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Analysis of the Relationship between Leadership Styles and Affective Organizational Commitment

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Abstract

This research was conducted to address leadership styles and affective organizational commitment and what types of leadership styles that contribute the most to affective organizational commitment within SMEs in Johor retail sector commitment. Quantitative was used for conducting this research and the questionnaire was distributed to the person in charge in order to distribute to his colleagues. The prepared questionnaire which covered dimensions of transformational leadership style and transactional leadership style, and affective organizational commitment was adapted from Multifactor Leadership Questionnaire and other research. Statistical Package for Social Science (SPSS) was used for analysing data. Pearson Correlation Analysis will be used to measure the relationship in linear correlation between two numerical data variables, Regression and Multiple Regression analysis was used to test single or multiple independent variables and one dependent variable. Inspirational motivation has a significant and strong positive relationship with affective organizational commitment. The finding showed that leadership styles have a very strong relationship with affective organizational commitment. By further dividing into two different leadership styles, the transformational leadership style has a significant and strong positive relationship with affective organizational commitment while the transactional leadership style has a significant and weak positive relationship with affective organizational commitment. Even both leadership styles have contributed to the affective organizational commitment, the transformational leadership style contributes the most to the affective organizational commitment followed by transactional leadership style.

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Introduction

In Malaysia, Small-Medium Sized Enterprises (SMEs) has contributed a lot to the economic development (Hilmi, et. al., 2010). According to Census Report on SMEs 2011, SMEs were representing 97.3% of total business in Malaysia (Wong, 2013).

A good leadership is one of the criterial that driving SMEs to become successful and inadequate leadership and management skills will lead SMEs towards failure (Davies, Hides, & Powell, 2002). Reliable leadership behaviours are needed to be developed so that entrepreneurs are able to take their organizations no matter during good and bad times (Arham, Bourcher, & Muenjohn, 2013). Leadership styles that are applied by leaders can be determined whether the business is success or failure in future (Nave, 2006).

All organizations need appropriate leaderships to lead or manage daily business activities (Ladzami, Vurren, & Van, 2002). To become successful, SMEs leaders need to develop their own leadership behaviours based on their understanding of leaderships in order to achieve organizational goals and suitable leadership that are applied to organizations can also enhance the possibility of SMEs' successes (Arham, Bourcher, & Muenjohn, 2013). Instead, poor leadership and management skills can be concluded the causes of internal failures among small businesses (Beaver, 2003).

Based on the research that was conducted by Arham Fadhly Arham (2013), seven out of nine respondents recognized the right leadership behaviours are crucial part towards their organizational success. Besides, another research that was conducted by Roslan Abdul Aziz (2013) also showed that different leaderships styles such as transformational, transactional are the two main leadership styles that are commonly seen in Malaysia. Transformational leadership style has high influence towards business performance than transactional leadership (Aziz, Abdullah, & Tajudin, 2013).

In addition, leadership can boost the motivation of followers because of the higher chances of interactive opportunity with top management. Furthermore, the right leadership styles influence positive attitudes among followers and the contributions from followers will be greater than before due to the job satisfaction (Arham, Bourcher, & Muenjohn, 2013).

In Malaysia, leaders in SMEs are having both transformational and transactional leadership qualities. However, transformational leadership qualities are displayed more than transactional leadership qualities. Those leaderships have built the trust and confidence amongst followers which eventually increase working performance beyond what leaders expect them to do. Challenging with high expectation, one to one coaching, and encouraging followers to do decision making are qualities of transformational

leadership behaviour while it is effectiveness if organizations also provide rewards or penalties at the same time (Arham, Bourcher, & Muenjohn, 2013).

Problem Statement

This research is conducted to address leadership styles and affective organizational commitment in retail sector. In this research, the data was collected from retail sector in Johor. Employees who have experienced the superior-follower relationship were asked for participating to this study in order to find out the relationship between leadership styles and affective organizational commitment and to identify what leadership styles contribute the most to affective organizational commitment within SMEs in Johor retail sector.

In today environment, the retail sector has become competitive than before (Donthu & Yoo, 1998). In order to be a market leader, certain leadership styles are needed to be taken to their business to be more competitive (Berry, 1998). Especially for SME's leaders, they need to have proper leadership styles to achieve the desired business results (A., Wiklund, Frese, & Lumpkin, 2006). Moreover, the customer demand is more sophisticated and what they want is more than just buying cheaper and useful products but also their expectations of consumption experiences (Sellers, 1990). In order to gain a competitive advantage, retail outlets have to differentiate themselves to their competitor by meeting better customer requirement of high service quality (Parikh, 2006). Therefore, employees have a direct responsibility on the customer relationship and it will determine whether customers will be loyalty to the retailers (Teck-Hong & Waheed, 2011).

In organizations, the low level of productivity, service quality and organizational effectiveness are the effect of the low of the organizational commitment (Cemaloglu, Sezgin, & Kilinc, 2012). The organizational commitment generally has been identified to increase organizational citizenship behaviour and job performance, diminish turnover, and lower absenteeism in the past thirty years, (Mathieu & Zajac, 1990). Despite a lot of research that were done in the field, people still pay a high level of attention for organizational commitment because it is associated with preferred work attitudes such as increased job satisfaction, higher performance, lower absenteeism, and the intention of turnover (Clinebell, et. al.,2013).

As an observation that was done by Allen and Meyer, committed employees are least likely to leave the organization (Allen & Meyer, 1990). For the less committed employees, they tend to leave their organizations or emotionally or mentally withdraw from the organizations if they have no choice but to stay in the organization (Lok & Crawford, 1999). The effect of high turnover directly impacts the operational performance in an organization (Mathieu & Zajac, 1990). Organizations have to find other people to replace the position which causes the additional financial cost, the potential of loss of key skills, knowledge and experience, and other negative effect in organizations (Ponnu & Chuah, 2010). If organizations have to constantly recruit and train new employees due to the high turnover, it will be a burden for them (Teck-Hong & Waheed, 2011). Thus, it is important to investigate what reasons cause employees leaving and staying in order to diminish the high turnover.

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Another research also proved that the leader-follower relationship is one of the major determinants of organizational commitment (Yammarino & Dubinsky, 1992). The reaction of satisfaction and organizational commitment is the effect of leadership styles as a mediator (Clinebell, et. al., 2013).

Despite there are three different dimensions such as affective, normative, and continuance in organizational commitment, the researcher will only focus on the affective organizational commitment because the emotional attachment is the most manageable to affect employees' commitments in the desired way (Meyer & Allen, 1988). In this research, it focuses on the relationship between leadership styles and affective organizational commitment within small-medium size enterprises in Johor retail sector. In previous studies, leadership is one of the factor that causes organizational commitment. However, there is limited resources that specifically investigated in Johor retail sector in Malaysia. Therefore, researcher is interested in this particular sector of area. The research objectives include:

- To examine the relationship between leadership styles and affective organizational commitment within SMEs in Johor retail sector.

- To identify leadership styles that contribute the most to affective organizational commitment within SMEs in Johor retail sector.

Literature review

Transactional Leadership

In contemporary leadership literature, transactional leadership is a leadership behaviour that is involved in any places or situations that cannot be avoided among leader and follower. In order to perform transactional leadership roles, leaders should explain clearly about their expectation from followers, convey the message or information to be easier understanding and adapted by followers, and eventually tell followers what they will receive from followers as return (Den Hartog, Van Muijen, & Koopman, 1997). Followers are helped to recognize their task responsibilities, identify their goals. The transactional leadership tends to be task oriented instead of people oriented leadership style to enhance performance effectiveness. Finally, transactional leaders should provide feedback to followers that link to material and psychological rewards such as recognition, praise, and monetary rewards as contingent reward (Jung & Avolio, 1999). In transactional leadership, a high level of trust is not required to achieve the result (Bass, 1985). The transactional leadership is including contingent reward which is inappropriate for building trust (Gillespie & Mann, 2004).

There are three dimensions in transactional leadership which are contingent reward, management by exception actively, and management by exception passively (Bass & Avolio, 1995). Contingent reward refers to leader clearly explaining what should be done that must be achieved and rewarding those followers for good performance as exchange which is not necessary to be financial reward (Antonakis, Avolio, & Sivasurbramaniam, 2003). According to Hunt and Osborn, employees are less likely to be desirable if leaders apply non-contingent rewards comparing to contingent rewards (Hunt & Osborn, 1980).

In summary, Hunt and Osborn supported that contingent reward and punishment behaviours on the part of leaders are associated more with subordinate performance and attitudes than are non-contingent reward and punishment behaviours; leader contingent reward behaviour has more positive relationships with employees performance and satisfaction than does leader contingent punishment behaviour; non-contingent reward behaviour is more positively related to employee performance levels and satisfaction than is non-contingent punishment behaviour (Hunt & Osborn, 1980).

Besides, another research also proved that leaders who apply the contingent rewards such as giving financial rewards to employees and promoting them to a higher position if they have done a good job or giving them contingent punishment if they did not do their job properly will increase the working performance significantly (Podsakoff, Todor, & Skov, 1982). Based on Bass's argument, providing contingent rewards might also inspire the employee's loyalty, commitment, involvement as well as performance at a reasonable degree (Bass, 1995).

Another dimension is management by exception actively. Management by exception actively refers to leaders actively involved to help monitoring and improve working performance in order to make sure those standards and requirements are met (Antonakis, Avolio, & Sivasurbramaniam, 2003). Leaders will monitor followers' behaviour, help them to solve problem, and take actions before serious difficulties are created (Judge & Piccolo, 2004).

The last dimension in transactional leadership style is management by exception passively. Management by exception passively refers to leaders are only involved to help when problems arises (Antonakis, Avolio, & Sivasurbramaniam, 2003). Leaders who apply management by exception passively will only take actions after followers create serious difficulties (Judge & Piccolo, 2004). Some research shows that the management by exception passively has some similarity to Laisse-faire leadership which is treated as a final form of leadership. The laisse-faire leadership is considered as non-leadership and leaders who apply this leadership normally avoid making decision, hesitate in taking action, and are absent when needed (Avolio, Bass, & Jung, 1999). However, it has been argued that the laissez-faire leadership should be treated separately from transformational dimensions because leaders who apply the management by exception passively will still assist their followers after facing problems (Judge & Piccolo, 2004)

In conclusion, the management by exception is divided into either active or passive. the differences between management by exception actively and management by exception passively is the timing of the leader's intervention (Judge & Piccolo, 2004). It is often practiced in order to give employees work independently as much as possible (Bass & Avolio, 1993). For management by exception passively, employees are given a limitless freedom in the organization without intervention until employees ask for assistance while management by exception actively refers to superiors continually monitor employees' performance and make corrections throughout the process (Cemaloglu, Sezgin, & Kilinc, 2012).

Transformational Leadership

Transformational leadership refers to the connection between leaders and followers that is created to raise the motivation and morality among both involved parties with inspirational values (Northouse, 1997). Leaders who acquire this leadership style normally make an effort to raise the need of followers after aware the interest of each follower individually and hence fulfil personal and organizational goal achievement. (Yammarino, Spangler, & Dubinsky, 1998). In other words, transformational leadership is described as those leaders who always look for new way of working, find opportunities while face risks, and prefer effective answer rather than following the existing rules and regulations only (Lowe, Kroeck, & Sivasubramaniam, 1996).

In organization, leader-follower relationship of transformational leadership is supportive, delegative, participative, and collaborative which lead to effective performance (Porter, et. al., 1974). Leaders with this leadership style always encourage and promote their followers to participate in making decision and solving problem (Feinberg, Ostroff, & Burke, 2005). If followers need any assistance to develop abilities and skills or handle their own emotion, leaders will offer emotional support, giving direction, and identifying problem which indirectly help to build the mutual trust between leaders and followers (Gillespie & Mann, 2004). Besides, research done by May-Chiun Lo, T. Ramayah, and Ernest Cyril de Run (2010) also showed that transformational leadership styles have positive relationship with personal commitment to change in Malaysia higher education. Therefore, the effect of transformational leadership always affects the feeling of followers towards the leader such as feeling trust, admiration, loyalty, and respect which are motivating followers to do more than what they are expected to do (Yukl, 1994).

Theoretically, transformational leadership is divided into four dimensions which are idealised influence, inspirational motivation, intellectual stimulation, and individualized consideration (Avolio, Bass, & Jung, 1997). The first dimension of transformational leadership is idealised influence. Idealised influence which is also called as charismatic leadership concerns the expression of challenging goals and followers are motivated beyond their self-interest to achieve goal (Dionne, et. al., 2004). Leaders with idealised influence are highly trusted by followers and they are willing to take risks compared to transactional leadership style (Bass & Riggio, 2006). Because of the charismatic style, the behaviours of leaders are directly or indirectly influence followers to behave in similar way. Eventually, followers will also set a high standard of goal achievement as priority which is beyond their own interest and the expectation of leaders (Barbuto, 1997).

Besides, the second dimension of transformational leadership is inspirational motivation. Inspirational leadership refers to the method of how leaders motivate and inspire their followers to have organization commitment and leading them towards goal achievement (Bass & Riggio, 2006). Followers are inspired to accept challenging goals through enthusiasm and optimism (Bass & Avolio, Full range leadership development. manual for the Multifactor Leadership Questionnaire, 1997).

Furthermore, the third dimension of transformational leadership is intellectual stimulation. Intellectual stimulation refers to how leaders create, innovate, and develop

new approaches to solve existing problems by questioning their followers and making assumption (Bass & Riggio, 2006). Instead of asking followers to exactly follow what have been told by leaders, leaders with intellectual stimulation always encourage followers to create their innovative approaches to carry out daily responsibilities because followers may have some greater ideas to increase the effectiveness of their own task since they are the person in charged in the working position (Bass & Steidlmeier, 1998).

Finally, the last dimension in transformational leadership is individualized consideration. Individualized consideration refers to pay attention to the need of each followers and support them as a mentor or coach (Bass & Riggio, 2006). Leaders with individualized consideration recognizes every individual has their own need (Tracey & Hinkin, 1998). Depending on each individual needs, leaders with individualized consideration always provide coaching, mentoring, and growth opportunities after recognizing the needs of individual (Hartog & Van Muijen, 1997).

Affective Organizational Commitment

Affective commitment refers to individual has a strong feeling of affection, self-recognition and participation in the organization (Meyer & Allen, A three-component conceptualization of organizational commitment, 1991). It is an emotional attachment that causes employees to remain in the organization due to the interest of the organization rather than remaining in the organization may bring some advantages (Buchanan, 1974). It is developed when employees truly involve in the participation of organization and associate with the organization by recognizing their value of identity (Aghashahi, et. al., 2013). Because of loyalty and strong emotional bond with organization, individual is willing to behave in certain models based on company's perspective (Mahdi, Mohd, & Almsafir, 2014). The feeling of belongingness will motivate each individual to contribute their best and increase the performance effectively.

Besides, employees with high affective organizational commitment always feel that they are very comfortable to deal with other colleague, co-workers, and other members within the organization (Meyer & Allen, Testing the "Side-Bet Theory" of organizational commitment: Some methodological considerations, 1984). They have been treated fairly and considering themselves as a part of the organization. Thus, employees from the organization have a strong feeling to contribute their best as a return to their organization (Eisenberger, et al., 2010). When employees have socioemotional needs, it will increase their own identification with the organization and eventually increase their affective organizational commitment.

In contrast, employees with low affective organizational commitment feel that they are very uncomfortable to deal with others within the organization (Meyer & Allen, Testing the "Side-Bet Theory" of organizational commitment: Some methodological considerations, 1984). Therefore, employees with low affective organizational commitment don't consider themselves as a part of the organization and they have the feeling that they are treated unfairly in the organization.

Thus, it can be concluded that the affective organizational commitment is related to the employees turnover behaviour and absenteeism (Eby, et. al., 1999). Comparing to the

normative and continuance organizational commitments, affective organizational commitment is the most important components in predicting turnover intentions (Jaros, 1995). Thus, employees with low affective organizational commitment may have high absenteeism in the organization if they are still remaining in the organization with other purposes.

Relationship between leadership styles and affective organizational commitment

According to Aghashahi, Davarpanah Omar, and Sarli (2013), the data collected among 300 employees in a contact centre in Kuala Lumpur showed that both leadership styles which are transformational leadership style and transactional leadership style have medium positive effects on affective organizational commitment. Comparing the transactional leadership style, transformational leadership style has the strongest and most positive correlations with affective organizational commitment which is developed when the employees recognize the value of their identity in their organization. Besides, employees with emotional attachment to the organization will be motivated to make a greater contribution to shape the organization's vision. Therefore, researchers suggested that leaders should encourage the followers to look to problems and challenges them from creative perspectives in order to enhance the willingness of employees to stay loyal especially in contact centers where their employees are under high pressure and stress (Aghashahi, et. al., 2013).

Based on Cemaloglu, Sezgin, and Kilinc (2012), the data collected from 237 Turkish primary school teachers that were employed in Ankara showed that school principals were more likely to perform transformational leadership style than transactional leadership style. Those principals are trying to motivate their teachers by persuasion. However, the high level of continuance commitment showed that teachers are working on the economic interest mostly. Comparing to personal satisfaction, the economic earnings are more importance. Therefore, the low level of affective organizational commitment indicated that teachers cannot devote themselves to their schools properly. In this research, the result showed that idealized influence, inspirational motivation, intellectual stimulation, individualized consideration, conditional reward and management by exceptions actively are negatively related to teachers' organizational commitment while the affective organizational commitment is positively correlated with management by exceptions passively. In other words, the feeling of freedom and autonomy will increase the level of affective organizational commitment and teachers may not be necessary motivated or directed by their leaders to increase the emotional attachment to schools (Cemaloglu, Sezgin, & Kilinc, 2012).

Clinebell, et. al. (2013) found that both leadership styles have the impact on affective organizational commitment among two subsidiaries of one multinational enterprise operating in the IT industry. However, the transformational leadership style has the strongest positive effect on affective organizational commitment than transactional leadership style. In limitation of the research, the respondents might not be able to fully understand the distributed questionnaire survey since the english is not their first language (Clinebell, et. al., 2013).

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Furthermore, Yeh and Hong (2012) showed that both leadership styles are positively and significantly affected to affective organizational commitment among employees of a Taiwanese shoes subsidiary in China. It recommended that the affective organizational commitment can be created if their supervisors assist their employees to solve problems and fight for employee welfare. Besides, the affective organizational commitment can also be increased if they provide rewards based on employee working performance (Yeh & Hong, 2012).

Riaz, Akram, and Ijaz (2011) collected the data from 293 employees of 4 selected banks in banking sector also showed that there is significant and positive relationship between transformational leadership and affective organizational commitment. In recommendation, leaders have to apply transformational leadership style in order to increase the level of affective organizational commitment (Riaz, Akram, & Ijaz, 2011).

In addition, Sabir, Sohail, and Kham (2011) showed that transformational leadership styles has more positive effect than transactional leadership style on affective organizational commitment in Indian bank's employees. The transformational leadership style will give employees a critical thinking way which will also affect the affective organizational commitment (Avolio, Bass, & Jung, 1997). Employees will be more satisfied if their organization meet their expectation which indirectly increase their commitment to the organization and the increase level of the affective organizational commitment will help the organization to remain their employees. In the research, it also proved that the transformational leadership style dimensions such as intellectual stimulation, idealized influence, inspirational motivation are significantly correlated with the affective organizational commitment. (Sabir, Sohail, & Khan, 2011).

Based on Lo, Ramayah, and Min (2009), transformational leadership style has the strongest impact than transactional leadership style on affective organizational commitment among 156 Malaysian executive in manufacturing industry. Looking into detail, several dimensions of transactional and transformational leadership which are contingent reward, management by exception actively, intellectual stimulation, idealized influence, individualized consideration, and inspirational motivation have positively related to affective organizational commitment while the management by exception passively is the only dimension that has negatively related to organizational commitment. In conclusion, the research concluded that transformational leaders are more able to enhance commitment in employees than transactional leaders in Malaysian manufacturing industry (Lo, Ramayah, & Min, 2009).

The research done by Ajay K and Ramjee (2013) showed that transformational leadership style has a weak positive yet significant relationship with affective organizational commitment among 197 employees in a Parastatal Company in South Africa However, the transactional leadership style has weak positive yet no significant relationship with affective organizational commitment and it was concluded that there is insufficient evidence for the research. Although the relationship between the transformational leadership style and affective organizational commitment is not strong, the research suggested that leadership behaviours such as building trust, inspiring a shared vision, encouraging creativity and emphasising development have some related to employee commitment.

The research also showed that professionals derive their rewards from inward standards of excellence, from their professional societies and from the intrinsic satisfaction of their task is the reason why the relationship between transformational leadership style and affective organizational commitment is weak (Toffler, 1990). It also recommended that organizations should encourage leaders to develop transformational leadership style in order to improve the affective organizational commitment levels of its employees. In conclusion, respondents are more willing to maintain their relationship with their organization if they are affectively committed to their organization (Ajay K & Ramjee, 2013).

The data collected from 804 employees in two Turkish public hospital by Top, et. al. (2013) found that there is a weak and significant relationship between transformational leadership style and affective organizational commitment. The transformational leadership style enhance the emotional ties between leaders and followers to become stronger and it will also increase the affective organizational relationship to higher level. However, the research was only limited in the selected two public hospitals which might not be able to represent other hospitals or to other types of organizations (Top, et. al., 2013).

Acar (2012) also conducted a research which was related to transformational leadership style and transactional leadership style in 37 logistics firm in Marmara Region of Turkey. Based on the finding result, the most seen leadership style is transformational leadership style. Looking into dimensions, the most applied leadership styles are idealised influence, and intellectual stimulation and individualized consideration. The finding showed that inspirational motivation and individualized consideration of the transformational leadership style have the positive effect on affective organizational commitment and the both dimensions will motivate employees for future challenges. If employees feel that the vision of their leaders are the same as their expectation, they will also support their leaders to reach their objectives. Especially in logistic industry where employees would like to be promoted to the higher degrees in the hierarchical levels of the organizations as fast as possible, they will need their leaders to support them by inspirational motivation and individualized consideration (Acar, 2012).

From data collection among university academic staff at selected South-African institution, Wiza and Hlanganipal (2014) found that the transformational leadership style has a significant and positive relationship with affective organizational commitment. It showed that leaders play an important role to employee organizational commitment and organizational policy makers have to take what types of leadership styles are suitable to be applied into consideration in order to meet their organizational goals. In contrast, the relationship between transactional leadership style and affective organizational commitment such as exchange of rewards may not be directly related to the feeling of employees whether they would want to stay or need to stay with the organizations (Wiza & Hlanganipal, 2014).

Another research done by Mclaggan, Bezuidenhout, and Botha (2013) showed that both leadership styles have a significant relationship with affective organizational commitment among 88 employees in the coal mining industry in Mpumalanga. Although transactional leadership style is one of the way that their leaders behave, the

transformational leadership style is more common to be applied in the industry and all respondents are seem to be more commited to the organization in terms of affective organizational commitment. In result, it showed that employees will be more affectively committed to their organizations if their leaders make them feel important, show an interest in and value them as an important assets of the organization. In return, they will be more willing to stay with the organization because they feel that their efforts are being recognized. Eventually, they will be more productively because they know that their hard work will pay off (Mclaggan, Bezuidenhout, & Botha, 2013).

Lastly, Hussein and Costa (2008) collected data from 23 teachers in an Islamic school in a large urban centre in canada showed that that those teachers felt very commited to their schools because they belived that it is the right and moral thing to teach children about Islamic culture and religion even they are underpaid. From finding result, the score of transformational leadership style is higher than transactional leadership style. However, there is a very weak and no significant relationship between both leadership styles and affective organizational commitment. Even they felt emotionally attached to the school and their mission, both leadership styles did not have the direct impact on the affective organizational commitment (Hussein & Costa, 2008).

Method

Research design

In this research, quantitative was used for conducting this research. The reason of using quantitative in order to examine the relationship between leadership styles and affective organizational commitment, identify the level of affective organizational commitment and level of leadership styles in retail sector within Malaysia context based on the existing theory. For quantitative approach, it is to determine the relationship between independent variable and dependent variable. It is a standard method for testing existing theory and it is suitable for the purpose of this research (Organizing your social sciences research paper: Quantitative methods, 2016). In this research, the leadership styles are considered as independent variable and the affective organizational commitment is considered as dependent variable.

Population and Sample

The population is a group of people that the researcher targets. However, it is unnecessary and impossible to target a whole population to do the research (Saunders, Lewis, & Thornhill, 2012). To collect data conveniently, the researcher asked one of his friend who is an area manager in 3 electronic and furniture retail outlets to assist. Thus, the sample technique used in this research was non-probability convenience sampling. The total number of employees is 40 in 3 electronic and furniture retail outlets in Johor. Therefore, 40 questionnaires are prepared to all employees in these 3 electronic and furniture retail outlets in Johor.

Data Collection

For the data collection, the questionnaire was distributed to the person in charge in order to distribute to his colleagues. Because the data is collected specifically for this research, it is called as primary data which is directly received from respondents (Saunders, Lewis, & Thornhill, 2009). Primary data is a type of data source that is collected specifically for this research and it is directly collected from respondents (Saunders, Lewis, & Thornhill, 2009). In this research, the primary data is collected using questionnaires. Questionnaires were distributed to the retail participants whose job are related in the retail sector.

Research Instrument

The prepared questionnaire which covered dimensions of transformational leadership style and transactional leadership style, and affective organizational commitment was adapted from Multifactor Leadership Questionnaire and other research (Bass & Avolio, 1997; Rhoades, Eisenberger & Armeli, 2001). Besides, the prepared questionnaire ranged from strongly disagree to strongly agree by using 5 point Likert scale. On the other hand, gender, age, monthly income, highest qualification, and year of services were included in demographic items. The completing data collection is strictly confidential.

Results

Reliability Analysis

In order to ensure the used variables are reliability in this study, the Cronbach's Alpha test was used for testing. Table 1 displayed the Cronbach's Alpha used for this research. In Cronbach's Alpha analysis, a variable which is 0.7 and above is considered acceptable. In addition, the higher value that is above 0.8 is much preferable. Based on the finding result, the observation of all variables are exceed 0.7 by using Cronbach's Alpha analysis. Therefore, the collection data is considered reliable.

Table 1 Cronbach's Alpha Reliability Test

Variable	Number of Items	Cronbach's Alpha
Idealized Influence	3	0.884
Inspirational Motivation	3	0.747
Intellectual Stimulation	3	0.865
Individualized Consideration	3	0.864
Contingent Reward	3	0.874
Management-By-Exception	3	0.741
Affective Organizational Commitment	6	0.838

Descriptive Statistics

In this case study, data was collection from 3 furniture and electronic retail outlets in Johor. A total of 40 questionnaires were distributed to an area manager to distribute to his

controlled retail outlets. However, researcher only received 36 valid questionnaires from participants.

Normality Test

Normality test is to measure whether the data is normally distributed (Saunders, Lewis, & Thornhill, 2012). The normal distribution is a distribution of the event that are not predictable. If the distribution is perfectly distributed, these values of skewness and kurtosis should be zero. The table 2 is the result of the values of Skewness and Kurtosis for this study. The results showed that those variables are symmetrical when the values of the skewness and kurtosis are within -3 and +3 (Burns & Burns, 2008).

Table 2 Normality Test Output

Variable	Skewness	Kurtosis
Idealized Influence	0.659	0.586
Inspirational Motivation	0.654	0.572
Intellectual Stimulation	0.056	-0.163
Individualized Consideration	0.015	-0.179
Contingent Reward	0.609	1.379
Management-By-Exception	1.021	1.246
Affective Organizational Commitment	0.507	1.562

Relationship between Transformational Leadership Style and Affective Organizational Commitment

In order to determine whether there is a correlation between transformational leadership style and affective organizational commitment, the regression analysis and multiple regression analysis were chosen to be used. In the result, it showed that there is a significant and positive relationship between affective organizational commitment as dependent variable and dimensions of transformational leadership style which are idealized influence, inspirational motivation, intellectual stimulation and individualized consideration as independent variables. Table 3 showed that inspirational motivation has the highest value where $r = 0.676$, $p < 0.05$ which is followed closely by individualized consideration ($r = 0.665$, $p < 0.05$) and intellectual stimulation ($r = 0.662$, $p < 0.05$). Lastly, the idealized influence has a strong and positively significant correlation with affective organizational commitment ($r = 0.58$, $p < 0.05$). Therefore, all dimensions of transformational leadership style are significantly related to affective organizational commitment.

Table 4 describes the results of the regression analysis in order to determine the contribution of transformational leadership style on affective organizational commitment. Based on the table, the R square represents the total percentage that transformational leadership style contributes on affective organizational commitment was 52.8 %. Thus, it is a good prediction in predicting affective organizational commitment.

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The beta, β (standardized coefficients) is a measurement to measure how strong the independent variable affects dependent variable (Saunders, Lewis, & Thornhill, 2012). If the beta value is higher, it means that the independent variable affects greatly on the dependent variable. In this study, the beta means how strong the influence of transformational leadership style towards affective organizational commitment within SMEs in Johor retail sector. The table 5 showed that the transformational leadership style has a positive and significant correlation towards affective organizational commitment which beta value is 0.726.

Multicollinearity is a statistical measurement to show whether independent variables are highly correlated (Cooper & Schindler, 2014). The multicollinearity problem will occur when the tolerance is less than 0.2 or 0.1 and above (Hair, et. al., 2006). The result showed that the tolerance was higher than 0.1 and the value was below than 5. Therefore, there is no existing multicollinearity problem in this study. Thus, the regression analysis is acceptable.

Table 3 Relationship between Transformational Leadership Style Dimensions and Affective Organizational Commitment

Dimensions of Transformational Leadership Style	R	Sig.(p)	R Square
Idealized Influence	0.58	0	0.337
Inspirational Motivation	0.676	0	0.457
Intellectual Stimulation	0.662	0	0.438
Individualized Consideration	0.665	0	0.442

4.5 The overall Transformational Leadership Style on Affective Organizational Commitment

The purpose of using multiple regression is to examine whether transformational leadership style has an impact on job satisfaction in an organization. According to the table 3, the overall transformational leadership style is 0.514, p < 0.05. Based on the result, the value for tolerance exceed 0.2 and VIF value is less than 10. Thus, the regression analysis is acceptable because there is no any existing multicollinearity problem.

Table 4 The Overall Transformational Leadership Style on Affective Organizational Commitment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.726	0.528	0.514	0.50852

Table 5 Coefficients

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.273	0.389		0.701	0.488		
Transformational Leadership Style	0.896	0.145	0.726	6.162	0	1	1

Relationship between Transactional Leadership Style and Affective Organizational Commitment

In order to determine whether there is a correlation between transactional leadership style and affective organizational commitment, the Pearson correlation analysis was chosen to be used. In the result, it showed that there is a significant and positive relationship between affective organizational commitment as dependent variable and dimensions of transactional leadership style which are contingent reward and management-by-exception. Table 6 showed that management-by-exception has the highest value where $r = 0.672$, $p < 0.05$ which is followed by contingent reward ($r = 0.62$, $p < 0.05$). Therefore, all dimensions of transactional leadership style are significantly related to affective organizational commitment.

Table 7 describes the results of the regression analysis in order to determine the contribution of transactional leadership style on affective organizational commitment. Based on the table, the R square represents the total percentage that transactional leadership style contributes on affective organizational commitment was 51.4 %. Thus, it is a good prediction in predicting affective organizational commitment.

The beta, β (standardized coefficients) is a measurement to measure how strong the independent variable affects dependent variable. If the beta value is higher, it means that the independent variable affects greatly on the dependent variable. In this study, the beta means how strong the influence of transactional leadership style towards affective organizational commitment within SMEs in Johor retail sector. The table 8 showed that the transactional leadership style has a positive and significant correlation towards affective organizational commitment which beta value is 0.717.

Multicollinearity is a statistical measurement to show whether independent variables are highly correlated (Cooper & Schindler, 2014). The multicollinearity problem will occur when the tolerance is less than 0.2 or 0.1 and above (Hair, et. al., 2006). The result showed that the tolerance was higher than 0.1 and the value was below than 5. Therefore, there is no existing multicollinearity problem in this study. Thus, the regression analysis is acceptable.

Table 6 Relationship between Transactional Leadership Style Dimensions and Affective Organizational Commitment

Dimensions of Transactional Leadership Style	R	Sig.(p)
Contingent Reward	0.62	0
Management-By-Exception	0.672	0

The overall Transactional Leadership Style on Affective Organizational Commitment

The purpose of using multiple regression is to examine whether transactional leadership style has an impact on job satisfaction in an organization. According to the table 8, the overall transactional leadership style on affective organizational commitment is 0.717, $p < 0.05$. Based on the result, the value for tolerance exceed 0.2 and VIF value is less than 10. Thus, the regression analysis is acceptable because there is no any existing multicollinearity problem.

Table 7 The Overall Transactional Leadership Style on Affective Organizational Commitment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.717	0.514	0.5	0.516

Table 8 Coefficients

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.382	0.382		1	0.324		
Transactional Leadership Style	0.876	0.146	0.717	6.162	0	1	1

Leadership Style that contribute most on Affective Organizational Commitment

Multiple regression analysis was conducted to examine whether leadership styles have an impact on affective organizational commitment. Based on the table 10, it showed that two variables which are transformational leadership style (beta = 0.455) and transactional leadership style (beta = 0.288) are positive correlated to affective organizational commitment. The R square in table 9 represents the total percentage that leadership styles contribute on affective organizational commitment was 53.7 %. Similar to the previous two correlations between transformational leadership style and affective organizational commitment, transactional leadership style and affective organizational commitment, the multicollinearity does not exist in this study as well because values for tolerance exceeds 0.2 and VIF values are less than 10. However, the table 10 showed that the value of transactional leadership style is 0.427, $p > 0.05$ and the value of transformational leadership style is 0213, $p > 0.05$ are not significant. Thus, it is not good prediction in predicting affective organizational commitment.

Table 9 Leadership Styles that contribute most on Affective Organizational Commitment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0. 733	0. 537	0. 509	0. 51118

Table 10 Coefficients

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0. 252	0. 392		0.643	0.525		
Transformational Leadership Style	0.561	0.442	0.455	1.27	0.213	0.21	9.123
Transactional Leadership Style	0.352	0.437	0.288	0.427	0.427	0.21	9.123

Discussion of Findings

The discussion explained the findings from the analysis. Even some researchers had investigated what types of leadership styles that are more frequently applied in Malaysia, there are limitation of the research which types of leadership styles that contribute the most to affective organizational commitment within SMEs in particular area and sector. It is divided into several section that is supported by literature so that each part can be discussed in detail. The objectives of this study are

- To examine the relationship between leadership styles and affective organizational commitment within SMEs in Johor retail sector.

- To identify leadership styles that contribute the most to affective organizational commitment within SMEs in Johor retail sector.

Based on the objectives above, the following section will discuss the findings of the two objectives.

Research Objective 1: To examine the relationship between leadership styles and affective organizational commitment

The first objective of this study is to determine the correlation between leadership styles and affective organizational commitment in 3 furniture and electronic retail outlets in Johor. Leadership styles consist of transformational leadership style and transactional leadership style. Furthermore, the transformational leadership style has four dimensions which are idealised influence, inspirational motivation, intellectual stimulation, and individualized consideration. On the other hand, the transactional leadership style has two dimensions which are contingent reward and management by exception.

This study found that leadership styles have a very strong relationship with affective organizational commitment. Besides, transformational leadership style has a significant

and strong positive relationship with affective organizational commitment while the transactional leadership style has a significant and weak positive relationship with affective organizational commitment. According to Aghashahi, et. al. (2013), employees recognize the value of their identity in their organization. They will be motivated to make a greater contribution to shape the organization's vision.

In order to enhance the willingness of staying loyal to the organization, leaders should encourage the followers to look to problems and challenges them from creative perspectives where they are working under high pressure and stress. Besides, transformational leaders can also engage their followers to achieve objectives they do not think of. In result, followers will become more attached to their organization. Clinebell, Skudiene, Trijonyte, and Reardon (2013) and Riaz, Akram, and Ijaz (2011) also supported that the transformational leadership style has the strongest positive effect on affective organization commitment and leaders have to adapt transformational leadership style in order to increase the level of affective organizational commitment.

Based on Yeh and Hong (2012), the affective organizational commitment can be created if their supervisors assist their employees to solve problems and fight for employee welfare. Besides, the affective organizational commitment can also be increased if they provide rewards based on employee working performance. Thus, they suggested that organizations should consider selecting candidates with better leadership traits when they want to hire management level employees. It will motivate other lower level employees to increase their affective organizational commitment. Moreover, leaders should also adjust their leadership style when dealing with different employees to complete their job effectively.

Another previous study that was done by Sabir, Sohail, and Kham (2011) showed that the transformational leadership style will give employees a critical thinking way which will also affect the affective organizational commitment. Employees will be more satisfied if their organization meet their expectation which indirectly increase their commitment to the organization and the increase level of the affective organizational commitment will help the organization to remain their employees. Ajay K and Ramjee (2013) also recommended that leadership behaviours such as building trust, inspiring a shared vision, encouraging creativity and emphasising development have some related to employee commitment. Top, et. al. (2013) also suggested that the emotional ties between leaders and followers will also help employees to be attached to their organization.

According to Acar (2012), employees will support their leaders to reach their objectives if they feel that the vision of their leaders are the same as their expectation. Especially in the hiearchical levels organizations, employees need their leaders to support them to be promoted to the higher level of position. Wiza and Hlanganipal (2014) also suggested that leaders play an important role to employee organizational commitment and organizational policy makers have to take what types of leadership styles are suitable to be applied into consideration in order to meet their organizational goals. Employees will be more affectively committed to their organizations if their leaders make them feel important, show an interest in and value them as an important assets of the organization (Mclaggan, Bezuidenhout, & Botha, 2013).

In contrast, Cemaloglu, Sezgin, and Kilinc (2012) argued that the feeling of freedom and autonomy will increase the level of affective organizational commitment and followers may not be necessary motivated or directed by their leaders to increase the emotional attachment to organization. They found that leaders do not intervene with the job that followers are doing and give them limitless freedom and the feeling of personal job satisfaction will increase their level of commitment to the organization instead of the style that their leaders behave. Another research also argued that leadership styles did not have the direct impact on the affective organizational commitment because this is their obligation to be committed to their organization as members of the organization (Hussein & Costa, 2008).

Looking into detail, the finding result of transformational leadership style dimensions which are inspirational motivation, individualized consideration, intellectual stimulation, and idealized influence and transactional leadership style dimensions which are contingent reward and management-by-exception also have a significant and strong positive relationship with affective organization. It is supported by Sabir, Sohail, and Kham (2011) that the transformational leadership style dimensions are significantly correlated with the affective organizational commitment because employees will prefer to stay in the organization if their management has satisfied their individual needs.

According to another research, Acar (2012) recommended that inspirational motivation and individualized consideration are the motivation for employee future challenges which will help them to be affectively committed and emotionally attached to their organization. Lo, Ramayah and Min (2009) also suggested that effective managers will prefer to work with their subordinates and the relationship between both sides will be getting better which will indirectly help to improve their emotional feeling towards their organization instead of isolating their subordinates.

However, Cemaloglu, Szegin, and Kilinc (2012) argued that all leadership style dimensions which are idealized influence, inspirational motivation, intellectual stimulation, individualized consideration, contingent reward, and management by exception actively are negatively related to affective organizational commitment except the management by exceptions passively. Based on understanding, this result may due to teachers as employees may not be necessary directed by their principal as leader while performing their working tasks. Instead, they prefer to have a freedom and autonomy while performing their working tasks without any intervene by others higher position level management (Cemaloglu, Sezgin, & Kilinc, 2012).

Research Objective 2 : To identify leadership styles that contribute the most to affective organizational commitment

Based on the finding result, the transformational leadership style has the stronger impact on affective organizational commitment than the transactional leadership style. However, the finding cannot be accepted because of no significance. Even so, a lot of previous research also proved that organizations should encourage leaders to develop transformational leadership style in order to improve the affective organizational commitment levels of its employees (Aghashahi, Davarpanah Omar, & Sarli , 2013; Clinebell, et. al., 2013; Yeh & Hong, 2012; Sabir, Sohail, & Kham, 2011; Ajay K &

Ramjee, 2013; Acar 2012; and Wiza & Hlanganipal, 2014; Lo, Ramayah, & Min, 2009). Respondents are more willing to maintain their relationship with their organization if they are affectively committed to their organization. Especially for the affective organizational commitment, the transformational leadership style has the direct impact on it.

The transormational leadership style dimensions such as individual consideration, inspirational motivation, idealized influence, and intellectual stimulation will make subordinates to think that their identity is recognized by their organization and their organization has value them also (Clinebell, et. al., 2013). Thus, the transformational leadership style has the strong impact on the emotional attachment to organizations comparing to the transactional leadership style and the transactional leadership style such as exhange of rewards may not be directly related to the feeling of employees whether they would want to stay or need to stay with the organizations (Ajay K & Ramjee, 2013).

Managerial Implication

The purpose of this study is to examine the relationship between leadership styles and affective organizational commitment. There are two research objectives which are the relationship between leadership styles and affective organizational commitment and to examine which leadership styles contribute the most to affective organizational commitment. The results from this study are based on the respondents at 3 furniture and electronical retail shops.

The relationship between leadership styles and affective organizational commitment is supported in this study. The findings have contributed most to the affective organizational commitment in the 3 furniture and electronical retail shops. The investigation of this study is an effort to identify the correlation between leadership styles and affective organizational commitment. This study has suggestions for entrepreneurs and management team within small medium enterprises in Johor retail sector as other businessman who concerned about their leadership styles on affective organizational commitment in Malaysia.

The present study tries to analyse the relationship between leadership styles and affective organizational commitment. Based on the current results leadership styles are important criteria to affect affective organizational commitment. Comparing to transactional leadership style, transformational leadership style has more impact on the affective organizational commitment. Employees who have emotional attachment to their organization are more satisfied for their job and feel more committed to it. Besides, this study also provides an insight into the relationship between leadership styles and affective organizational commitment and show entrepreneurs and management team how to manage their employees to have a positive attitude and contribute their best to their organizations. The better understanding about leadership styles that affect employee affective organizational commitment will help organizations to retain valuable employees, increase job performance, lower absenteeism, increase job satisfaction and diminish turnover intention of employees.

Therefore, other small medium size enterprises in retail sector may refer to this finding result and apply the suitable leadership styles in their organizations in order to enhance

their employees' organizational commitment which will result in increasing their productivity, efficiency and effectiveness.

Limitation of study

There are some limitations in this study. This study collected data from three furniture and electronical retail shops in Johor. Therefore, the outcome cannot represent the overall retail sector in Johor since the data collection was not from the entire population. The possibility of being biased is existed because the data collection from three furniture and electronical retail shops are under a retail company. The obtained data for this study can only be represent the perceptions of their employees towards the organization rather than the entire population. Because the prepared questionnaires are written by English, respondents may not be fully understanding about the distributed questionnaires since English is not the first language in Malaysia.

Recommendation for Future Research

The purpose of this study is to examine the relationship between leadership styles and affective organizational commitment. Two research objectives which are to examine the relationship between leadership styles and affective organizational commitment within SMEs in Johor retail sector and to identify which leadership styles that contribute the most to affective organizational commitment within SMEs in Johor retail sector are investigated. Respondents of this study are from 3 furniture and electronical retail shops in Johor. Therefore, few recommendations are suggested for future research to further enhance the employment of this findings.

This study was conducted in the furniture and electronical retail shops in Johor. For future research, the study should examine the dimensions of both leadership styles on three organizational commitments in different industries in Malaysia. Besides, future researchers may come out different language of questionnaire in order to minimize the misunderstanding about what the questions are. A similar study should be conducted in other sectors as well. Other researchers can also do a further research in the same industry because the sample size of this study is too limited and it cannot represent the all retail sector in Johor. In addition, this study only focuses on the relationship between both leadership styles and affective organizational commitment. For future study, the organizational commitment should be discussed to determine which types of organizational commitment have a better impact on increasing employee performance in every situation which beyond their job requirement.

Conclusion

This research studied on the relationship between leadership styles and affective organizational commitment. The findings suggested that leadership styles have a very strong relationship with affective organizational commitment. Both leadership styles have contributed to the affective organizational commitment. By doing comparison, transformational leadership style contributes the most to the affective organizational commitment followed by transactional leadership style.

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