

Transformational leadership and the moderating effects of openness to change on employee outcomes.

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Abstract

The effect of transformational leadership on job satisfaction, commitment to change and intention to leave were examined in the Indonesian context of an historical bank merger. Specifically, the moderating role of follower openness to change was explored along with leader disposition in order to assess relative impacts. The participants of this study included 57 leaders and 91 of their followers in a merged bank in Indonesia – the largest bank and merger in that country. Results indicated that transformational leadership was positively related to follower job satisfaction. The relationship between perceived transformational leadership and follower job satisfaction depended on follower openness to change, especially for those who were high in openness to change. Further, employees' openness to change predicted their affective and normative commitment to change.

In a highly competitive world economy, corporate mergers and acquisitions have become a popular way to increase organizational efficiency and effectiveness. Asian countries have been particularly active in mergers and relaxed restrictions on transnational mergers and acquisitions to attract foreign investment after the 1997-98 financial crises. Through mergers and acquisitions, it was estimated that Indonesia, Malaysia, the Philippines, the Republic of Korea and Thailand have together attracted a total of US\$15 billion (China Daily, 2001). Though this paper is not specifically concerned with the study of a merger, the context in which the study was conducted was during a period of post merger adjustment following a massive bank integration implemented as a result of the Asian economic crisis.

According to a social identity perspective, a merger is “a formal recategorization of two social groups as one new group” (van Knippenberg, van Knippenberg, Monden & de Lima, 2002, p. 234). In other words, corporate mergers may be defined as a combination of two or more companies as a new integrated company. Despite of the financial advantages, much research in this area suggests that corporate mergers are often associated with high psychological and social costs. For example, several empirical studies suggest that changes in merged organizations may lead to dysfunctional outcomes at an individual level, such as stress, job dissatisfaction and intention to leave (Ashford, Lee & Bobko, 1989; Schweiger & Denisi, 1991).

Unfortunately, these dysfunctional attitudes seem to increase as time passes. Studies of merged organizations have found that employees’ positive attitudes toward change decreased over approximately 100 days after the legal announcement stage and continue to affect employees’ working attitudes until ten years later (Fairfield-Sonn, Ogilvie & DelVecchio, 2002; Newman & Krzystofiak, 1993). These results are consistent with the findings of Buono, Bowditch, and Lewis (1985) and Schweiger and DeNisi (1992). In summary, evidence suggests that the long-term impacts of this kind of organizational restructuring on employees’ work attitudes seem to be worse than the short-term impacts. Consequently, several conditions are needed to facilitate adaptation to a changing environment during the post-merger stage at the individual level.

One condition needed in the post-merger stage is availability of effective leadership of change. Specifically, at this stage, it is middle managers rather than top-level managers who must lead and

motivate their subordinates in the transitional working conditions as well as interpret and implement senior manager's new policy decisions into the new integrated company (Cartwright & Cooper, 1992).

In guiding changes, middle managers need to share a vision of a better future after the mergers. Scholarly work has mirrored this focus on radical change by developing theories and models of change leadership and analyzing strategies selected by organizations to address the global crisis (see Senior, 2002). However, the majority of research and popular writing originates from Western culture (House & Aditya, 1997). Therefore a need exists for a test of the applicability of theories and models of change leadership to eastern contexts such as Indonesia.

Moreover, contemporary research suggests that during periods of major change, the transformational leadership style is more effective than other styles (Bass, 1985; Senior, 2003). This study explores this question in the Asian context and examines a synthesized model that integrates existing theoretical and empirical studies on transformational leadership behaviors e. g. Bycio, Hackett, and Allen, 1995; Rafferty & Griffin, 2004) to explicate a number of direct and moderated relationships with several work-related outcomes.

Specifically, the purpose of this study was to assess followers' perceptions of leadership behaviors as a predictor of their job satisfaction (Bryman, 1992; Spector, 1997), commitment to change (Meyer & Herscovitch, 2001; Yukl 2002) and intention to leave the new integrated organization. Then, potential moderating effects of follower openness to change (Miller, Johnson & Grau, 1994) on the relationship between perceived leadership style and work-related outcomes were examined. In addition, an affective dispositional characteristic (Hetland & Sandal, 2003; Judge & Bono, 2000) as an antecedent of transformational leadership was explored. Integrating the strands discussed in the literature, the potential relationships among leadership and employee factors and certain outcomes in major change programs can be constructed and summarized by the model in Figure 1 and hypotheses below.

Hypothesis 1a: Transformational leadership is positively related to employee overall job satisfaction.

Hypothesis 1b: Transformational leadership is positively related to affective and normative commitment to change whereas transactional leadership is positively related to continuance commitment to change.

Hypothesis 1c: Transformational leadership is negatively related to employee intention to leave.

Hypothesis 2: The relationship between perceived transformational leadership and the work-related outcomes may be moderated by follower openness to change.

Hypothesis 3: Positive affect is positively correlated with transformational leadership.

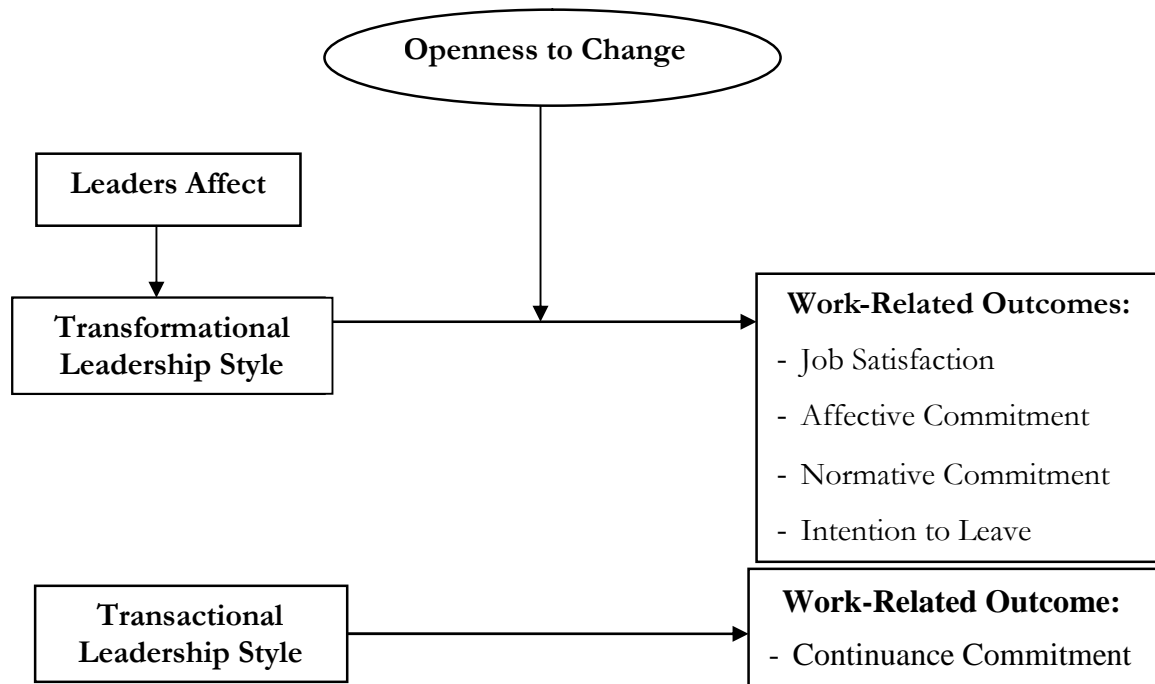


Figure 1. The proposed research model of the relationship among leadership, individual differences and outcomes

Method

Participants: Employees in middle management grade positions (group heads and section heads) and those in non management grade positions (staff and clerks) of 30 groups within a bank's head office in Jakarta were surveyed for this study. Participation in the research was voluntary and anonymous.

Potential respondents were assured of the anonymity of their responses and only the researchers who have an access for the raw data. A prior project conducted by the first author involved qualitative interviews of employees concerns during which briefings were given about the survey study to follow. Data gained from the qualitative studies were used to inform selection of constructs for the survey.

Bank administrators, sensitive to change matters that were evident since the merger in this large organization, chose to limit the number of participant of this study. Therefore, only 90 sets of questionnaires were distributed to managers and 150 sets of questionnaires were distributed to subordinates. All managers and employees selected to participate in this study had already worked in

the bank before the merger was announced. During a one month period, the researcher collected the questionnaires from each group. The questionnaires were completed by 148 respondents in total, 57 from the manager group and 91 from the subordinates, yielding a participation rate of 63% and 61% respectively.

The 91 subordinates (59 males and 32 females) who responded to the survey were the focus of analysis in this study. Employees' mean age was 35.91 (SD = 5.10) years and the most common level of education level was between some college (M = 2.10, SD = .60 on a scale coded 1 = high school, 2 = some college, 3 bachelor's degree and 4 = master's degree). On the other hand, 57 managers who also participate in this study comprised 42 male managers and 15 female managers. Their mean age was 41.81 (SD = 6.05) and the most common educational level was a bachelor's degree scored at 3.39 (SD = .59) on a scale coded 1 = high school, 2 = some college, 3 bachelor's degree and 4 = master's degree). Participants were drawn from 27 working-groups across the bank's head office in Jakarta, Indonesia.

Validated scales with reliabilities above Cronbach's alpha coefficient of .7 in previous studies were used to measure all study variables. All scales were back translated into Indonesian. Details are provided in Appendix 1.

For the first set of hypotheses, the independent variables were all perceived leadership styles and the dependent variables were job satisfaction, intention to leave, and all the components of commitment to change (affective, continuance, and normative commitment to change). Hypotheses were tested using the results from subordinates' ratings. The independent variable for hypothesis 2 was perceived transformational leadership style. The dependent variables were job satisfaction, intention to leave and all the components of commitment to change. In addition, the moderating variable for this hypothesis was openness to change. The hypothesis was also tested based on the results from subordinates' ratings. Finally, the independent variables of hypothesis 3 were leaders' positive and negative affectivity. The dependent variable was transformational leadership behaviours. This hypothesis was tested on the results from leaders' ratings.

Procedure: The study was conducted within one of the largest banks in Indonesia in terms of assets, deposits and loans. The bank is a product of a merger of four stated-owned banks. The merged bank was established in October 1998 as a result of the financial crisis in Asia during 1997-1998. The merger was aimed to restore balance sheets as well as public confidence. Questionnaires were distributed to each group. Each participant received a set of questionnaires in a closed folder. Managers completed the PANAS Scale and MLQ-Form 5X (self-report forms) and subordinates completed MLQ-Form 5X (rater forms), Openness towards Change Scale, Minnesota Satisfaction Questionnaire, Commitment to Change Scale, and Intention to Quit Questionnaire. An explanatory page was provided with each set of questionnaires. Viewing the explanatory page and completing the questionnaire was taken as informed consent for the participants.

Results

Tables 1 and 2 in Appendix 2 present the means, standard deviations, and inter-correlations among the study variables. These tables also provide the internal consistencies of the measures used in this study. All of the reliability estimates for the subordinate ratings were above .70. Moreover, all manager ratings had internal consistencies greater than .70, except for the transactional leadership subscale ($\alpha = .68$). However, the average alpha for manager ratings was .79. The scales in this study all demonstrated relatively good reliability estimations, although the response formats were changed. Job satisfaction had moderate relationships with transformational leadership style ($r = .46$) and transactional leadership style ($r = .50$). Moderate correlations were displayed between normative commitment to change and each leadership style. Furthermore, each leadership style also had moderate correlations with intention to leave. Finally, there was no significant relationship between the remaining dependent variables (affective and continuance commitment to change) and any of leadership styles.

A proposed moderating variable, openness to change, had moderate positive correlations with affective and normative commitment to change with correlation coefficient were .58 and .38, respectively. However, there was no significant correlation between the hypothesized moderating variable and perceived leadership styles.

Furthermore, among the dependent variables, there were significant correlations between both affective and normative commitment to change with all other dependent variables, except with continuance commitment to change. Intention to leave was also negatively related to job satisfaction ($r = -.44$) to a moderate degree.

Between the independent variables, passive-avoidant leadership had moderate negative relationships with the other two leadership styles. However, the transformational and transactional leadership scales were very highly correlated ($r = .88$). To uncover potential multicollinearity concerns in the regression equations, the unstandardized residuals of transactional leadership were saved and then were regarded as the component of transactional leadership that was not related to transformational leadership (Moss, 2003). For the following analysis, the residuals were entered. For manager ratings (see Table 2), transformational leadership had a moderate positive correlation with ratings of positive affect ($r = .52$). Transformational leadership also had a moderate positive correlation with transactional leadership ($r = .65$).

A hierarchical regression analysis was used to examine the effect of leadership styles on the five outcome variables. The control variables (age and educational level) were entered in step 1. Then, all leadership styles were entered in step 2. Table 3 in Appendix 2 shows that all leadership styles combined accounted for a significant amount of unique variance in subordinates' job satisfaction over and above the control variables at $\Delta R^2 = .22, p < .01$. As predicted, perceived transformational leadership behaviors was the only significant predictor of job satisfaction ($\beta = .39, p < .01$). The final solution explained 28 percent of the variability in subordinates' job satisfaction. Contrary to initial hypotheses, transformational leadership style was not correlated significantly with the remaining work-related outcomes (intention to leave and components of commitment to change). However, a positive significant relationship was detected between a control variable (subordinate's educational level) and intention to leave ($\beta = .24, p < .05; \Delta R^2 = .07, p < .05$).

To represent the interaction between openness to change (OC) and perceived transformational leadership style (TF), the variables were first centered and then multiplied together. Then, subsets were entered in the hierarchical regression of the control variables for the step 1. Then, TF, OC and the TF X OC interaction were entered. The results are presented in Table 4.

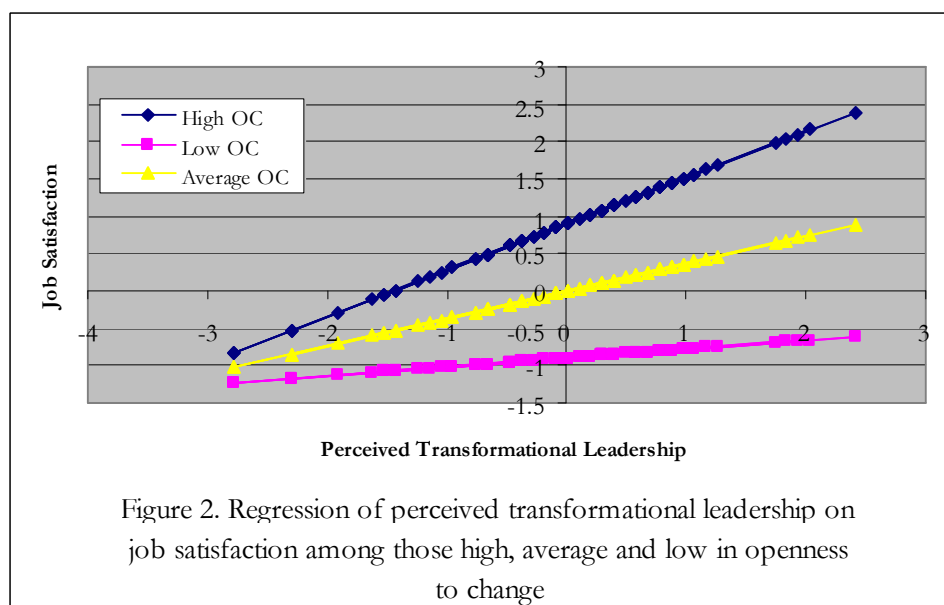
The results indicated that the perceived transformational leadership by openness to change interaction predicted job satisfaction ($\beta = .25, p < .05; \Delta R^2 = .26, p < .001$). The final solution explained 31 percent of the variability in follower job satisfaction. Furthermore, Figure 2 below illustrates that as perceived transformational leadership increased, those with high openness to change experienced an increase in job satisfaction. On the other hand, low openness to change diminished the effect of perceived transformational leadership on follower job satisfaction in the changing organizations.

Table 4

Summary of Hierarchical Regression Analysis for Variables Predicting Work-related Outcomes (N = 91)

Variable	Dependent Variables									
	Job Satisfaction		Intention to Leave		Affective Commitment		Continuance Commitment		Normative Commitment	
	β	ΔR^2	β	ΔR^2	β	ΔR^2	β	ΔR^2	β	ΔR^2
Step 1		.06		.07*		.01		.00		.06
Age	.12		.05		-.06		.02		.25*	
Education	.22*		.24*		.08		.02		.01	
Step 2		.26***		.09*		.34***		.04		.28***
Age	.09		.06		.01		-.01		.29*	
Education	-.13		.20		.09		.03		.05	
TF	.36***		.29**		.06		.08		.32**	
OC	.09		-.01		.58***		-.18		.42***	
TF_x_OC	.25*		-.02		.03		.01		.01	
	$R^2 = .31$		$R^2 = .15$		$R^2 = .35$		$R^2 = .04$		$R^2 = .34$	

Note. * $p < .05$. ** $p < .01$. *** $p < .001$



Although not specifically hypothesized, Table 4 also shows that OC was strongly associated with higher affective and normative commitment to change at $\beta = .52, p < .001$ and $\beta = .42, p < .001$,

respectively. Hypothesis 3 suggested that leaders' positive affect would be positively related to their transformational leadership behaviors. In studying individual disposition, such as individual affectivity, it was recommended that a multivariate framework be used, in addition to the correlation (Murphy, 1996). A multivariate regression analysis was selected to examine the effect of leaders' positive affect on their transformational leadership behaviors. Control variables were entered in the Step 1. Then in Step 2, negative and positive affect were entered.

Results showed that leaders' affectivity accounted for a significant amount of unique variance in their transformational leadership behaviors in the organization in this context ($R^2 = .33, p < .001$). As expected, positive affectivity was a significant predictor of transformational leadership behaviors ($\beta = .54, p < .001$). With respect to negative affectivity, no significant relationship emerged. Therefore, hypothesis 3 is supported. The final solution explained 33 percent of the variance in managers' leadership behaviors. Table 5 in the appendix presents the results discussed here.

Discussion

This study argued that employees' work-related outcomes in changing organizations must be accompanied by transformational leadership behaviors as well as follower's openness to change. In support of expectations, (hypothesis 1a), perceived transformational leadership behaviors was related to employee job satisfaction in the integrated organization. An additional analysis also found a moderating effect for openness to change on follower job satisfaction. Specification of the effect showed that openness to change buffered the relationship of perceived transformational leadership and follower job satisfaction.

Perceived transformational leadership enhances follower job satisfaction for those who are high in openness to change. For these individuals, it is likely that transformational leadership behaviors represent a challenge that fosters job satisfaction within the new integrated company. In contrast, the effect of transformational leadership behaviors on follower job satisfaction diminishes on those who are low in openness to change. Transformational leadership behaviors may promote a sense of pessimism or cynicism in these individuals (Miller et al., 1994). The leader may be perceived as out of

touch with the negative impact of the change since the aspiration of the transformational leaders might be unique and difficult to reach for those followers who do not favour change.

From qualitative interviews conducted previously but not reported here, the sense of pessimism and cynicism experienced by some employees may have weakened the positive effect of transformational leadership style on follower job satisfaction in the new organization. Consistent with previous findings on similarity attraction research (e.g. Ehrhart & Klein, 2001), results from this study also support an assumption that transformational leadership behaviors will have differential effects on followers (Shamir, et al., 1993). In this study, the differences seem to be due to the interaction between perceived leadership style and individual openness to change.

Cultural differences may also influence the research findings. Most of the studies previously mentioned in this paper were conducted in the United State of America, Australia or the United Kingdom. According to research findings conducted by Hofstede (2001), although contentious, those countries have the highest individualism index values (Rank no 1, 2, and 3 respectively from 53 countries), whereas this study was undertaken in Indonesia which is ranked low on the individualism index values (Rank no.48 from 53 countries). Hofstede (1993) argued that one of characteristics of collectivist society (low individualism) is that from a younger age, people have learned to respect the group to which they belong. As a result, they tend to remain loyal to their organizations throughout their life. Results from this study suggests that in such a society, leadership style in merging organizations may not be important in determining either employees' commitment or their intention to leave. This cultural dimension is worthy of further exploration in future studies.

Furthermore, the findings regarding the effects of transformational leadership in this study are in contrast to Chen (2004). Using the organizational commitment questionnaire developed by Mowday, Steers and Porter (1979), he found that transformational leadership behaviors significantly predicted employees' commitment to organization for a group of employees in small and middle-sized service and manufacturing firms in a collectivist society, Taiwan ($N = 749$). However, it should be noted that the context of Chen's study clearly differs from that of this study. This current study was conducted in a massively changing organization whereas the study conducted by Chen (2004) was conducted in stable organizations. In changing organizations, it is argued that commitment to change

rather than commitment to organization is more important in predicting employees' behavioural support for change (Meyer & Herscovitch, 2001). Recent research found that components of commitment to change are significantly different to the components of commitment to the organization (Herscovitch & Meyer, 2002). It may follow then; the predictors of the construct of commitment to change are also different to the predictors of the construct of organizational commitment. However, an extensive literature search did not produce any study that both investigated leadership style and commitment to change. Therefore, the study reported here may provide direction for exploration of the relationship among leadership style and commitment to change, especially in a collectivist society like Indonesia.

Results from this study suggest that leadership style did not predict commitment to change in the context in which the research was based. Furthermore, although it was not explicitly expected, follower's openness to change did have significant and moderate correlations with follower affective and normative commitment to change. This result supports previous hypotheses by Herscovitch and Meyer (2002) that individual variables such as openness to change or readiness for change might contribute to the development of affective and normative commitment but not continuance commitment. Kobasa (1982) noted that openness to change refers to a "belief that change rather than stability is normal and that the anticipation of changes are interesting incentives to growth rather than threats to security" (p. 169). It seems that people with high openness to change tend to believe in the importance, meaningfulness and value of changing activities after the mergers and they involve themselves in the post-merger activities. In other words, 'open to change' predisposed followers to feel a need to support the changes after mergers so as to accommodate their own desire to experience the positive consequences of change.

Unique findings from this study suggest that individual variables, openness to change, rather than organizational variables, leadership styles, impinge upon affective and normative commitment to change in a post merger organization. The study represents an attempt to apply Western models of leadership and employee attitudes to an Eastern nation, Indonesia. Clearly cultural influences not measured in this study may have impacted on the results. Notwithstanding, the limitations, the ability to conduct a study of this nature in Indonesia is an important contribution to the literature.

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Appendix 1

Measures used in the Study

*Positive Affective and Negative Affective Schedule (PANAS-Short Version; Watson, Clark, & Tellegen, 1988).*¹ This instrument assessed PA and NA. The PA Scale reflects the pleasant engagement including excited, determined and active, whereas the NA Scale reflects a general dimension of unpleasant engagement including fear, shame and guilt. Each scale consists 10 items and has been translated into several languages. This study used the short version with general instruction of “in general, that is, on the average”, which showed good psychometric properties (Watson, et al., 1988). Watson and colleagues reported that the alpha coefficients for the PA and NA scales were .88 and .87, respectively and they suggested that this scale was also very stable overtime. The scale was made on 5-point scales ranging from 1 (very slightly or not at all) to 5 (extremely).

*Multifactor Leadership Questionnaire (MLQ-Form 5X).*² Leadership style was measured by 36 items developed by Bass and Avolio (1995). This study used the self-report forms as well as the rater forms, on a 5-point frequency scale ranging from 0 (not at all) to 4 (frequently, if not always). The MLQ-5X originally assesses four dimensions of transformational leadership (TF) (Idealized Influence-total, inspirational motivation, individualized consideration and intellectual stimulation), three dimensions of transactional leadership (TA) (contingent reward, management by exception-active and management by exception-passive) and a dimension of laissez-faire leadership (LF).

However, later research suggests that the management by exception-passive dimension should be combined with laissez-faire dimension. This is because these two dimensions correlate with each other positively but negatively with all other dimensions (Avolio, Bass, & Jung, 1999; Bass & Avolio, 2000). Therefore, in this study transactional subscale included only contingent reward and management by exception-active whereas management by exception-passive and laissez-faire were combined to form a passive-avoidant leadership subscale. For subsequent sections, laissez-faire leadership will be relabelled as passive-avoidant leadership (P-A).

As suggested in previous studies, a global score of each type of leadership style was calculated by summing the scores of its dimensions (Carless, 1998; Hetland & Sandal, 2003). Analyses of internal consistencies of the transactional subscale of manager ratings indicated that removing one of the four items improved its alpha coefficient. This was also the case for passive-avoidant subscale of manager ratings. As a result, both the transactional and passive-avoidant subscales were made up from seven items only. The transactional leadership scale comprised 4 items of contingent reward and 3 items of management by exception-active whereas the passive-avoidant scale comprised 3 items of management by exception-passive and 4 items of laissez-faire. Internal consistencies of each subscale are presented in the result section.

¹ The PANAS Scale (Copyright 1988 by the American Psychological Association) was used with permission of the publisher and the author.

² The MLQ, Form 5X (Copyright 1995, 2000 by Bernard Bass and Bruce Avolio), was used with permission of Mind Garden, Inc., Redwood City, California 94061. All rights reserved.

Openness to Change. This construct was measured with seven items developed for this study. The study adapted a subscale used by Wanberg and Banas (2000) and Axtell and colleagues (2002). This scale focuses on willingness to accept and positive affect regarding change as a result of the merger. This scale uses a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). A sample item of this measurement is “I am somewhat resistant to the changes” (reversed coded). Wanberg and Banas (2000) reported that the internal reliability of this scale was between .76 and .85.

Job Satisfaction. This study measured job satisfaction by using the short version of Minnesota Satisfaction Questionnaire (MSQ) from Weiss, Dawis, England, and Lofquist (1967). This questionnaire measures global satisfaction or intrinsic and extrinsic satisfaction and consists 20 items on a 7-point Likert scale from 1 (very satisfied) to 7 (very dissatisfied). A sample item of this measurement is “The praise I get for doing a good job”. The authors reported an internal consistency reliability for this questionnaire of .86.

Commitment to Change. Herscovitch and Meyer (2002) instrument was used to measure commitment to change. This comprises 18 items covering a range of characteristics of Affective Commitment (e.g. “I think that management is making a mistake by introducing this change”), Continuance Commitment (e.g. “I have no choice but to go along with this change”) and Normative Commitment (e.g. “I feel a sense of duty to work towards this change”). Responses were given on a 7-point Likert scale from 1 (strongly disagree) to 7 (strongly agree). The authors reported internal consistency reliability coefficient of .88, .81, and .74, respectively (Herscovitch & Meyer, 2002).

Intention to Leave. The Intention to Leave Questionnaire used by Rafferty and Griffith (2004) was adapted for this study. It consists six items using a 5-point Likert scale. A sample item of this measurement is “Do you seriously intend to resign from your job during the next three months?” The internal consistency reliability coefficient reported by the authors of the measure was .75.

Control Variables. Based on the previous findings, those older and less educated individuals tend to be less positive about change within organizations (e.g. Kirton & Mulligan, 1973); therefore in this study, age and educational level were controlled.

From the above, it can be seen that the scales were originally developed using various response formats. In our study, all measures used a 5-point scale in order to avoid confusing the respondents. The latter point was confirmed by the work of Matell and Jacoby (1971) who suggested that although the response formats may have changed, the validity of the scales would not be affected.

This study was conducted in Indonesia and as all original questionnaires were in English; the questionnaires were completely translated into Indonesian using the conventional method of back-translation. As suggested by Berry, Poortinga, Segal, and Dasen (1992), this method is beneficial in establishing the face validity of all translated instruments. Special care was taken for the PANAS Scale since it contains adjectives that might have distinct meanings in Indonesian. The procedure of translation and back-translation was conducted by independent translators. The translators are fluent in both English and Indonesian.

Appendix 2

Table 1. *Descriptive Statistics and Intercorrelations among Major Study Variables for Subordinates (N = 91)*

Variable	M	SD	1	2	3	4	5	6	7	8	9	10	11
1 Age	35.91	5.10	-	.16	.01	.06	.08	-.12	.08	.11	-.05	.04	.25*
2 Educational Level	2.10	.60		-	-.13	-.21*	.29**	.02	-.17	.23*	.07	-.01	.05
3 Transformational Leadership	11.98	2.60			(.90)	.88**	-.58**	-.01	.46**	-.32**	.05	.08	.31**
4 Transactional Leadership	4.75	1.13				(.78)	-.64**	.08	.50**	-.36**	.13	.05	.31**
5 Passive-avoidant Leadership	2.48	1.36					(.82)	-.08	-.10	.40**	-.13	-.03	-.32**
6 Openness to Change	28.16	3.12						(.82)	.12	-.12	.58**	-.18	.38**
7 Job Satisfaction	63.80	11.44							(.93)	-.44**	.27**	-.11	.40**
8 Intention to Leave	13.30	5.86								(.89)	-.22*	-.12	-.31**
9 Affective Commitment	23.91	3.50									(.76)	-.08	.54**
10 Continuance Commitment	19.75	4.75										(.84)	.12
11 Normative Commitment	21.60	3.79											(.79)

Note. Values on the diagonal represent estimates of internal consistency.

* $p < .05$. ** $p < .01$.

Table 2. *Descriptive Statistics and Intercorrelation among the Study Variables for Managers (N=57)*

Variables	M	SD	1	2	3	4	5	6	7
<i>Control Variables</i>									
1 Age	41.81	6.17	-	.03	-.02	.10	.09	-.12	.18
2 Educational Level	3.39	.59		-	-.13	-.25	-.02	.18	.06
<i>Dependent Variables</i>									
3 Transformational Leadership	15.15	1.64			(.81)	.65**	-.17	.52**	-.20
4 Transactional Leadership	2.94	.44				(.68)	-.11	.18	-.71
5 Passive-avoidant Leadership	.70	.38					(.70)	-.23	.09
<i>Independent Variables</i>									
6 Positive Affect	39.72	4.01						(.83)	-.23
7 Negative Affect	21.82	8.21							(.95)

Note. Values on the diagonal represent estimates of internal consistency.

** $p < .01$.

Table 3. *Summary of Hierarchical Regression Analysis for Variables Predicting Work-related Outcomes (N = 91)*

Variable	Dependent Variables									
	Job Satisfaction		Intention to Leave		Affective Commitment		Continuance Commitment		Normative Commitment	
	β	ΔR^2	β	ΔR^2	β	ΔR^2	β	ΔR^2	β	ΔR^2
Step 1		.06		.07*		.01		.00		.06
Age	.12		.05		.07		.02		.25*	
Education	-.22*		.24*		.08		.02		.01	
Step 2		.22***		.13**		.06		.01		.14**
Age	.09		.08		-.09		.03		.23*	
Education	-.10		.14		.15		.02		.11	
P-A	-.10		.20		-.12		-.01		-.25	
TA	.15		-.09		.19		-.04		-.01	
TF	.39**		-.19		.00		.08		.18	
	$R^2 = .28$		$R^2 = .19$		$R^2 = .07$		$R^2 = .01$		$R^2 = .20$	

Note. * $p < .05$. ** $p < .01$. *** $p < .001$

Table 5. *Summary of Hierarchical Regression Analysis for Variables Predicting Transformational Leadership Style*

(*N* = 57)

Variable	β	ΔR^2
Step 1		.03
Age	-.03	
Education	-.17	
Step 2		.31***
Age	.05	
Education	-.24*	
Negative Affectivity	-.07	
Positive Affectivity	.54***	
$R^2 = .33$		

Note. * $p < .05$. *** $p < .001$.