Full Length Research Paper

Leadership style, employee motivation and commitment: Empirical evidence from a consolidated retail bank operating in a depressed economy

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The study investigated the relationship between different leadership styles and employee motivation and commitment after a merger in a retail bank operating in an economically volatile environment. Data were collected from 121 employees (17 managers and 104 non-managerial) using three closed-ended questionnaires. The Multifactor Leadership Questionnaire Form 5X was used to measure leadership styles and the Organisational Commitment Questionnaire was used to measure employees' commitment. Employee Motivation Questionnaire developed from Herzberg's Two-Factor Theory and from the Job Design measured employees' motivation. Using measures of central tendency and correlation analyses, results indicated weak but significantly positive relationship between different leadership styles and employee motivation and commitment. The advantage of this study is that it can provide a practical framework for designing management systems that can be used by other financial institutions in depressed economies in the future.

Key words: Banking consolidation, merger, financial institution.

INTRODUCTION

During the period between the years 2000 and 2008, the Zimbabwean economy was on the decline. Political instability, bad corporate governance and corruption are cited as reasons for the dwindling economy during that period (The Zimbabwean Herald, 2005). The result was a volatile economic environment characterised by high inflation of about 6.500% which culminated in mergers, acquisitions, retrenchments and a high level of brain drain in almost every sector of the economy. Most notably was the financial sector which suffered from

under-capitalisation, instability and bad corporate governance for most of the year 2004 (Zimbabwe Business Watch, 2008). To cushion the banks from the economic meltdown, the government tasked the central bank to revive the declining financial sector. To this effect, in September 2004, a deadline for all financial institutions to declare their capital reserves and show that they had enough liquidity to continue operating was set. Some of the banks were found wanting in this regard. Seven troubled banks were placed under curatorship while four others were liquidated. Such a strategic decision by the central bank created the conditions for the merging of the liquidated banks to form a completely new consolidated retail bank. Literature (Yu, 2009) argue that despite seemingly favourable strategic, financial and operational assessments made during pre-merger feasibility studies, mergers have less than a 50:50 chance of being successful. When a merger takes place, it brings together different corporate cultures and different leadership styles (Lind and Stevens, 2004). Thus, management often

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Abbreviations: FRLT, Full-Range Leadership Theory; **MBE-A,** management by exception-active; **MBE-P,** management by exception-passive; **MLQ,** Multifactor Leadership Questionnaire; **OCQ,** Organisational Commitment Questionnaire; **EMQ,** Employee Motivation Questionnaire.

becomes concerned about which leadership style is best for the new organization, at the same time, also getting concerned about the economic performance of their business against rival competitors, resulting in the issues of employee commitment and motivation being put at the very bottom of its priority lists (Heenan, 1989).

Yet, on the other hand, employees in the newly created organisations have been found to be concerned about perceived job loss, changes in responsibilities, performance and future transfer of authority (Yu, 2009). These concerns have a direct relationship with employees' commitment and motivation in the workplace (Meyer et al., 2007). With evidence of both employees and management concerned differently in the context of a merger, there is scope for studying the relationship between different leadership styles, employee commitment, and motivation in different economic contexts.

There is empirical evidence that when a merger, incorporation or acquisition takes place, there is a corresponding increase in employee uncertainty, decrease in satisfaction, and commitment, increase in intentions to quit the organisation, and decrease in perceptions of the trustworthiness, honesty and caring (Covin et al., 1997).

Yu (2009) and Hellriegel et al. (2001) point out that, any form of organisational change, whether intended or unintended, can be viewed as the greatest source of job uncertainty and stress in an employee's life. Concurring, Schabracq and Cooper (1998) found that, after organisational change, employees' stress levels rise especially when positions are changed or altered. The result is a sense of uncertainty about the future. This uncertainty can affect employees' attitudes such as commitment and job satisfaction. For example, Hui and Lee (2000) found that employees lose trust in the organisation when they are affected by structural changes to the organisation.

Similarly, Jimmieson et al. (2004) argue that when employees doubt whether they can adapt to any change or whether their positions, workload and workplace will be changed, their trust, commitment and relationships with their organisation, management and peers will be affected. These findings are however not supported by Yu (2009) who found an inverse relationship between perceptions of job insecurity and employee commitment. Despite such contradiction, more revealing evidence seems to support the assertion that organisational change brings about different reactions and attitudes among employees. The question therefore is, after downsizing, to what extent does leadership influence these employees' reactions and actions in the new order?

Literature (e.g., Chipunza, 2009) seem to point to the importance of employees in post-merger success and how a more appropriate leadership style is critical in stimulating employees' attitudes such as motivation and commitment so as to achieve organisational goals.

Swanepoel (2003) also argues that, although views on the success of mergers differ, the issue of leadership in terms of perspective and emphasis is critical. What this entails is that, depending on the leadership style adopted, the value creation that can be attributed to a merger takes place at the post-merger phase while the possibility for a merger to fail is also greatest in the post merger phase (Birkinshaw et al., 2000; Simpson, 2000).

Research on motivation and other work related attitudes such as commitment after a merger has often been focusing on populations and organisations whose economic environments are stable, such as the United States and Australia (Nel et al., 2004; Harman and Harman, 2003). Other known researches on post-merger work-related attitudes have been carried out in nations under transition like South Africa (Wyngaard and Kapp, 2004). In all these cases, the focus was in large multinational companies and samples. To our knowledge no study, if any, has examined behaviours of employees with regards to commitment and motivation as a function of different leadership styles in a post-merger phase in a financial institution operating in an unstable economic environment. It was therefore imperative to examine the interface of these variables in an unstable economic environment as part of an ongoing continuum of research in the area of organisational change.

THEORETICAL BACKGROUND

This study was based on the Full-Range Leadership Theory (FRLT) proposed by Bass and Avolio (1997). The constructs comprising the FRLT denote three typologies of leadership behavior: transformational, transactional, and non-transactional laissez-faire leadership, which are represented by nine distinct factors. Transformational leadership behaviours include inspirational motivation, intellectual stimulation, individualised consideration and idealised influence (attributes) or idealised influence (behaviour) (Morakul and Wu, 2001; Jansen, 2000). Transactional leadership behaviours include contingent rewards, management by exception-active (MBE-A) and management by exception-passive (MBE-P) (Balster, 2002). These leadership behaviours have been described as having a direct effect on individual and organisational outcomes by Yukl (1999). Within the context of a merger, the adoption and use of any of these leadership styles might be influenced by the phase of the merger itself. According to Recklies (2001) one can distinguish among three phases during a merger. These are the planning phase, the acquisition phase and lastly, the integration phase (post-merger phase). In all these phases, research has shown the importance of fostering a leadership style that will advance the new organisational goals

(Appelbaum et al., 2000).

The concept of mergers

According to Skodvin (1999), the concept of mergers is prone to various interpretations. This is because mergers take a number of different forms, varying from loose affiliations at one end of the spectrum to tightly integrated models at the other end. Skodvin argues that mergers can be classified in several different ways, the most common classification being the one that differentiates between the so-called forced mergers and voluntary mergers.

A voluntary merger is when two or more institutions or organisations initiate a merger themselves, whereas, in a forced or involuntary merger, the impetus comes from some outside body. The institution under study was an involuntary merger that came about as a result of the regulation by the central bank to liquidate all the financial institutions that could not meet financial adequacy to operate and were subsequently merged to form one entity. There is empirical evidence to suggest that involuntary mergers have an impact on a number of work - related variables, including commitment and motivation (Kummer, 2008).

Banking consolidation in other economies

Mergers and acquisitions especially in the banking industry are now a global phenomenon. In the United States of America, there had been over 7000 cases of bank mergers since 1980 (Soludo, 2004) while the same trend occurred in the United Kingdom and other European countries. Specifically, in the period 1997-1998, 203 bank mergers and acquisitions took place in the Euro area, while in 1998, a merger in France resulted in a new bank with a capital base of US$688billion (Soludo, 2004).

In Germany, the merger of two banks in 1998 created the second largest bank in Germany with a capital base of US$541billion. Banking consolidation is not limited to developed economies only. In many emerging markets, including Argentina, Brazil, Korea and South Africa, consolidation has also become prominent, as banks strive to become more competitive and resilient to shocks as well as reposition their operations to cope with the challenges of the increasingly globalised banking systems (Lang and Welzel, 1999). According to Soludo (2004) the consolidation exercise in the Nigerian banking sector in 2006 reduced the number of deposit taking banks operating in the country from 89 to about 25. In all these cases, the reasons for the merger and, or consolidation varied from one context to the next. In addition, most of these recorded mergers and consolidations are reported as successful, with the success factors mostly identified as financial and good economic environment. There has not been mention of leadership as a potential contributing factor.

The concept of leadership

According to Bass and Avolio (1997) finding one specific definition of leadership is a very complex task as studies on this topic are varied and there is no single generally accepted definition. Some definitions describe leadership as an act of influence, some as a process and yet others have looked at a person's trait qualities (Lussier and Achua, 2001). The definition by Nel et al. (2004) will be used in this study. They define leadership as the process whereby one individual influences others to willingly and enthusiastically direct their efforts and abilities towards attaining defined group or organisational goals. There are various styles to leading such as transactional, laissez-faire and transformational. However, in the context of mergers, transformational leadership style is considered more appropriate as it allows for leaders to rally people behind clearly defined goals (Lind and Stevens, 2004).

The concept of commitment

Organisational commitment is defined as the degree of identification and involvement that individuals have with their organisation's mission, values and goals (Mowday et al., 1999). Organisational commitment is a multidimensional construct that comprises affective commitment, normative commitment and continuance commitment. Allen and Meyer (1997) define affective commitment as the employee's emotional attachment to, identification with, and involvement in the organisation. Continuance component is defined as commitment that is based on the costs that the employee associates with leaving the organisation, while normative component is defined as the employee's feelings of obligation to remain with the organisation.

Stallworth (2003) considers the three types of commitment to be psychological states in which employees experience in differing degrees and varying strengths. Stredwick (2005) indicates that a number of researchers use the level of commitment as a key reflection of organisational success from a people management view. Thus, Pierce and Dunham (2001) found that individuals identify with their work at a variety of levels such as their job, profession or organisation. Without commitment, employees are not be prepared to develop their skills and

competencies, take on board the enhanced responsibilities for quality, work organisation and problem solving, and 'go the extra mile' to come up with improvements and innovations.

Leadership and commitment in the context of mergers

Zeffanne (2003: 979) states that "the answer to the question of employee commitment, morale, loyalty and attachment may consist not only in providing motivators, but also to remove demotivators such as styles of management not suited to their context and to contemporary employee aspirations". Thus, a leadership or management style that encourages employee involvement can help to satisfy employees' desire for empowerment and demand for a commitment to organisational goals. Similarly, Gaertner (2000: 487) argues that "more flexible and participatory management styles can strongly and positively enhance organisational commitment". Organisations need to ensure that leadership strategies are aimed at improving employee commitment rather than compliance as with autocratic leadership style.

Kanter (1999) for example, suggests that, in order to build commitment to change, managers should: allow employees to participate; provide a clear picture or vision of the future; share information; demonstrate commitment to the change; tell employees exactly what is expected of them; and offer positive reinforcement. This removes uncertainty in members of the organisation in terms of what their roles are and the future direction of the organisation.

Stum (1999) argues that employee commitment reflects the quality of the leadership in the organisation. Therefore it is logical to assume that leadership behaviour has a significant relationship with the development of organisational commitment, and that the relationship is quite unpredictable in a post merger phase given that any organisational change is associated with uncertainty, doubt and fear for the unknown.

The concept of motivation

The imperative need to discover, comprehend and implement employee motivation has become a principal concern for organisations, managers and even first line supervisors because employee motivation has been, and will be the deciding factor in work performance, success or failure of an organisation (Samuel and Chipunza, 2009). Wiley (1997) suggests that, ensuring the success of an organisation requires employers who understand the importance of employee motivation. Such

understanding is essential to improveing productivity. Thus, motivating employees is one of the most important managerial functions. Helliegel et al. (2001) define employee motivation as "the force acting on or within a person that causes the person to behave in a specific, goal-directed manner". Success in this endeavour is essential in the quest to utilise the full potential of employees so as to ensure quality products and services and consequently the success of the new organisation as a whole.

Leadership and motivation in the post-merger phase

In their study on leadership style, motivation and performance in international marketing channels, Mehta et al. (2003) found that different leadership styles influence motivation. Specifically, participative, supportive and directive leadership styles were found effective in eliciting employees to exert higher levels of motivation, which, in turn, was associated with higher levels of performance. A transformational leadership behaviour called inspirational motivation has been empirically linked to a range of outcomes such as extra effort, ethical behavior, learning orientation, and project success by Banerji and Krishnan (2000).

In addition, Densten (2002) argues that extra effort has important significance for the validity of inspirational motivation because this outcome has been used to confirm the "augmentation effect" of inspirational motivation. This effect represents the unique variance in the ratings of performance, which is above and beyond that accounted for by transactional leadership. In other words, transformational leadership accounts for high performance through its inspirational motivation behaviour unlike transactional leadership. In concurrence, Bass and Avolio (1999) point out that several studies have also identified a high correlation between inspirational motivation and extra effort. In a merger, leaders who adopt transformational leadership style successfully motivate their employees to expend extra effort in carrying out their duties thereby ensuring the success of the new organisation.

However, just in the case with organizational commitment, there is strong empirical evidence to support a negative correlation between organisational change (change of any type) and motivation. In one study by Storseth (2004), a negative relationship between perceived organisational change and work motivation was identified. Specifically, the level of work motivation was lower among employees facing organisational changes, compared to employees not experiencing changes. A leadership style involving a "people-orientation" was identified as a key predictor for work motivation (Storseth,

2004). Despite these contradictions, one is able to conclude that leadership and motivation can be related irrespective of the context of organisational change. In light of the discussion above, the objectives of the study were:

1. To determine the leadership styles managers were using after the merger
2. To determine the level of employee motivation and commitment after the merger, and
3. To investigate the relationship between leadership styles and employee motivation and commitment after the merger.

METHODOLOGY

Hypotheses

The following hypotheses were tested:

1. There is a significant relationship between different leadership styles (transformational, transactional and laissez-faire) and employee commitment
2. There is a significant relationship between different leadership styles (transformational, transactional and laissez-faire) and employee motivation

As indicated in the literature review, mergers can have a negative or positive effect on the attitudes of employees, depending on the leadership style adopted. The stated hypotheses are drawn from such literature and the researchers sought to explore the extent of the relationships in an economically unstable environment.

Research paradigm and approach

The study followed the positivist paradigm and was descriptive in nature. A quantitative research approach was used to analyse the hypothesised relationships.

Dependent and independent variables

The independent variable in the study was leadership style, at the levels of transformational, transactional, and laissez-faire. The dependent variables were employee motivation and commitment, with levels of commitment being normative, continuance and affective.

RESEARCH METHOD

A case study method of a consolidated retail bank formed after a merger of a number of banks facing liquidation was used.

Sample

A total of 121 employees based in the one region of the newly formed retail bank participated in the study. The sample constituted of 62 (51.2%) males and 59 (48.8%) females. 104 of these were non-managerial employees while 17 were managerial employees.

Non-managerial employees included bank tellers, customer care consultants, secretaries, clerks and supervisors. Managerial employees comprised of managers from various departments such as marketing, human resources, accounting, information technology, transport, branch managers, auditing and investment.

Measures

Three questionnaires were used to collect data from respondents. The Multifactor Leadership Questionnaire (MLQ) (Form 5X) by Bass and Avolio (1997:122) comprising of 45 items was used to measure leadership styles used by managers in the bank. The Multifactor Leadership Questionnaire measures a broad range of leadership types from passive leaders, to leaders who give contingent rewards to followers, to leaders who transform their followers into becoming leaders themselves.

The MLQ identifies the characteristics of a transformational leader and helps individuals discover how they measure up in their own eyes and in the eyes of those with whom they work. Items were measured on a five-point likert scale ranging from (1) "not at all" to (5) "frequently if not always". The Organisational Commitment Questionnaire (OCQ) by Bagraim (2004) constituting 12 items was used to measure employees' commitment to the organisation. The items were measured on a five-point likert scale ranging from (1) "strongly disagree" to (5) "strongly agree".

The Employee Motivation Questionnaire (EMQ) developed from Herzberg's Two-Factor Theory and from the Job Design Theory by Hackman and Oldham (Robbins, 2005) measured employees' motivation. It had 17 items which were measured on a five-point likert scale ranging from (1)"strongly disagree to (5)"strongly agree". The revised MLQ, OCQ and the EMQ instruments had Cronbach alpha coefficients of 0.74, 0.77 and 0.67 respectively, which were regarded as satisfactory.

Research procedure

Stratified random sampling was used in selecting respondents for this study. Departments in the organisation were taken as strata. The following departments were used: Human Resources, Accounting, Auditing, Investment, Marketing, Information Technology and Transport. The distribution of the questionnaires was done by the researcher in all the six branches of the bank in the region where the study took place. Questionnaires were distributed to respondents randomly within each Department. The distribution was done during the lunch hour so as not to disturb the smooth flow of work.

Statistical analysis

To determine the level of employee commitment and motivation, measures of central tendency which show the centremost score in a distribution were used. Using a Likert scale with labels between 1 and 5, means scores were used to reflect the levels of the variables measured. Higher mean scores reflected higher reported levels of the variable. The results are shown in Table 1.

RESULTS

As indicated in Table 1, motivation had a mean score of 3.32 while commitment had an overall mean score of

Table 1. Means for commitment, motivation and leadership.

Variable	Statistic						Skewness	
	N	Range	Minimum	Maximum	Mean	Std.	Statistic	Std. error
Affective commitment	104	3.00	1.00	4.00	2.9784	.8869	-.694	0.237
Continuance commitment	104	3.75	1.00	4.75	2.4447	.8554	.449	0.237
Normative commitment	104	3.25	1.00	4.25	2.5481	.9178	-.281	0.237
Motivation	104	3.12	1.24	4.35	3.2247	.5629	-.1031	0.237
Transactional leader	121	2.46	2.23	4.69	3.6491	.5682	-.459	0.220
Leissez-faire leader	121	3.25	1.75	5.00	4.2955	.8235	-1.394	0.220
Transformational leadership	121	3.76	1.44	5.20	3.7997	.7969	-.867	0.220
Overall commitment	104	3.25	1.00	4.25	2.6571	.7088	-.375	0.237
Valid N (listwise)	104							

2.66. In terms of leadership, Laissez-faire leadership had the highest mean score of 4.30, followed by transformational leadership with a mean of 3.80 and lastly transactional leadership with a mean score of 3.64.

Hypothesis testing

The hypothesis for the study stated that "There is a significant relationship between different leadership styles (transformational, transactional and Laissez-faire) and employee motivation and commitment". In order to test the hypothesis, the Pearson's product moment correlation coefficient method was used. Specifically, the two-tailed Pearson Chi-square analysis was computed. This provided correlation coefficients that indicated the strength and direction of the linear relationship. The results are indicated in Table 2.

Table 2 indicates that there was a relatively weak but siginificant positive direct correlation between transactional leadership behaviours and affective commitment (r=.303, p<0.01). Similarly, there was a relatively weak but significant positive direct correlation between transactional leadership behaviours and normative commitment (r=.263, p<0.01). There was also a weak but significant positive direct correlation between transactional leadership behaviours and motivation (r=.402, p<0.01).

Table 2 also shows that, Laissez-faire leadership style had a relatively weak but significant positive direct correlation with affective commitment (r=.421, p<0.01) and with normative commmitment (r=.338, p<0.01). Laissez-faire is also shown to have had a moderate but significant positive direct correlation with motivation (r=.600, p<0.01).

Results in Table 2 show a moderate but significant positive direct correlation between transformational leadership style and affective commitment (r=.469, p<0.01) and also between transfromational leadership stlye and motivation (r=.612, p<0.01). A relatively weak but significant positive direct correlation was found between transformational leadership stlye and normative commitment (r=.357, p<0.01). In light of the results of the analysis, the hypothesis was rejected.

DISCUSSION

The results showing the overall commitment mean score of 2.65 and 3.32 for motivation indicate low commitment and motivation levels to the organisation after the merger, respectively. The findings concur with Covin et al. (1997) who argue that, when a merger takes place, there is an increase in uncertainty which culminates in lower levels of commitment, motivation and intentions to remain with the organisation. In the organisation under study, some employees were taken from the merged organisations which had different work ethics and cultures. This could have resulted in uncertainty in terms of what was expected of them in the new organisation which probably had a culture different from what they were used to.

The findings show that Laissez-faire leadership style had the highest mean score of 4.30. This indicates that most of the managers in the organisation practised Laissez-faire leadership behaviours fairly often than transactional and transformational leadership behaviours whose mean scores were 3.64 and 3.80 respectively. In light of these results, it could be argued that Laissez-faire accounted for the low levels of employee commitment to the organisation. According to Peters and Waterman (2004), the leader's vision and mission are quasi-religious means of stirring up workers' commitment and enthusiasm. Laissez-faire leaders are essentially non- leaders in that they do not offer any support and direction to their followers. As a result, leaders in the organisation following Laissez-faire could not have been expected to influence positively their followers' commitment to the organisation. However, Yousef (2000) pointed out that, changes in leadership behaviour to more empowering,

Table 2. The Pearson's correlation matrix of leadership styles and employee commitment and motivation.

		Affective commitment	Continuance commitment	Normative commitment	Motivation	Transactional leader	Leissez-faire leader	Transformational leadership
Affective commitment	Pearson correlation	1.000	0.320**	0.581**	0.506**	0.303**	0.421**	0.469**
	Sig. (2-tailed)	0.000	0.001	0.000	0.000	0.002	0.000	0.000
	N	104	104	104	104	104	104	104
Continuance commitment	Pearson correlation	0.320**	1.000	0.456**	0. 204*	0.057	0.119	0.162
	Sig. (2-tailed)	0.001	0.000	0.000	0.038	0.565	0.231	0.100
	N	104	104	104	104	104	104	0104
Normative commitment	Pearson correlation	.581**	.465**	1.000	0.334**	0.263**	0.338**	0.357**
	Sig. (2-tailed)	0.000	0.000	0.000	0.001	0.007	0.000	0.000
	N	104	104	104	104	104	104	104
Motivation	Pearson correlation	0.506**	0.204**	0.334**	1.000	0.204**	0.600**	0.612**
	Sig. (2-tailed)	0.000	0.038	0.001	0.000	0.000	0.000	0.000
	N	104	104	104	104	104	104	104
Transactional leader	Pearson correlation	0.303**	-0.057**	0.263	0.402**	1.000	0.691**	0.551**
	Sig. (2-tailed)	0.002	0.565	0.007	0.000	0.000	0.000	0.000
	N	104	104	104	104	104	104	104
Leissez-faire leader	Pearson correlation	0.421**	0.119	0.338**	0.600**	0.691**	1.000	0.700**
	Sig. (2-tailed)	0.000	0.231	0.000	0.000	0.000	0.000	0.000
	N	104	104	104	104	104	104	104
Transformational leadership	Pearson correlation	0.469**	0.162	0.357**	0.612**	0.551**	0.700**	1.000
	Sig. (2-tailed)	0.000	0.100	0.000	0.000	0.000	0.000	0.000
	N	104	104	104	104	104	104	104

and participatory ones can lead to changes in the levels of organisational commitment and employee performance.

The results showing that transformational leadership had the highest significant positive correlation coefficient with affective commitment, even though it was weak (r = 0.01, p<0.469) than transactional (R= 0.01, p<0.303) and Laissez-faire leadership (R = 0.01, p<0.402) means that transformational behaviours that include articulating a compelling vision, treating employees as individuals and increasing the employees' emotional

attachment to the organisation were common in the organisation after the merger. The findings concur with those of Lee (2005) who, in a study to investigate the effects of leadership and leader-member exchange on commitment, found transformational leadership to have significant effects on affective commitment unlike transactional and Laissez-faire leadership. Similarly, a study by Rowden (2000) indicated that, having a clear vision and articulating it, is related to affective commitment. A weak relationship as revealed by the findings could be attributed to other mediating variables. For example, Brett et al. (2002) argue that, high affective commitment will be diluted if there is dissatisfaction with pay and benefits. This could explain low levels of attachment to the organisation by the employees.

The finding that there was a significant positive weak correlation between transformational leadership and normative commitment (r=0.357, p<0.01) supports Koh et al. (1995) argument that, normative commitment has a positive impact on employee behaviours and reactions, but not as significant as those of affective commitment. This is a likely case because employees who stay with an organisation because they feel obligated do not show the same kind of involvement as those employees who stay because they want to. According to Robbins et al. (2004) transformational leaders, by paying attention to the concerns and developmental needs of individual followers, foster normative commitment to some extent. Individual employees in the organisation might feel obligated to remain working for their organisation due to the investments made by the organisation into their lives. For some employees, the fact that they were retained in the organisation after the merger might have made them feel obliged to remain working for the organisation.

Transformational leadership showed the highest significant positive correlation coefficient with motivation (r=0.612, p<0.01) as compared to transactional leadership (r=0.402, p<0.01) and Laissez-faire leadership (r=0.600, p<0.01). In support of this finding, Sadler (2003) comments that since transformational leaders are considered inspirational motivators, they have the ability to generate enthusiasm, inspire and motivate followers. In contradiction to previous research (John and Barbuto, 2005) results of the study showed that Laissez-faire leadership behaviours was moderately related to motivation just like transformational leadership behaviours, while the relationship between transactional leadership was weakly related o motivation.

In their study on leadership style, motivation and performance in international marketing channels, Mehta et al. (2003) found that different leadership styles have different levels of influence on motivation. Specifically, participative, supportive and directive leadership styles such as transactional and transformational were found effective in eliciting employees to exert higher levels of motivation unlike laissez-faire where the leader abdicates responsibility and is not supportive.

Conclusion

The uniqueness and strength of this study lies in its focus on investigating leadership style, commitment and motivation in a single study within a different context and organisation compared to previous studies. In summary, there was low commitment and motivation among employees after the merger in the context of a depressed economic environment. Unlike in previous studies done in stable economic environments, Laissez-faire leadership style was more practiced by managers after the merger, transformational leadership had a positive relationship with employees motivation and affective commitment. Further studies of this kind could focus on the whole merger process. Commitment and motivation could also be measured before and after the merger so as to detect the actual impact of the merger on these attitudinal outcomes.

RECOMMENDATION

The practical implication of the study lies in the understanding that success after a merger depends on having committed and motivated employees as well as effective leadership. Therefore, management should be able to rally employees behind clearly and simply defined goals after organisational changes such as a merger. As all members of the organisation take ownership of the vision, they put all their efforts towards realising that vision. Although using a Laissez-fare approach as indicated by the study is good, it must be complemented by transformational leadership.

The results showed low levels of employee motivation. Managers in consolidated organisations cannot assume that they understand their employees' needs, but they should recognise the variety of needs that motivate employee behaviour and solicit inputs from these employees to understand their needs within depressed economies. Since individuals differ in their needs, managers should therefore be sensitive to how employees' motivation in the merged organisation is affected, not only by the leadership style, but also moderated by the perceptions of the prevailing economic environment.

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