

Impact of Leadership Styles on Organizational Commitment: Empirical Evidence from Small and Medium Enterprises in Can Tho - Vietnam

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Abstract

This study aims to investigate the impact of leadership style on organizational commitment in the context of small and medium enterprises (SMEs) in Vietnam, thereby proposing some implications to enhance the engagement between employees and SMEs. This study adopted the Multiple Leadership Styles scales and Organizational Commitment Questionnaire to develop a survey questionnaire in the context of Can Tho - Vietnamese SMEs. Primary data was then collected by distributing 300 questionnaires to employees, who are working at SMEs in Can Tho - Vietnam. There were 217 valid questionnaires that were eligible for further analysis including Cronbach's alpha reliability analysis, exploratory factor analysis, and multivariate regression analysis. Our estimated results indicated that transformational, transactional, and passive/avoidant leadership styles had a significant relationship with organizational commitment. Specifically, transformational and transactional leadership style has a positive impact on organizational commitment, which is denoted by loyalty, effort, and pride of employees. Meanwhile, passive/avoidant leadership style has both a negative impact and a positive impact on employee commitment. This is a new contribution found from the study that leadership style has a considerable impact on organizational commitment.

Keywords: *Leadership style, Organizational commitment, SMEs.*

1. INTRODUCTION

Leadership, which is one of four key element functions of a manager (planning, organizing, leading and controlling), has a considerable effect on the success or failure of any enterprise or non-profit organization. The extant literature has demonstrated that the personality traits of managers dominate their leadership behavior (Purnomo et al., 2020; Argyris, 1955; Mahoney et al., 1960). In other words, leadership is defined as the ability of a manager to influence his/her staff members and force them to fulfill or follow his/her requirement, moreover, the way how to impact other staff members depends on the nature and characteristics of the manager. Noticeably, recent studies of Fiedler (1967), House

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(1971), Vroom & Yetton (1974), Bass (1985, 1992, 1999), and Bass & Avolio (2004) have established a new standard for studying leadership behavior. Those studies stated that managers should have different leadership behavior depending on the characteristics of the clan of employees and circumstances. As a result, those different behaviors of managers form various leadership styles.

Besides, small and medium enterprises (SMEs) are viewed as the main force to uphold socio-economic development regarding the globalization context. They represent the majority of businesses within a country, generate wealth and jobs, and are considered the key factor of a country's competitiveness. More important, SMEs are praised for their pivotal role in promoting local economic growth and guaranteeing equitably sustainable development (Zawawi & Putrawan, 2019; Pelham, 2000). In Vietnam, SMEs account for 97 percent of total enterprises, generate jobs for more than 5 million laborers and contribute to 45 percent of the total gross domestic product. Additionally, SMEs are operating effectively in mobilizing social resources for investing in social-economic development; contributing significantly to the state budget and fostering economic development; stimulating improvement, creative innovation and application in production and business process that contribute to formulating a dynamic economy and high competitiveness (Ministry of Planning and Investment, 2021).

Today, each manager can perform his/her leadership behavior according to different business circumstances with the expectation that employees will also gladly follow his/her leadership style. In fact, there are some employees willing to accept and stay with their company for a long time, on the contrary, there are employees who resist and leave the organization. To take into account this issue, some scientists spend considerable concentration on investigating the engagement behavior of employees. Especially in Vietnam, research on leadership style has initially received much attention from academia and professionals, as well as some theories related to the leadership style that have been widely taught in business and management schools (Katper et al., 2020; Hoai, 2012; Huong & Ngoc, 2016). Recently, the Covid-19 pandemic has seriously caused unprecedented challenges in sustaining and developing business activities. Hence, organizations and businesses are increasingly aware of the management capacity and leadership behavior of managers play a crucial role in achieving business goals and strengthening competitiveness.

Nevertheless, to the best knowledge of the authors, there are few studies related to leadership style have been conducted in developing countries such as Vietnam. Therefore, this study is aimed to analyze the impact of leadership style on the engagement of employees who have been working in SMEs in Vietnam. The outcome of this study will provide some valuable managerial implications to maintain and strengthen the long-term cohesion of employees and their firms.

2. THEORETICAL BACKGROUND AND RESEARCH MODEL

Argyris (1955) and Mahoney et al. (1960) are pioneer researchers who have explored the particular characteristics of successful leaders. The personality theory states that successful leaders are inbred and they have innate qualities that allow forming distinct styles which can distinguish them from unsuccessful leaders (Stodgill, 1948). Nonetheless, the personality theory has difficulty in classifying and validating these peculiarities. As a consequence, the limitation of the personality theory posed the exigency for a new approach named leadership style (Stodgill, 1948). Behavioral leadership theory has shifted away from studying characteristics of leader to a new approach that concentrates on researching leadership behavior and styles (Hemphill & Coons, 1957; Likert, 1961), and these studies have a common conclusion that leaders who own a democratic or participative leadership style are often more successful (Bowers & Seashore, 1966). Similar to the personality theory, the weakness of

Behavioral leadership theory is that it ignores the important role of situational factors in evaluating the effectiveness of leadership behaviors (Mullins, 1999). This limitation gives rise to form the contingency theory and situational theory (Fiedler, 1967; House, 1971; Vroom & Yetton, 1974) which state that effective leadership explicitly depends on the leader's experience and assertiveness, and also, their understanding of situational factors. And this theory argues that leaders should flexibly apply appropriate styles associated with each situation.

Following the previous studies, recent researchers concentrate on analyzing the relationships and influence of leadership styles on individual factors in the organization such as employee commitment, employee behavior, organizational culture, job stress, or employee personality. Noticeably, various researchers have explored the relationship between leadership style and organizational commitment, which is another aspect of employee satisfaction, and they have come to different conclusions. For instance, numerous empirical studies by Glisson & Durick (1988), Savery (1994), Zeffane (1994), Wilson (1995) and Nijhof (1998) have proven that there is a strong relationship between leadership style and employee commitment. In contrast, studies by Hunt & Liesbscher (1973), O'Reilly & Robert (1978) and Hampton et al. (1986) have shown that leadership style does not have any impact on employee commitment. Besides, Bass (1985) and Fiol et al. (1999) have found that there is a positive impact of transformational leadership on employee commitment or organizational commitment.

Obviously, organizational commitment has been a popular research topic over the past two decades because of its importance in the development of an organization (Mowday et al., 1982; Allen & Meyer, 1990; Becker, 1992). Despite academic advances, theoretical controversies related to employee commitment still exist, especially about the nature of the concept and how it should be applied in an organizational context (Hunt & Morgan, 1994; Mathieu & Zajac, 1990). The differences are mainly related to the employee's psychological state which is expressed in the commitment to the organization, the influence conditions that have a decisive effect on developing the engagement of employees, and the expected behaviors as a result of the commitment to the organization (Allen & Meyer, 1990). Compared to previous studies, the number of components and their meaning in organizational engagement are totally different in today (Allen & Meyer, 1990; Mathieu & Zajac (1990); Stum, 2001; Dung, 2006, Katper et al., 2020).

Among many definitions and components of the concept of organizational commitment, the definition proposed by Mowday et al. (1982) and the concept proposed by Allen & Meyer (1990) are widely accepted and utilized in today's research (Mayer, 1992; Benkhoff, 1997). In specific, the concept proposed by Allen & Meyer (1990) focuses on the psychological state including the voluntary feeling of desire to be engaged with the organization; the obligatory need to engage with the organization; or should stick with the organization. Meanwhile, the definition of Mowday et al. (1979) suggests that the sense of belonging to the organization is identified as the strength of the identification with the organization and the involvement in the organization. On the one hand, Dung (2006) has found that the most widely accepted organizational commitment scales (OCQ) in the world were built in developed countries in Western which had so much disparity in conditions of economic, social and cultural environments compared to developing countries in Asia. Thus, the scale of organizational commitment in the context of Vietnam has been built from inheriting and adjusting the OCQ scales of Mowday et al. (1982).

Numerous quantitative studies on the impact of leadership styles on employee engagement have been conducted in different countries and business sectors. For instance, Raja & Palanichamy (2011) have investigated those impacts in the context of the electricity and heat sector in India, meanwhile, Garg & Ramjee (2013) have studied the case of semi-state-owned companies in South Africa, and the study by Sharon et al. (2013) has focused on the information technology firms in Lithuania and Central European countries. In addition, Alyami (2013) has examined those effects in the field of

Health in Saudi Arabia, and Cho et al. (2019) have investigated the case of leading companies in the United States and Korea, while, Abasilim et al. (2019) have conducted a survey of staff in Lagos Nigeria's State Public Affairs Commission. In Vietnam, there are several studies have been conducted to examine those impacts in the field of the postal industry (Hoai, 2012), IT sector (Khanh, 2013) and banking sector (Tuyen và Điệp, 2017). Noticeably, Khang (2013) and Huân (2019) have surveyed numerous staff from all occupations in order to have a deep understanding of the impact of leadership styles on employee engagement.

Overall, most of the previous empirical studies have shown a lack of consensus on the relationship between leadership style and organizational commitment. However, these disparities in the findings make ones think about the prevalence and influence of the relationship between leadership style and employee engagement with the organization. Moreover, depending on some factors such as culture and ethnicity, there are different leadership styles, and each type has different effects on cohesion. In general, the prior studies share a commonality that applying the MQL (Multiple Leadership Styles) scale which was proposed by Bass (1985, 1992, 1999) and Bass & Avolio (1992, 2004) to measure the leadership style. Meanwhile, the scale of organizational commitment is built on the basis of the OCQ scale developed by Meyer & Allen (1997) and Mowday et al. (1979).

Employee commitment to an organization has many aspects. For instance, there is an engagement between employees with their organization, between employees in a group of work and between employees with their leader. Also, there is a commitment to one's personal responsibility and career. There can also be an ethical engagement with one's beliefs and values, with the values of others in the organization, and with the values of the organization as a whole. In fact, leaders could play a pivotal role in influencing the level of employee commitment by boosting their subordinate's engagement with the group and with the organization. Effective leaders can organize these aspects of cohesion to illustrate fundamental consensus among the goals and values of employees with groups and organization. Kark & Shamir (2002) argue that transformational leadership affects both followers' relational and their engagement with the leader, and also positively affects the social identity of followers within a group or organization.

As a consequence of the Covid-19 pandemic, there is a tendency in reducing the size of employees in numerous organizations. Alarmingly, there is an increase in the number of employees who put their self-care and career advancement above loyalty to their employer. Thus, employee commitment is becoming extremely important, especially, at a time when many were convinced that the “traditional contract” between the employer and employee had been broken. Besides, an important aspect of leadership is developing, maintaining, and strengthening this commitment which could make employees willing to dedicate or even sacrifice themselves to achieve organizational goals. Moreover, the engagement of transformational leaders also includes a sense of responsibility for the people and the mission; this responsibility is rooted in the leader's own conscience and intrinsic values.

Additionally, each element of leadership style can contribute to forming employee engagement in divergent ways. A leader, who is a prototype of his/her subordinates and who behaves consistently with the values his/her favors, is able to build engagement with values, goals or standards behavior of a group or organization. Simons (1999) has mentioned the degree of consonance between the values or actions that the leader espouses and the actual compliance of employees as well as behavioral integrity.

Some scholars have suggested that organizational commitment takes many different forms such as professional, ideology or organizational commitment. Allen & Mayer (1990) have distinguished three elements of organizational commitment including the affective element (employees' emotional involvement with the organization), the continuance element (commitment based on expected costs of leaving the organization)

and the normative element (employees' consciousness of duty to stand with the organization). Similarly, Penley & Gould (1988) refer to moral engagement (similar to emotional engagement) and computational engagement (relating to the pros and cons of leaving compared to staying with the company). Based on the OCQ theory proposed by Mowday et al. (1979), Dung (2006), Banjarnahor et al (2020) has identified loyalty, effort and pride as a measure of organizational commitment which is valuable and appropriate in the context of Vietnam. As a prediction, the transformational leadership style may have the strongest influence on emotional (or moral) engagement, meanwhile, other forms of engagement (continuance, normative, computational) are more likely to be affected by the transactional leadership style.

Transformational leadership style involves transforming and inspiring employees by creating a fascinating latest vision, encouraging subordinates to go beyond their own interests for the benefit of the organization, and stimulating the subordinates' demand for a higher position in the organization. Apart from that, transformational leaders bolster internalization which means binding organizational targets to the values and personal attitudes of subordinates as their influence strategy. In fact, a transformational leadership style is appropriate in an organization that has a flatter structure, lower power distance, and decentralized decision-making orientation.

Previous empirical studies by Bass (1985), Fiol et al. (1999), Raja & Palanichamy (2011), Hoai (2012), Garg & Ramjee (2013), Sharon et al. (2013), Alyami (2013), Khanh (2015), Keskes et al. (2018), Huan (2019), Cho et al. (2019) and Abasilim et al. (2019) have confirmed that there is a positive impact of transformational leadership style on employee engagement. Meanwhile, Hoai (2012), Garg and Ramjee (2013), Alyami (2013), Sharon et al. (2013), Huan (2019), Cho et al. (2019) and Abasilim et al. (2019) have proved that transactional leadership style causes a positive effect to employee commitment. Nonetheless, previous studies have not yet reached consensus on the impact of passive/avoidant leadership style. Evident that Sharon et al. (2013) and Alyami (2013) have found a negative impact of avoidant/passive leadership style on engagement, meanwhile, Hoai (2012) and Abasilim et al.. (2019) demonstrated that avoidant/passive leadership style has a positive effect on engagement with an organization.

This study aims to investigate the influence of leadership style on organizational commitment in the context of Vietnam, hence, our expected results are similar to the study by Hoai (2012) who has demonstrated that all three kinds of leadership styles have a positive impact on employee engagement. In other words, eight independent variables, which represent three kinds of leadership, have a positive impact on each component of employee commitment. In specific, our research model is illustrated in Figure 2.1 below:

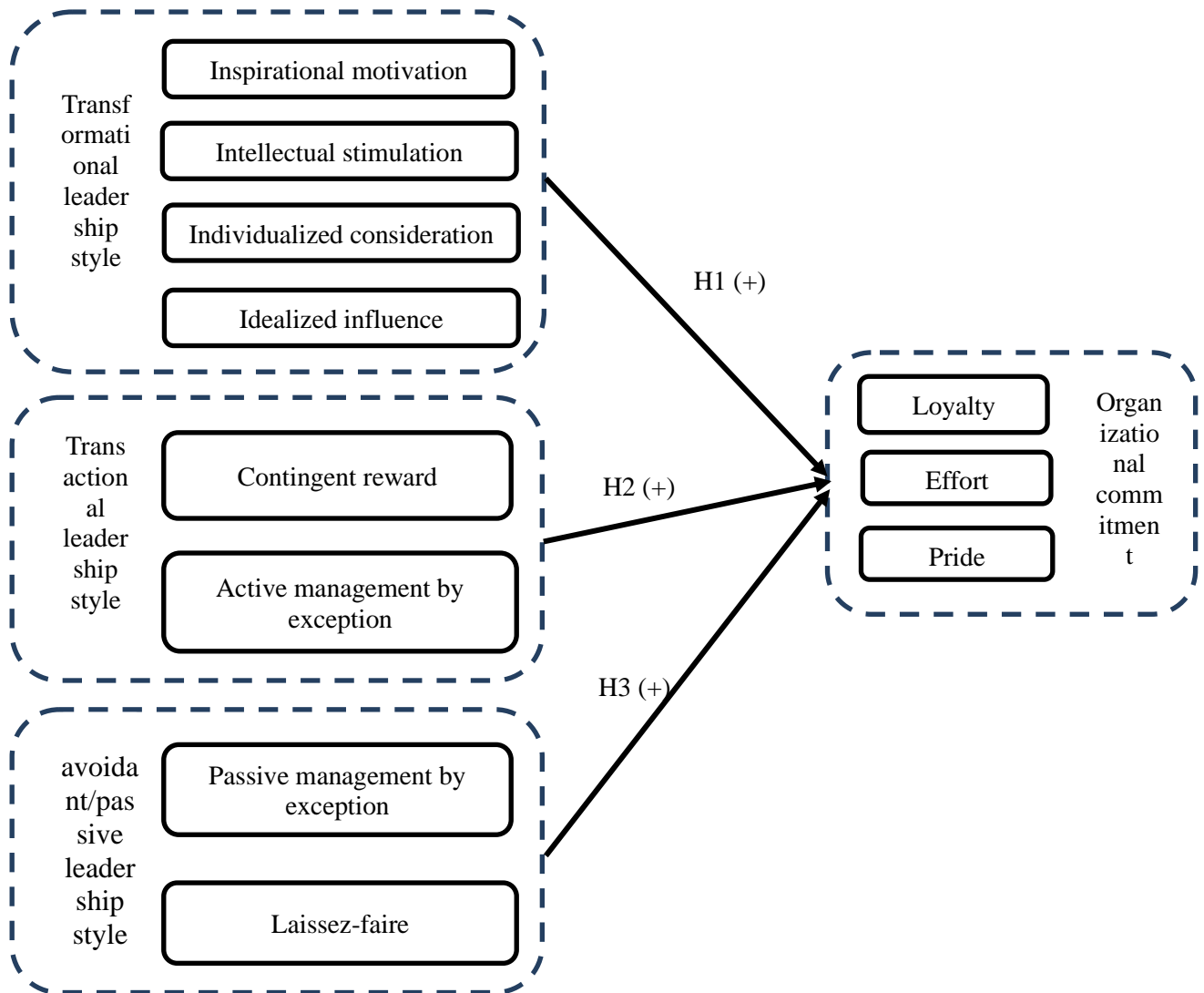


Figure 1. Research model

Hypothesis H₁: Transformational leadership style has a positive impact on organizational commitment

Leaders, who own transactional leadership style, explicitly articulate their views on employee performance, and in turn, they reward some deserved offerings for those who get things done effectively. Employee compliance is one of the critical power for transactional leaders, which means subordinates have to follow any directions or commands from their leader. Additionally, Webb (2007) has agreed that transactional leaders use contingent reward to motivate their employees.

Hypothesis H₂: Transactional leadership style has a positive impact on organizational commitment

The avoidant/passive leadership style is characterized by the leader totally allowing team members to make their own decisions. Previous studies have demonstrated that the avoidant/passive leadership style often leads to the lowest work effectiveness.

Hypothesis H₃: Avoidant/passive leadership style has a positive impact on organizational commitment

3. RESEARCH METHODOLOGY

3.1 Sample

In this study, primary data was collected by directly distributing survey questionnaires to employees working in various SMEs located in Can Tho city – Viet Nam, a social-economic center of the Mekong Delta in Vietnam. In fact, there are 217 eligible respondents attended our survey (the response rate is 75.7%), and this sample size, which satisfied the criteria that the minimum ratio of observations per variable must be at least 5:1 (Hair et al., 2009), guarantees our study is suitable and able to perform exploratory factor analysis (EFA) and multivariate regression as well.

3.2 Measurement

There were 41 observed items that were used to denote 11 latent constructs, including 8 independent variables and 3 dependent variables. All observed items were measured by the Likert five-point scale and then analyzed by utilizing SPSS software. At first, we assessed the reliability of the measurement scale to test the closeness and correlation between observed items in the same construct. After that, exploratory factor analysis (EFA) was utilized to identify the latent constructs of the above set of measured variables. Finally, the impact of those constructs on dependent variables was examined by employing multivariate regression analysis.

4. RESULT

4.1. Descriptive statistics

Overall, there was no significant difference in the number of male and female respondents who voluntarily attended our survey. Meanwhile, the vast majority of respondents had an age range from 18 to 35 years old (accounting for more than 60% of the total respondents). Noticeably, the rate of knowledgeable respondents (representing 53%), who has a bachelor's degree, was dominant in our sample due to the fact that Can Tho city – Viet Nam plays a pivotal role in university training in the Mekong Delta region. Besides, most of the respondents (approximately 72.4%) had less than 5 years of experience and the proportion of respondents had a low-medium income (ranging from 215 USD to less than 430 USD per month) accounting for 46.5%. In short, the statistical result from Table 1 shows that our sample is demographically diverse.

Table 1. Socio-demographic characteristics of the respondents

Characteristics	Frequency	Percentage
Sex		
Male	117	53.9
Female	100	46.1
Age (years old)		
From 18 to 25 years old	56	25.8
From 26 to 35	76	35.0
From 36 to 45	54	24.9
Over 45	31	14.3
Education background		
High school or below	19	8.8
Junior college	80	36.9

University	115	53.0
Postgraduate education	3	1.4
Year of experience		
Less than 1 year	33	15.2
From 1 year to less than 3 years	69	31.8
From 3 years to less than 5 years	55	25.3
More than 5 years	60	27.6
Income (monthly)		
Less than 215 USD	29	13.4
From 215 USD to less than 430 USD	101	46.5
From 430 USD to less than 645 USD	60	27.6
More than 645 USD	27	12.4

Sources: Survey's result (2021)

4.2. Reliability analysis

It can be seen from Table 2 that the construct of Passive management by exception (MEP) was eliminated because its Cronbach's alpha value was lower than 0.6, not only that but the item LF2 was also removed to improve the Cronbach's alpha score of construct Laissez-faire (increasing from 0.742 to 0.794). Meanwhile, all 7 remaining constructs of independent variables had Cronbach's alpha indexes that were above 0.7. Besides, Cronbach's alpha values of Loyalty (LO), Effort (EF), and Pride (PR) were 0.904, 0.903, and 0.834, respectively. Thus, after eliminating some unqualified items, the measurement scales of the remaining constructs, including 7 independent factors and 3 dependent factors, were high reliability and qualified enough to perform EFA in the following step.

Table 2. Reliability analysis result

	Latent variables (factor)	Number of items	Cronbach's Alpha
Independent variables	Inspirational motivation (IM)	4	0.769
	Intellectual stimulation (IS)	4	0.810
	Individualized consideration (IC)	4	0.837
	Idealized influence (II)	4	0.719
	Contingent reward (CR)	4	0.719
	Active management by exception (MEA)	4	0.801
	Passive management by exception (MEP)	4	0.596
	Laissez-faire (LF)	3	0.794
Dependent variables	Loyalty (LO)	3	0.904
	Effort (EF)	3	0.903
	Pride (PR)	3	0.837

Sources: Authors' computation

4.3. Exploratory factor analysis

In the next step, we conducted EFA to test the relationship among items in the same constructs and the discrimination among those constructs. The statistical result from Table 3 and Table 4 showed that KMO scores were greater than 0.5 and the values of Barlett's Sig. were less than 5%, hence, the factor analyses were well fit with our sample data, specifically, the discriminant and convergent validity of those latent variables were satisfied.

The results of EFA in Table 3 indicated that there were 27 observed items that were grouped into 7 independent factors namely Inspirational motivation (IM), Intellectual stimulation (IS), Individualized consideration (IC), Idealized influence (II), Contingent reward (CR), Active management by exception (MEA), and Laissez-faire (LF).

Table 3: EFA's result of independent variables

Latent variable (independent factors)	Observed variables
Inspirational motivation (IM)	IM1, IM2, IM3, IM4
Intellectual stimulation (IS)	IS1, IS2, IS3, IS4
Individualized consideration (IC)	IC1, IC2, IC3, IC4
Idealized influence (II)	II1, II2, II3, II4
Contingent reward (CR)	CR1, CR2, CR3, CR4
Active management by exception (MEA)	MEA1, MEA3, MEA4
Laissez-faire (LF)	LF1, LF3, LF4

KMO = 0.806 > 0,5

Barlett's Sig. = 0.000 < 0.05

Cumulative percentage rotation sum of squared loading = 63.382%

Sources: Authors' computation

Meanwhile, the results of EFA in Table 4 indicated that there were 9 observed items that were grouped into 3 dependent factors namely Loyalty (LO), Effort (EF), and Pride (PR).

Table 4: EFA's result of dependent variables

Latent variable (dependent factors)	Observed variables
Loyalty (LO)	LO1, LO2, LO3
Effort (EF)	EF1, EF2, EF3
Pride (PR)	PR1, PR2, PR3

KMO = 0.782 > 0,5

Barlett's Sig. = 0.000 < 0.05

Cumulative percentage rotation sum of squared loading = 81.308%

Sources: Authors' computation

4.3. Multivariate regression results

In this study, we investigated three aspects of organizational commitment including employee loyalty (estimated model 1), the effort of employees (estimated model 2), and the pride in their companies (estimated model 3). Interestingly, the values of F-test in all three estimated models were statically significant, hence, our proposed models were suitable and valid.

The first model studied the impact of independent variables on employee loyalty. The estimated result shown in Table 5 demonstrated that our estimated model could explain approximately 49.9% of the variation of the dependent variable and almost all factors had statistically positive impacts on employee loyalty as expected. Noticeably, Active management by exception (MEA) had the strongest impact on Loyalty ($\beta_6 = 0.474$), meanwhile, Intellectual stimulation (IS) had the weakness effect ($\beta_2 = 0.154$). The remaining factors are listed in order of decreasing influence on the loyalty of employees in Vietnamese SMEs including Individualized consideration (IC), Laissez-faire (LF), Contingent reward(CR), and Inspirational motivation(IM).

Table 5. Regression outcomes

Independent variables	Model 1	Model 2	Model 3	VIF
	Standardize d coefficients	Standardize d coefficients	Standardize d coefficients	
IM	0.191***	0.217***	0.245***	1.000
IS	0.154***	0.125**	0.163**	1.000
IC	0.322***	0.168***	0.161**	1.000
II	-0.062	0.342***	0.140**	1.000
CR	0.243***	0.120**	-0.051	1.000
MEA	0.474***	0.013	-0.010	1.000
LF	0.254***	-0.036	-0.120*	1.000
Adjust square	R- 0.499	0.198	0.121	
F test (Sig.)	0.000	0.000	0.000	

Notes: *, **, ***indicate 10%, 5%, and 1% level of significance, respectively.

Sources: Authors' computation

In the second model, there were five factors that positively affected the effort of employees including Inspirational motivation (IM), Intellectual stimulation (IS), Individualized consideration (IC), Idealized influence (II), and Contingent reward (CR). In addition, the second model could explain nearly 20% of the variation of the dependent variable, and Idealized influence (II) had the most decisive impact ($\beta_4 = 0.342$) on the effort of employees.

In the last model, we studied the determinants of the pride of employees, another proxy of employee commitment. Our estimated result indicated that Inspirational motivation (IM), Intellectual stimulation (IS), Individualized consideration (IC), and Idealized influence (II) caused positive effects on the pride of employees, on the contrary, Laissez-faire (LF) had a negative impact.

Table 6. The result of hypothesis testing

Hypothesis	Sign	Conclusion
H1: Transformational leadership style has a positive impact on employee commitment	+	Accepted
H2: Transactional leadership style has a positive impact on employee commitment	+	Accepted
H3: Avoidant/passive leadership style has a positive impact on	-	Rejected

employee commitment.

Sources: Authors' summarization

In short, Transformational leadership style, which is represented by four factors including Inspirational motivation (IM), Intellectual stimulation (IS), Individualized consideration (IC), and Idealized influence (II) had a positive impact on organizational commitment regarding all three aspects: Loyalty, Effort, and Pride. On the other hand, Contingent reward (CR) and Active management by exception (MEA), the proxies of Transactional leadership style, had a positive relationship with employee loyalty. In addition, Contingent reward (CR) also had a positive impact on the effort of employees. Noticeably, the impact of avoidant/passive leadership style (denoted by Laissez-faire (LF)) on employee commitment was inconsistency, specifically, avoidant/passive leadership style had a positive impact on Loyalty but a negative effect on Pride. Table 6 recapitulated our results of hypothesis testing.

5. DISCUSSION

In accordance with the study of Bass (1985), Fiol et al. (1999), Raja & Palanichamy (2011), Hoài (2012), Garg & Ramjee (2013), Sharon et al. (2013), Alyami (2013), Khanh (2015), Huan (2019), Cho et al. (2019), Abasilim et al. (2019), our estimated results re-emphasized the positive relationship between organizational commitment with Transformational leadership style and Transactional leadership style.

It is reasonable that leaders, who own transformational leadership style, could enhance the commitment of employees to the organization through various mechanisms. First, these leaders could act as a role model to inspire their subordinates and leverage the engagement of employees due to their integrity, success, and prodigious visions. In addition, the individualized consideration of transformational leaders could make their subordinates feel respectful and tightly close-knit, hence, employees are willing to stick and dedicate themselves to the organization. Not only that but transformational leaders are able to link their followers' sense of identity to the mission and the collective identity of the organization, thereby, encouraging employees to engage with the organization in long term. Last but not least, transformational leaders could stimulate their subordinates' capability by aligning challenging tasks that could optimize their strengths and force them to pay more effort.

Meanwhile, transactional leaders clearly define the responsibilities of each employee and assign the right job to the right person, thereby, creating self-alignment and compliance in the organization. Especially, they use rewards and punishments as a powerful mechanism to motivate their subordinates to work more efficiently and strengthen the engagement of staff as well.

Noticeably, the novelty of this study is that the avoidant/passive leadership style has both negative and positive effects on organizational commitment, in specific, the avoidant/passive leadership style causes a positive impact on employee loyalty but a negative effect on the pride of employees. This result implies that most decisions on business, human resources, and strategy are vastly influenced by the leader, while employees are mostly passive and do not fully understand their role, hence, laissez-faire leadership style may retain employees but can not make them feel proud and love the organization they are working for.

In fact, the previous studies of Hoai (2012) and Abasilim et al. (2019) have proved that the avoidant/passive leadership style cause a positive impact on employee commitment, meanwhile, Sharon et al. (2013) and Alyami (2013) have shown the inverse impact. The above contrast studies can be explained that Hoai (2012) and Abasilim et al. (2019) have studied the impact of avoidant/passive leadership style on organizational commitment in

the context of public companies, while Sharon et al. (2013) and Alyami (2013) have studied that relationship in the context of hi-tech companies and private enterprises. Hence, the different research contexts may diversify the outcomes. Additionally, the positive or negative perception of avoidant/passive leadership style may be depended on the intrinsic motivation of employees. For instance, followers, who are motivated toward their own goals of achievement and power, perceive laissez-faire leadership as negative, in contrast, avoidant/passive leadership style is appropriate for subordinates who are experienced and favored by freedom (Bass, 1985).

6. CONCLUSION

It is undeniable that human resources play a pivotal role in the development of any organization, hence, strengthening employee commitment is mandatory and indispensable. Our study demonstrated that leadership style has a considerable impact on organizational commitment. In specific, transformational leadership style could strengthen the engagement of employees in all three aspects: loyalty, effort, and pride. Meanwhile, transactional leadership style could motivate the loyalty and effort of employees. More interestingly, although avoidant/passive leadership style could force employees to engage with the company longer, it is more likely to suffer their pride and love for the company.

Although the avoidant/passive leadership style has a positive effect on loyalty, it is necessary to notice that employees are more likely unclear about their roles, thus, they still remain with the company without love or any pride. Honestly, as society develops and higher education is popularized, the knowledge, qualifications, skills, and perception of workers will also be improved. Thus, employees are not willing to engage with a single enterprise for a long time, unless they find the right leader who could stimulate and support them to optimize their capabilities. From that, the perception of avoidant/passive leadership style may change. And this is a new direction for future studies.

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