations have to spend money on exit interviews, severance pay, hiring costs, and lost productivity while training the new hires. Lok (2001) [19] and Madlock (2006) [20]. Conclude that getting the best workers and keeping them committed to the organization can help organizations survive and also increase their competitiveness.

### **2. Research Methodology**

The nature of this research can be categorized as positivism. In this type of research a theory is developed, data is collected which either supports or contests the theory, necessary revision is done and the theory is tested again. Positivism is when the researcher adopts the position of a philosopher, works with available data and the observable reality (Richmond, 2000) [22].

#### **2.1 Research Design**

A descriptive and quantitative research approach was deemed appropriate to gather the primary data and attend to the research questions. Descriptive research determines and reports the way things are (Robbins, 2009) [23]. This choice was made because this research involves investigating possible relationships among two or more variables and collecting data to test hypotheses. The variables are measured once through a survey where the opinions of the respondents will be illustrated.

#### **2.2 Target Population**

Participants of this research paper were the employees of different organizations. My targets were the employees of different Small-medium enterprises on the Copperbelt part of Zambia.

#### **2.3 Sample Size**

The Sample size of research was 100 respondents from which we collected data.

#### **2.4 Sampling Procedure**

Random sampling design to select sample from population was used. The researcher visited all these organizations and first of all, informed the respondents that all their information will keep confidential and then got the feedback directly from the respondents.

#### **2.5 Data Collection Instruments**

The measuring instrument for data collection from the employees is in the form of questionnaires which consists of close-ended questions. The questionnaires were preferred because they were

convenient to most respondents as they responded to the questions at their own suitable time and the interview provided the best means of getting detailed data for the study from individuals.

### 2.6 Data Analysis Techniques

The data was collected and edited for incompleteness and inconsistency to ensure correctness of the information given by the respondents. Variables were coded in Microsoft excel, and a statistical package (STATA Version 11.0) was used for data entry and analysis. Pearson's correlation coefficient was used to establish the relationships between leadership models and job satisfaction. Multiple regression analysis was used to determine how the predictor variable explains the dependent variable.

### 3. Findings and Discussion

In order to establish whether Leadership models have an impact on employee commitment, respondents were asked to give their views of the matter and below is the table showing respondents views.

**Table 1:** The impact of leadership models on employee commitment.

No	Variable	No. of Measures	Mean	STD. Deviation
1	Autocratic	6	3.18	0.69
2	Custodial	6	3.14	0.57
3	Supportive	6	2.94	0.86
4	Collegial	6	3.09	0.83
5	Employee Commitment	15	2.94	0.35

Source: Field Data (2015)

Table 1 represents the mean values of autocratic, custodial, supportive, and collegial leadership, overall employee commitment. The 3.07 mean values for overall job satisfaction describes the commitment of employees with different dimensions of their job. The results show positive attitudes of employees towards their work which means employees are to some extent committed their job. Aggregate mean value of 3.18 for autocratic leadership explains the employees' views about the leadership style of the supervisor. Autocratic leadership style has a higher mean value over the other leadership styles. Results show that employees are not happy with their supervisors or leaders. According to employees' responses, managers don't encourage their innovative thinking, and don't consider their personal feelings before acting or implementing a decision.

**Table 2:** Correlations

		1	2	3	4
1	Autocratic	1			
2	Custodial	.4586	1		
3	Supportive	-.5103	-.2043	1	
4	Collegial	-.4604	-.2034	.8313	1
5	Employee Commitment	-.3018	.0786	.3389	.491

Source: Field Data (2015)

According to the above table we can easily describe the relationship among our variables. As we know that correlation exists between +1 to -1. These two extreme points shows

positive and negative correlation. According to the above table our significant level for correlation is 1% (0.01). While according to the given table, significant value of Employee commitment (Dependent Variable) is 0.0786 with Custodial Leadership, 0.3389 with Supportive, and 0.4910 with collegial leadership. So this shows there is positive relationship between employee commitment and its dependent variables. However, Autocratic leadership ( $\beta = -0.3018, < 0.05$ ) was negatively related to employee commitment.

The positive relationship between the collegial, supportive, custodial leadership and the job satisfaction components imply that the use of contingent reward may enhance employee's commitment with their working condition and working assignment. Similar findings were made by (Akehurst, 2009) [1]. And Waldman, Bass and (Galup, 2008) [11]. These studies found collegial leadership behavior to be positively related to follower attitude and performance.

The study found that if managers encourage employees' innovative thinking, spends time to teach and coach them, consider their personal feelings before implementing a decision, helps them to develop their strengths, it will increase the level of emotional attachment that workers have with their organizations. As pointed out by Sergeat (2000) [24] employees will feel pride to be a part of it, find similarity between their own values and organization values, and ready to accept any type of job assignment for the smooth running of organization.

### 4. Conclusion and Recommendations

Overall, the purpose of this study was to determine the aspects of leadership models that affect employee commitment in the SME sector in Ndola, Zambia. The results showed that custodial, supportive, and collegial leadership model have a positive relationship with employee commitment whereas autocratic leadership style has a negative relationship with employee commitment in SMEs. For the linear regression test, the finding shows that collegial leadership has significant relationship with employee commitment. An overall, this research has shown that leadership has a positive relationship with employee commitment. This implies that collegial leadership is deemed suitable for managing small-medium enterprises. Organizations that have leadership capability to change their management approach using leadership skills will further improve their performance. Therefore, firms who want to adopt the job satisfaction must resource their initiatives and increase the capabilities that should be given serious attention by organization aiming to be world class. For the future research, the researchers should focus on other organizations either on private or government sectors in other cities in Zambia instead of Ndola. By doing so, the results obtained can be used to do the comparison of findings between Ndola and other cities in Zambia and elsewhere.

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