

The Impact of Leadership Styles on Organizational Commitment: A Study in the Trading and Logistics Company in Azerbaijan

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How to cite this paper: Novruzov, S. (2024). The Impact of Leadership Styles on Organizational Commitment: A Study in the Trading and Logistics Company in Azerbaijan. *Open Journal of Business and Management*, 12, 3572-3622.

<https://doi.org/10.4236/ojbm.2024.125179>

Received: July 29, 2024

Accepted: September 21, 2024

Published: September 24, 2024

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Abstract

This study investigates the influence of leadership styles on employee commitment within the logistics and trading sector in Azerbaijan. Recognizing the critical role of leadership in organizational success and the development of personal competencies that benefit the broader market, this research examines transformational, transactional, and laissez-faire leadership styles and their respective impacts on affective, normative, and continuance commitment. The study is contextualized within Azerbaijan's unique post-Soviet cultural landscape and its recent economic transitions, highlighting the importance of understanding these dynamics. Utilizing a mixed-methods approach, the research incorporates a survey of 43 employees and interviews with three C-level executives to provide a comprehensive analysis. The findings reveal that transactional leadership, primarily driven by financial incentives, is the dominant style, which correlates strongly with high levels of continuance commitment due to prevailing economic conditions. Although contingent rewards are highly valued, the presence of transformational leadership traits is comparatively limited. The study underscores the significant cultural and economic factors that shape leadership and organizational commitment in Azerbaijan, offering insights for future research. The results have practical implications for designing leadership programs tailored to similar economic and cultural contexts, with the potential to enhance organizational commitment and performance.

Keywords

Leadership Styles, Employee Commitment, Transformational Leadership, Transactional Leadership, Laissez-Faire Leadership, Organizational

Commitment, Affective Commitment, Normative Commitment, Continuance Commitment, Post-Soviet Cultural Context, Mixed-Methods Approach

1. Introduction

1.1. Background and Importance of the Research Topic

In the contemporary world, leadership is crucial not only for organizational success but also for fostering personal skills that benefit both the market and society as a whole (Alain, 2012). Recognizing this significance, this study examines the impact of leadership styles on employee commitment within the logistics and trading sector in Azerbaijan.

Key terms used in this study are defined as follows:

Leadership: Defined as the ability of an individual to influence and motivate others to contribute to the effectiveness and success of the organizations they belong to (Cojocar, 2009).

Leadership Styles: The manner in which a leader interacts with subordinates to influence the achievement of organizational goals (Nidadhavolu, 2018). This study focuses particularly on transformational, transactional, and laissez-faire leadership styles, as extensively studied by Bass (1985).

Organizational Commitment: According to Porter, Steers, Mowday, and Boulian (1974), it is the strength of an individual's identification with and involvement in a particular organization (Nidadhavolu, 2018).

This study encompasses several important dimensions:

Commitment: Defined as an individual's involvement in a particular organization, which is believed to positively affect job effectiveness and performance (Mowday et al., 1979: p. 226). The topic of organizational commitment has been extensively researched and remains significant due to its influence on performance (Stogdill, 1974). Previous studies have primarily focused on the impact of subordinates, groups, and hierarchical structures on organizational commitment (Mete et al., 2016). This study, however, considers the influence of leadership styles on organizational commitment.

Leadership: Commonly defined as the ability to influence a group of followers toward achieving organizational vision and goals (Mowday et al., 1979). This study will explore the reciprocal relationship between organizational commitment and leadership styles, investigating how they affect each other.

Azerbaijani Culture: The unique characteristics of Azerbaijani culture provide a critical context for this study. Observing the economy and organizational behavior in Azerbaijan reveals that current employees exhibit lower organizational commitment compared to a decade ago, a period marked by limited globalization and interstate integration.

As a post-Soviet country that gained independence relatively recently, Azerbaijan has experienced significant cultural shifts. The older generation, having witnessed the Soviet economic system and the country's transition to independence, typically exhibited higher organizational commitment. This trend is attributed to several factors:

Economic Structure: During the Soviet era, Azerbaijan operated under a centralized economy, where the government controlled all major economic activities. Jobs were assigned by the state, and individuals had little choice but to accept these placements, leading to a higher sense of duty and commitment to their organizations.

Limited Career Options: The lack of diverse career paths during the Soviet period meant that once employed, individuals tended to remain in their positions for long durations, fostering a sense of loyalty and commitment.

Cultural Values: The older generation was influenced by the cultural norms of the Soviet Union, which emphasized collective responsibility and loyalty to one's work unit or organization. This cultural backdrop contributed to higher organizational commitment.

In contrast, the younger generation, benefiting from the economic diversification post-independence, faces a multitude of career choices, resulting in lower organizational commitment. The economic liberalization and influx of foreign investments have led to the emergence of new industries and job opportunities, giving young professionals the flexibility to explore various career paths.

Significant economic and socio-political changes, such as the "Contract of the Century" signed in 1994, have revolutionized Azerbaijan's economy. This landmark agreement, involving international oil companies and investors, heralded a new stage of economic development, attracting further regional and international investments across various sectors (President.az, 2024). The agreement facilitated the development of Azerbaijan's oil and gas industry, leading to substantial economic growth and diversification. As a result, numerous sectors, including finance, telecommunications, and technology, have flourished, creating a more dynamic job market.

The diversification of jobs and industries has influenced job searches and career choices, particularly among the younger population. With more opportunities available, young professionals are less likely to commit to a single organization for extended periods, opting instead for career mobility and growth.

This study aims to explore the concept of leadership and its impact on organizational commitment within the context of Azerbaijani organizational culture. The private sector of Azerbaijan serves as the primary data source, as managers in this sector exhibit varied leadership styles. While hierarchical management culture has traditionally negatively influenced organizational commitment, there

is a growing recognition among private sector leaders of the importance of effective leadership styles in enhancing retention rates. This study seeks to identify existing theories and literature, address current societal issues, and provide evidence-based analysis for current and future leaders.

1.2. The Significance of the Study

The significance of this study lies in its potential to provide valuable insights into the relationship between leadership styles and organizational commitment within the unique cultural and economic context of Azerbaijan. As the country continues to navigate its post-Soviet transformation and economic diversification, understanding how leadership can influence employee commitment is crucial for organizational success. This study's findings can guide leadership development programs, helping leaders in Azerbaijan and similar contexts to adopt leadership styles that enhance employee commitment and overall organizational performance. By addressing the specific challenges and opportunities within the Azerbaijani private sector, this research contributes to a deeper understanding of effective leadership practices in emerging economies.

Despite extensive research on leadership and organizational commitment in various global contexts, there is a notable gap in the literature specifically addressing how leadership styles impact organizational commitment within the unique cultural and economic environment of Azerbaijan. As Azerbaijan transitions from its post-Soviet past and continues to diversify its economy, the dynamics of leadership and employee commitment are crucial yet underexplored areas, particularly in the trading and logistics sector. This sector, which plays a significant role in the country's economic growth, faces distinct challenges that stem from a blend of traditional hierarchical structures and emerging modern management practices.

This study aims to fill this gap by examining how different leadership styles—transformational, transactional, and laissez-faire—affect the three dimensions of organizational commitment: affective, continuance, and normative commitment, within the Azerbaijani cultural context. By focusing on the trading and logistics sector, the research seeks to provide insights that are directly applicable to the private sector in Azerbaijan. Understanding these dynamics is vital for developing leadership strategies that can enhance employee commitment and drive organizational success in an evolving economic landscape.

The findings of this study are intended to inform leadership development programs and guide leaders in Azerbaijan and similar emerging economies. By identifying the most effective leadership styles for fostering organizational commitment in this specific context, the research contributes to a deeper understanding of leadership practices that can support the continued growth and success of organizations in Azerbaijan and other post-Soviet nations.

1.3. The Problem Statement

The Republic of Azerbaijan has emerged as a pivotal state in Eurasia, contributing significantly to the development of a common vision for the region. Geopolitically, Azerbaijan's strategic location at the crossroads of major European and Eurasian lands serves as an essential bridge between two continents. This geographical advantage has positioned Azerbaijan as a crucial player in regional and international affairs.

In recent years, Azerbaijan has achieved several milestones that have bolstered its geopolitical standing. Notably, the country will host the COP-29 conference (UNDP, 2024), highlighting its commitment to addressing global environmental challenges and showcasing its role in international diplomacy. Additionally, Azerbaijan has been an active participant in various international organizations and initiatives, further enhancing its global influence.

Azerbaijan's vast natural resources, particularly in the oil and gas industries, have been the primary drivers of its economy. Approximately 92% of the country's exports and over half of its GDP are derived from the sale of oil and natural gas (U.S. Department of State, 2023). However, the country's heavy reliance on oil has also exposed it to vulnerabilities. The macroeconomic environment of Azerbaijan experienced significant challenges in 2017 due to a plunge in oil prices, resulting in adverse economic impacts.

Unlike its robust energy strategy, Azerbaijan's vision for developing its non-oil economy is still a work in progress. The drastic drop in oil prices and changing energy politics have underscored the urgent need to diversify the economy. In response, Azerbaijan has embarked on several initiatives to bolster its non-oil sectors (ADB, 2024).

Azerbaijan's capital, Baku, is poised to transform into a vital transport and coordination hub for the region. Recent infrastructure improvements, particularly in the transportation sector, have been instrumental in advancing the non-oil economy. The Baku International Sea Trade Port, inaugurated on May 14, 2017, plays a decisive role in enhancing the country's transit capacities and boosting economic growth (Azernews, 2018).

To accelerate economic diversification, Azerbaijan has adopted the "Strategic Roadmap for Development of Logistics and Trade in the Republic of Azerbaijan." This roadmap aims to build a competitive, diversified, inclusive, and sustainable economy by setting short-, medium- and long-term policy directions for economic development in logistics and trade for the periods 2020, 2025, and beyond (CAERC, 2017). The roadmap underscores the importance of well-planned and organized trading and logistics sectors to achieve these goals.

Despite Azerbaijan's strategic geopolitical positioning and its significant economic milestones, particularly in the oil and gas sectors, there is a critical gap in the understanding of how leadership styles influence organizational commit-

ment within the country's evolving economic and cultural landscape. Azerbaijan's unique post-Soviet cultural context, characterized by a mix of traditional values and rapid modernization, presents distinct challenges and opportunities for organizational leadership, especially in non-oil sectors such as trading and logistics.

While extensive research exists on leadership styles and organizational commitment in Western contexts, there is a notable lack of studies focused on Azerbaijan's private sector, particularly within the trading and logistics industry. This sector is vital for Azerbaijan's economic diversification efforts, as outlined in the "Strategic Roadmap for Development of Logistics and Trade in the Republic of Azerbaijan." However, the specific dynamics of leadership and employee commitment in this context remain underexplored.

Given the critical role of leadership in shaping organizational culture, employee satisfaction, and retention, this study seeks to fill this gap by examining how different leadership styles—transformational, transactional, and laissez-faire—impact organizational commitment in the Azerbaijani trading and logistics sector. The study aims to provide evidence-based insights that can guide the development of leadership strategies tailored to the unique cultural and economic conditions of Azerbaijan. By doing so, it addresses the urgent need for research that not only enhances theoretical understanding but also offers practical recommendations for improving leadership effectiveness and organizational outcomes in this rapidly developing region.

1.4. Research Questions

This study seeks to address the following key research questions:

- *Is there a significant relationship between the leadership style employed and its impact on organizational commitment among employees?* Specifically, how do subordinates' responses to different leadership styles serve as indicators of the transformation facilitated by their leaders?
- *What is the predominant leadership style at X Trading and Logistics Company?* Does the organization primarily exhibit transformational, transactional, or laissez-faire leadership?
- *Which dimension of organizational commitment is most prevalent among employees at X Trading and Logistics Company?* Is it affective, continuance, or normative commitment that dominates?
- *How do different leadership styles affect employee organizational commitment at X Trading and Logistics Company?* What are the specific impacts of transformational, transactional, and laissez-faire leadership on the commitment levels of employees?

These research questions aim to explore the interplay between leadership styles and organizational commitment, providing a comprehensive understand-

ing of how leadership influences employee behavior within the unique context of Azerbaijan's trading and logistics sector.

1.5. Study Hypotheses

The major hypothesis (H1): there is a statistically significant effect for leadership styles on organizational commitment.

1) Sub hypothesis H1a: there is a statistically significant effect of transformational leadership style on organizational commitment.

2) Sub hypothesis H1b: there is a statistically significant effect of transactional leadership style on organizational commitment.

3) Sub hypothesis H1c: there is a statistically significant effect of laissez-faire leadership style on organizational commitment.

1.6. Brief Description of the Methodology Used

The methodology of this research study is mainly based on a survey questionnaire, which contains demographic, leadership style as well as organizational commitment assessment questions conducted through the Survey Planet online platform. The survey contains 49 questions with the Likert scale (ranging from strongly disagree to strongly agree) questions. Without disclosing the survey outcomes to the senior managers, a follow-up interview, comprising 17 open-ended questions, was conducted with three senior managers.

1.7. Organization of the Paper and Review of Chapters

This dissertation thesis will consist of five major chapters:

Chapter 1. Introduction: The main concept, purpose, problem statement, and significance of the study will be discussed in the introductory chapter.

Chapter 2. Literature Review: This chapter will review the literature related to commitment, leadership (and the Azerbaijan national culture), and the relationship between these dimensions. It will, then, introduce the theoretical framework of leadership styles and organizational commitment that will underpin the study.

Chapter 3. Methodology and Data Collection: this will cover the conceptual framework, methodology and techniques applied, and data collection.

Chapter 4. Data Analysis and the Results Discussion: this chapter will consist of the data interpretation, gained results, and their discussions. The discussion in detail of the research findings and comparative analysis with literature review findings will be presented. The chapter will contain graphical and tabulated presentations of research findings.

Chapter 5. Discussion and Recommendations for Future Studies: the last chapter will be regarding concluding remarks, relevant recommendations to the subject chosen, and limitations of the study.

2. Literature Review

2.1. Introduction

The concept of leadership has been extensively studied by scholars worldwide. A review of scholarly articles and research on leadership reveals a wide range of theoretical approaches and methodologies aimed at elucidating the complexities of the leadership process. Leadership has been examined using both qualitative and quantitative methods across various contexts and settings, particularly within large organizations. The practical analysis of leadership topics presents a nuanced and sophisticated understanding of leadership, contrasting the often simplistic portrayals found in some literature.

Despite the extensive research on leadership, there is a noticeable gap in the literature concerning the impact of leadership styles on organizational commitment within the specific cultural and economic context of Azerbaijan. Most existing studies focus on Western or more broadly defined global settings, which may not fully capture the unique dynamics present in Azerbaijan's evolving market and cultural landscape. Additionally, there is limited research that integrates the cultural influences on leadership and organizational commitment in post-Soviet countries, including Azerbaijan.

The Literature Review section will first identify the concept of leadership and its commonly used styles: *transactional*, *transformational*, and *laissez-faire* leadership. These styles represent the pathways through which leaders guide their followers. Transformational leaders, who inspire their subordinates with trust, admiration, and respect, exhibit four main traits: *charisma or idealized influence*, *inspirational motivation*, *intellectual stimulation*, and *individualized consideration*. Transactional leaders, who promote compliance through reward and punishment systems (Bass, 1985), operate through three main components: *contingent reward*, *management by exception-active*, and *management by exception-passive*. Lastly, the *laissez-faire leadership* style is characterized by a regular avoidance of intervention.

Organizational commitment is defined as the overall strength of an individual's involvement and identification with their organization. Meyer and Allen (1991) identify three types of employee commitment: *affective commitment*, *normative commitment*, and *continuance commitment*. These components are not mutually exclusive, and employees can exhibit a combination of them.

Affective Commitment: Reflects an emotional attachment to, identification with, and involvement in the organization.

Normative Commitment: Reflects a perceived obligation to remain with the organization.

Continuance Commitment: Reflects an awareness of the costs associated with leaving the organization.

Each type of commitment will be examined in detail to provide a comprehensive

understanding of how leadership styles influence organizational commitment.

This research aims to fill the identified literature gap by focusing specifically on the Azerbaijani context. By examining the interplay between leadership styles and organizational commitment within Azerbaijan's logistics and trading sector, this study will provide nuanced insights that are currently lacking in the existing body of literature. The research will employ both qualitative and quantitative methods to ensure a robust analysis that considers the unique cultural, economic, and organizational factors at play in Azerbaijan.

By doing so, this study will contribute to a deeper understanding of leadership dynamics within the Azerbaijani context and offer practical implications for improving organizational commitment through effective leadership. The findings will be particularly valuable for managers and leaders in Azerbaijan, providing them with evidence-based strategies to enhance employee commitment and, consequently, organizational performance.

2.2. Concept and Definition of Leadership

“The challenge of leadership is to be strong, but not rude; be kind, but not weak; be bold, but not a bully; be thoughtful, but not lazy; be humble, but not timid; be proud, but not arrogant; have humor, but without folly.” – Jim Rohn (*Success Staff*, 2018).

The concept of leadership is one the most widely studied phenomena in the sphere of organizational behavior and commitment. As a result, there are diverse resources of definitions and approaches to leadership, as well as different ways of conceptualization and measurement.

The interesting approach to leadership insights revealed by John C. Maxwell in his book “5 Levels of Leadership” caught my attention. As seen by the book name Maxwell divided leadership into 5 levels 1) *Position*; 2) *Permissions*; 3) *Production*; 4) *People Development*; and 5) *Pinnacle* (Maxwell, 2011). The writer claimed that the higher the rate of risk the higher the level of leadership and vice-versa. The higher the leader aims to run, the more resources and contributions are required to achieve the next level. It is not as getting a degree, nor as getting a record as an athlete. It looks like running a different distance every day and asserting yourself. It is not an easy way to get to the top. Every time you achieve a top, you pay more time, and more energy and must remain more committed. Developing as a leader needs intentionally growing him/herself along with practicing leadership. The higher the level of leadership the greater skills are required. The Law of Respect says, “People naturally follow leaders stronger than themselves.” (Maxwell, 2011). Though, if you choose to develop as a leader, you have to improve yourself and create an environment to grow for your followers. As leaders grow up, so grow the people lead. The leader cannot stop the improvement; however, some people can, since they reached their top

limit. The problem is not capacity, the problem is attitude and choice. We cannot change the past, but we can change our future. No matter what are the contingencies the leaders understand that leadership life requires starting again from the bottom, growing more than once, and making the way for pursuant. One of the favorite sayings of the author is “If you think you’re leading but no one is following, then you are only taking a walk.” (Maxwell, 2011). The successful leader must help others to follow up the levels. Without developing generations of leaders, the leader will not achieve the highest level of “Pinnacle”.

There is an extensive range of definitions of leadership. Bass and Bass (2008) argued that the search for a single definition of leadership phenomenon was pointless and fruitless (McCleskey, 2014). Among numerous definitions and originations, the right meaning of leadership relies on the specific aspect of leadership of interest to the individual (Bass, 2000). Stogdill (1974) commented in a research leadership study; “there are almost as many different definitions of leadership as there are people who have tried to define it”; Merton (1969) stated that “leadership is a process to influence a particular group of people in an organized way to achieve certain goals” (Nidadhavolu, 2018). According to Zenger and Folkman (2002), leadership is a standout—it is amongst the most watched and least comprehended phenomena on the earth. A few specialists characterized leadership as an endeavor to coordinate or arrange explicit assignments for members of a group (Fiedler, 1967).

Scholars have stated that leadership and the study of this phenomenon originated its inception from the beginning of civilization (Stone & Patterson, 2005). In the mid-twentieth century, most of the leadership theories focused on personality traits as the characteristics of a successful leader. Therefore, McKenna (2006) claimed that it was trusted that these leadership qualities were acquired naturally or inherited, and consequently, the center moved from examining the effectiveness of leaders to focusing more on the attributes of individuals who in this manner developed as leaders (Abdalla, 2010).

Although most of the studies focus on solely the leader, some researchers like Graen and Uhl-Bien (1995) identified leadership theories as *a) a leader, b) a follower, and c) a leader-follower relationship*. Research by Hernandez, Eberly, Avolio, and Johnson (2011), on the other hand, integrated the numerous theories of leadership based on two fundamental principles: the *locus* (refers to the source from which leadership emerges) and *mechanism of leadership* (implies the means by which leadership is enacted). The researchers categorize leadership into five loci: *leader, follower, leader-follower, collective, and context*. The mechanism of leadership, on the other hand, is categorized into *traits, behaviors, cognition, and affect*.

Behavioral scholars are one of the schools of thought that are recognizable for scrutinizing and identifying a successful leader’s various components or attrib-

utes. The behavioral theories studied the roles, categories of behavior, and duties associated with leadership and mostly concentrated on leaders' focus on work tasks versus their relationships with subordinates (Bensimon et al., 1989). In like manner, leaders were categorized into task-oriented and people-oriented leaders. The task-oriented leaders are essentially worried about authoritative execution and organizational performance and are described by an autocratic leadership style. The people-oriented leaders center basically around the prosperity of their followers as opposed to an autocratic executor and are best described by a popularity-based democratic style of leadership (Abdalla, 2010). Likert's Four Styles Model used these as opposite poles and composed four styles of leadership behavior: *exploitive authoritative*, *benevolent authoritative*, *consultative*, and *participative democratic* (McKenna, 2006).

2.3. Leadership Styles

“Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others.”—Jack Welch (Success Staff, 2018).

The number of leadership styles has grown as the studies of leadership phenomenon has developed over the course of history. Leadership style is the path followers are guided in. If the leadership style is effective, it can strengthen organizational performance and chase the achievement of preferred objectives. The commonly used well-known leadership styles are transactional, transformational, and laissez-faire. Transformational and transactional theories of leadership are based on the concepts presented by McGregor Burns (1978). Further, Bass (1985) determined one more leadership style—laissez-faire—and emphasized these three leadership styles. This study focuses primarily on these three styles.

2.3.1. Transformational Leadership Style

Transformational leaders instill trust, admiration, and respect in subordinates and, thus motivate them to perform beyond their expectations (Parry & Proctor-Thomson, 2002). According to Bass (1985), the phenomenon of transformational leadership emerged from the traits of charismatic leadership, as transformational leadership is categorized with four main components:

- 1) Charisma or idealized influence: the degree to which the leaders can influence followers to identify with the leader by being affected by strong emotions. According to Bass (1990), a charismatic leader inspires their followers with ideas that they may be able to realize by showing extra effort. Moreover, these kinds of leaders pay close attention to differences among employees and play the role of supervisor to those who need help in order to grow and develop. Bass (1990) states that the employees say that they themselves exert extra effort on behalf of

managers who possess charismatic transformational leadership patterns. Gaining charisma in the eyes of followers is the cornerstone for succeeding as a transformational leader.

2) Inspirational motivation: the degree to which the leader transmits an appealing vision and inspires followers to pursue that. According to Bass, Avolio, Jung, and Yair (2003), leaders behave in ways that encourage those around them by keeping away magnitude and challenge from followers' work. The individual and group spirit is aroused alongside enthusiasm and optimism is displayed. The leader encourages followers to envision captivating future states, which they can in the end envision for themselves.

3) Intellectual stimulation: the leader presents new ideas, supports creativity, and encourages followers to question conventional practices. This type of transformational leader is willing and capable of revealing to followers the new ways of looking at old-fashioned problems and teaching them to regard difficulties as problems to be solved¹ (Bass, 1990). There is no public or open criticism of employees' mistakes. New thoughts and imaginative answers for issues are requested from followers, who are incorporated into the way toward tending to the problems and discovering solutions (Bass et al., 2003).

4) Individualized consideration: the leader provides support, coaching, and encouragement (Bass, 1985). Leaders focus on every individual's requirement for accomplishment and development by going about as a mentor or tutor. Followers are developed to progressively excel their potential. New learning opportunities are made alongside a cooperative atmosphere in which to develop. Personal differences in terms of necessities and wants are recognized and chased.

2.3.2. Transactional Leadership Style

In contrast to the transformational approach, a transactional approach attempts to promote compliance through the use of a reward and punishment system. Kuhnert and Lewis (1987) argued that for a transactional leader to be viable and effective, he/she should impart trust in subordinates by frequently satisfying their desires. Consequently, compelling transactional leaders must be able to appropriately react to responses and changing desires to show subordinates that they are successful.

Transactional leadership consists of below aforementioned three components (Bass, 1985):

1) Contingent reward: the degree to which leaders can form transactions with followers by rewarding their efforts and punishing undesirable actions. Bass (1990) argues that leader-employee's transactions which are solidly based on contingent reward may work reasonably well in case those leaders can provide

¹According to Bass (1990) such a leader was Lorenz Iversen, a former president of the Mesta Machine Company who said to his employees, "We got this job because you're the best mechanics in the world!". He practiced management-by-walking-around and stimulated the development of many of Mesta's patented inventions.

rewards that have value to the employees. Research by Bass (1999) has shown that contingent reward and management-by-exception-active styles of transactional leadership are more effective than management-by-exception-passive and laissez-faire leadership styles.

2) Management by exception-active: the leader takes action by intervention in order to ensure that standards are enforced and achieved. This style of leadership suggests intently checking for deviances, oversights, and blunders and afterward taking restorative activity as fast as conceivable when they happen.

3) Management by exception-passive: In its more passive form, the leader waits for problems to arise before acting (Bass et al., 2003). Such leaders tend to avoid clarifying the objectives and standards for subordinates and providing specific agreements for reward or punishment (Abdalla, 2010).

The main difference between active and passive management by exception lies based on the timing of the leader's intervention (Lyndon & Rawat, 2015). While active leaders intervene by predicting problem areas and taking preventive actions, whereas passive leaders intervene only when the follower fails to meet the pre-determined principles.

Although each of these approaches carries its own importance, meaning that not all leadership styles suit all sectors, different management styles are suited to different situations. Transactional leaders, for instance, can address small operational routine details quickly and efficiently, while keeping employees productive on the front line. Thus, when it comes to the front-line supervisors of minimum-wage employees, a transactional leader can handle the job more effectively. For instance, a supervisor at a fast-food restaurant will be much more effective and efficient if s/he ensures the stations run smoothly, rather than brainstorming about better ways of serving hamburgers. Transformational leadership styles, on the other hand, can be helpful to the strategic development of small-scale businesses, where transformational leaders can attain ambitious goals, may achieve rapid success, and motivate the followers as a team to serve the best interests of the organizational goals. Thus, sales managers or executive officers can be more effective if they prefer to follow a transformational leadership style. Such executive managers need the capability to not only design and communicate strategic missions but also pass those missions down to transactional leaders for implementation of the details. Therefore, one can observe that it is not quite clear which leadership is better than another, as the nature of the business and operating environment can determine the leadership trait of the leader. Nevertheless, for more large-scale and complicated organizations, Latham (2014) suggested that a mixture of both leadership styles can yield better results.

2.3.3. Laissez Faire Leadership Style

More often known as the 'absence of leadership' or 'the avoidance of interven-

tion, the laissez-faire style presented by Bass and Avolio (1990) (as its French origin is loosely related to “leave it alone”), is based on trust. Laissez-faire leaders do not tend to show interest in the needs of their subordinates and do not make decisions or provide feedback on time. Thus, at the opposite end of the spectrum would be leaders, who work in an inflexible environment with clear directions and routine goals, which oftentimes are preferred by authoritarian leaders. This type of leadership style shares similarities with the ‘impoverished management’ presented by Blake and Mouton (1985), which conceptualized a leader exerting minimal effort to get the work done, and ignoring the duties assigned. On this note, *laissez-faire leadership* can be regarded as a ‘lack of presence’ as well.

From the perspective of a laissez-faire leader, the key to success is to build a strong team that fosters mutual trust and gets the job done without the need for constant intervention. When first analyzed, laissez-faire might seem one of the feasible ways of leading, however, it is also known for its destructive nature and potential. Hence, it oftentimes is not recommended for most industries. According to Barling, Kelloway, and Frone (2005), laissez-faire leaders are not able to meet the expectations of their subordinates and are usually argued to foster role conflicts and disagreements with coworkers. Einarsen et al. (2007) view laissez-faire as violating the legitimate expectations of the organization and subordinates and undermining organizational objectives. The study by Ekmekci and Tosunoglu (2016) aims to reveal whether laissez-faire leadership is positively linked to reduced levels of trust in organizations, and its effect on employee’s confidence in the organization. Their findings on the negative impact of laissez-faire leadership style on organizational trust support the arguments made by Einarsen et al. (2007), focusing on the destructiveness of laissez-faire leadership. By failing to support the interests of subordinates, employees seem to perceive such ignorant and ineffective leadership as a sign of a leader failing to fulfill the promised obligations. Thus, the trust in management starts falling apart as the employees start to question the integrity and benevolence of management. Therefore, Ekmekci and Tosunoglu (2016) conclude that taking certain steps, such as giving timely feedback, using fair rewards, and taking decisions, managers can pursue more active leadership, and gain more trust from their followers. To cultivate such a culture of trust, leaders need to pay special attention to three key antecedents of trust, namely, ability, benevolence (by showing special concern for followers’ issues), and integrity. For instance, rather than enforcing reward structures characterized with ‘zero-sum games’, leaders can distribute both monetary and non-monetary rewards based on key performance indicators, like collaboration and performance, which will potentially enhance the perception of benevolence, fairness, and integrity. Additionally, by providing honest information about their intentions, leaders can depict a more positive image, as act-

ing as a representative of the organization, credible and reputable managers are more able to instill trust than others.

2.4. Organizational Commitment

Organizational commitment is characterized as the overall quality of subordinates' inclusion and identification with their organization (Yousef, 2000). It alludes to a person's level of acknowledgment of the qualities and objectives of the organization (Curtis & Wright, 2001). According to the research of Udo et al. (1997), committed employees are highly involved within their organization, show a high level of satisfaction, and are less inclined to leave the organization. According to Becker (1960), commitment comes into being in cases where an individual links extraneous interest with a consistent line of activity of an organization. The employees' individual characteristics, work experiences, job characteristics, team/leader relationship, leadership behavior, and organizational components could be considered as significant factors affecting organizational commitment (Mathieu & Zajac, 1990).

2.4.1. Affective Commitment

Affective commitment is the most prevalent approach of organizational commitment. It is regarded as an *emotional attachment* to the organization (Allen & Meyer, 1990). This approach was taken by Kanter (1968) to describe the attachment of an individual's emotion to the group. At the point when the individuals' own values are compliant with the organization's values, the employee can identify with the organization, and this will empower them to assimilate the values and objectives of the organization (Meyer & Herscovitch, 2001). Positive results can be achieved through affective commitment, which can be observed through reduced absenteeism, reduced turnover, better organizational behavior, and organizational effectiveness (Noraazian & Khalip, 2016). Affective commitment takes into account three main aspects below:

- 1) The development of psychological affinity to a firm;
- 2) Association with the organization;
- 3) The wish to remain as a member of the organization (Noraazian & Khalip, 2016).

2.4.2. Normative Commitment

Normative commitment is best described as employees' obligation and responsibilities to the organization to remain at work. Wiener (1982) states normative commitment as the "totality of internalized normative pressure to act in a way that meets organizational goals" and defines it as the individual's behavior solely based on their perception that it is the right and morally right way. Randall and O'Driscoll (1997) argue that normative commitment is present when the organization provides moral values and material support for its employees' develop-

ment and fulfillment of their requirements. Normative commitment could be associated with family or cultural socialization as well. An employee would have a strong normative commitment if his/her parent had worked for this organization in the long-term period and stressed the significance of loyalty (Allen & Meyer, 1990).

2.4.3. Continuance Commitment

The continuance of commitment is associated with the perceived costs of leaving the organization. Becker (1960) states it as the tendency to engage in a consistent line of activity based on the individual's recognition of costs, such as the losses related to discontinuing the employment activity. For example, an employee who invests significant time and energy to acquire job skills that are not transferable to another organization. Therefore, they are betting that they would be paid off for the time and energy invested, and winning the bets requires continuing to work in the organization. Becker (1960) argues that the likelihood of remaining in the organization positively relates to the investments (side-bets) they recognize. Stebbins (1970) argues that continuance commitment is based on awareness of the impossibility of choosing a different social identity due to the high financial costs and fines in making the switch (Allen & Meyer, 1990).

These three components are not mutually exclusive, and employees can hold a mixture of them.

2.5. Leadership Styles and Organizational Commitment

“The greatest leader is not necessarily the one who does the greatest things. He is the one that gets the people to do the greatest things.”—Ronald Reagan (Success Staff, 2018).

A study by Aldaibat (2017) considered the leadership style that fosters employee motivation to be one of the most important variables to improve organizational commitment. The study focuses exclusively on the impact of leadership styles on organizational commitment at Jordanian banks, where the study sample consists of 390 employees. It was found that the Jordanian banks face common regional challenges, such as slower economic growth, strengthening globalization, and rapid change, all of which foster demand for leaders to promote a leadership style that will promote change and development to face the influence of market conditions and lead to stronger competitive advantage. The author's findings indicate that the leaders at Jordanian banks should apply transformational leadership style, as it motivates employees, provides meaning to their work, empowers them to achieve commitments towards the work and organization, and completes tasks to enhance their future aspirations. Moreover, the author also recommends that Jordanian banks should use mechanisms to enhance employees' emotional commitment, thus developing organizational commit-

ment, and pay more particular attention to the factors that might affect organizational commitment, such as individual, job, and organizational characteristics.

Al-Ababneh (2013) conducted research investigating the leadership style in five-star hotels in Jordan, and its relationship with the employees' job satisfaction. To conduct the study, the author used a questionnaire consisting of 57 items, and a Likert scale to measure both factors above and their relationships. The results indicate that democratic (even, being more dominant leadership style) and laissez-faire styles of leadership had a positive significant impact on the employees' job satisfaction. Thus, for the hospitality industry, the democratic leadership style is considered to be more suitable. The empirical results also confirmed that different leadership styles impose different impacts on employee job satisfaction, meaning that it is feasibly possible to attain job satisfaction by solely changing the leadership style (Al-Ababneh, 2013). The research outcomes concluded that employees are satisfied with their co-workers, operating conditions, supervision, pay, and contingent rewards; nevertheless, they are less satisfied with the promotion schemes, and the nature of work, and feel the lack of communication within the organization. The findings of this study are in line with previous studies.

Managers have to be concerned with the job facets that support the high level of job satisfaction, namely, co-workers, supervision, pay, contingent rewards, and fringe benefits, as well as the communication style and nature of work. The last but not least, managers should be informed about the leadership styles, and their implications, so that they can distinguish different leadership styles, and adopt the most feasible and suitable in the workplace (Al-Ababneh, 2013).

While these studies offered valuable insight into the Jordanian context, the empirical results are only limited to the Jordanian market and industries. The studies' outcomes are, therefore, limited in scope and applications.

Another study by Munyeka and Ngirande (2014) also sought to determine the impact of leadership styles on the organizational commitment of employees but in another industry and context, namely, among the university academic staff at a selected South African institution. It used a quantitative methodology, including self-administered surveys consisting of the Organizational Commitment Questionnaire (OCQ) and the Multi-Factor Leadership Questionnaire (MLQ) among 160 respondents. The authors' main finding was that the transformational leadership style has a significantly positive impact on the affective and *continuance employee commitment* to the organization, whereas the transactional leadership style has a positive relationship with normative commitment solely. Thus, given these premises, the authors conclude that effective leaders positively foster trust and meaning among their followers or employees, and, as a result, motivate them to remain in the organization and willingly become of it. Therefore, it is noteworthy that leadership styles make a difference, and can help or-

ganizational policy/decision makers to achieve organizational goals. Since the authors look into a particular sector where young academics are concerned, the studies also conclude that the problems of academics with high levels of job dissatisfaction and stress should be addressed more proactively by the managers. In such a vulnerable industry, academics are more associated with decreased organizational commitment, mental and physical health conditions, stressful and problematic collegial relationships, and underdeveloped quality of work life. In contrast, when the reverse happens, high-quality academics will increasingly be lost from higher education and its institutions. However, given that the academic institutions of South Africa are at stake with national and international image, and competitive advantage, the ability to generate innovative knowledge and skills in a specific field can be dramatically affected (Munyeka & Ngirande, 2014). According to the authors, the transformational leadership style positively impacts affective and continuance commitment. Hence, employees that are led under a transformational leadership style would more likely feel themselves as part of the organization, and work harder to achieve organizational goals, than prioritized individual ones.

Ali Hussein Alkahtani (2016) dives deeper into the topic of the influence of leadership styles on organizational commitment and researches the moderating effect of emotional intelligence in this relationship. The author also supports the categorization of organizational commitment into three types, namely, *normative*, *affective*, and *continuance commitment*. The findings also reveal several factors that affect employee's organizational commitment and categorize them into four groups: (a) organizational factors (leadership, culture, structure, and processes), (b) individual factors (personal traits, emotional, intellectual, and spiritual quotient), (c) job factors (job characteristics, and remuneration systems, and (d) environmental factors (social relationships and physical environment).

Both previous studies and this particular research support all dimensions of the transformational leadership style, including inspirational motivation, intellectual stimulation, and individualized consideration, which are positively correlated with employees' organizational commitment dimensions, such as continuance, affective, and normative commitment. Conversely, the transactional leadership style, characterized by contingent rewards and passive management by exception, exhibits a weaker correlation with the dimensions of organizational commitment.

One of the main findings of this study is that leaders with high emotional intelligence abilities are believed to enhance the relationship between transformational leadership styles and organizational commitment, potentially shifting the relationship towards the transactional leadership style (Alkahtani, 2016). Alkahtani emphasizes emotional intelligence, asserting that such abilities are crucial for effectively exercising leadership roles in a globalized business environ-

ment marked by rapid change.

Emotional intelligence abilities in leaders can be gradually improved through individual reflective exercises, where leaders assess their emotional states in response to various emotionally stimulating environments or events. This intelligence can also be strengthened through the frequent observation and evaluation of others' emotional states and their responses to different leadership styles. Additionally, emotional intelligence can be nurtured by the constant application of specific strategies, ranging from suppressing to amplifying desired emotions to manage both negative and positive emotions effectively. In conclusion, emotional intelligence supports the enhancement of transformational leadership style, as their combination has the potential to positively influence project outcomes (Alkahtani, 2016).

A study by Butler and Chinowsky (2006) analyzed the relationship between emotional intelligence, transformational leadership, and project outcomes within the construction industry among project managers. Their findings revealed that interpersonal skills and empathy, core elements of emotionally intelligent behaviors, are crucial for achieving successful project outcomes. This significant positive relationship between emotional intelligence and transformational leadership is further supported by emotional intelligence expert Daniel Goleman et al. (2002), who posited that emotional intelligence is not merely a performance enhancer but a key component of successful leadership.

Goleman's model of emotional intelligence illustrates that the leadership skills contributing to a leader's achievements necessitate the inclusion of emotional intelligence practices and abilities. His findings also support that the attributes of transformational leaders should encompass a set of interpersonal skills closely related to emotional intelligence, such as listening, empathy, awareness, coaching, goal setting, and demonstrating greater emotional self-control (Goleman et al., 2002).

Although primarily associated with transformational leadership, emotional intelligence can also enhance certain transactional leadership practices, especially when leaders employ contingent reward systems to motivate employees to improve performance. Contingent rewards are incentives provided by leaders only after employees meet predetermined goals. While transactional leadership is often critiqued by researchers, evidence suggests that integrating it with emotional intelligence can increase employee commitment and effectiveness in achieving short-term organizational goals (Alkahtani, 2016).

Alkahtani (2016) posited that by developing and effectively applying emotional intelligence, transactional leaders can uphold their commitments by linking rewards directly to employee performance, thereby building trust—a hallmark of transformational leadership. The strategic use of contingent rewards by transactional leaders can foster involvement, commitment, loyalty, and improved per-

formance. In this context, management by exception can be viewed positively, as it allows leaders to monitor and correct performance, which, though sometimes perceived negatively, can ensure high standards. In passive management by exception, leaders intervene only when problems arise. However, when blended with emotional intelligence, transactional leaders can become adept managers and decision-makers, who understand precisely when, how, and to what extent to intervene to foster committed performance while addressing employee needs.

Acar (2012) studied the organizational culture, leadership styles, and organizational commitment in the Turkish logistics industry. According to his findings, the research supported the positive effects of leadership and organizational culture on organizational commitment in the context of the logistics industry. According to their finding, it can be summarized that the dominant organizational culture in the Turkish logistics industry is market culture, and it is followed by Adhocracy culture. These two culture types are the dominant cultural types in the Turkish logistics industry. Furthermore, the most preferred leadership style among Turkish logistics companies is transformational leadership and its sub-dimensions (Acar, 2012).

Nevertheless, by scrutinizing the literature regarding leadership styles and organizational commitment I have encountered several papers that studied the impact of leadership styles on the organizational commitment devoted to Eastern or Arabic countries. The literature related to Azerbaijan is scarce or even absent. This thesis will be a pioneer and will confer stimulus for future researchers scrutinizing leadership traits in the Azerbaijan context.

2.6. Concluding Remarks

This literature review aims to explore the concept of leadership, its prevalent styles across various sectors, and its potential direct relationship with organizational commitment. By thoroughly examining previous studies, it seeks to identify gaps in the existing research, which is crucial for advancing academic discourse.

One significant gap identified is the lack of research specific to Azerbaijan. Most existing studies focus on Western or globally defined settings, which do not fully account for the unique cultural and economic dynamics of Azerbaijan. Additionally, there is limited integration of cultural influences on leadership and organizational commitment in post-Soviet countries.

This study addresses this gap by examining the relationship between leadership styles and organizational commitment within the Azerbaijani context, particularly in the logistics and trading sector. The research will provide localized insights, offering practical implications for managers and leaders in Azerbaijan and evidence-based strategies to enhance employee commitment and organizational performance.

In summary, the secondary data collected through this literature analysis pro-

vides detailed insights and highlights the specific gap to be addressed in the following sections. This foundation prepares for a comprehensive examination of leadership dynamics and organizational commitment within Azerbaijan's unique cultural and economic landscape.

3. Methodology

3.1. Introduction

The core objective of this research is to determine the impact of leadership styles on the employees' organizational commitment in the X Trading and Logistics Company in Azerbaijan. The methodology is focused on the research questions discussed in the first chapter. The methodology section contains subsections as follows: *Introduction, research design and methods, participants, data collection, description of questions, measurement instruments, reliability and validity, and data analysis.*

The data collected from participants will serve the following purposes:

- Identifying the predominant leadership style and organizational commitment level.
- Measuring the significance of leadership styles on organizational commitment within the trading and logistics sector in Azerbaijan.

3.2. Research Design and Methods

This research employs a quantitative design to rigorously assess the relationship between leadership styles and organizational commitment among employees of X Trading and Logistics Company. The quantitative approach was chosen for its ability to systematically test hypotheses and quantify the relationships between variables, providing objective and statistically valid results that can be generalized across similar contexts.

A structured survey method was utilized to collect primary data from the employees. The survey instrument was designed to capture a comprehensive range of data, spanning three key areas: demographic information, perceptions of leadership styles, and factors influencing organizational commitment. The quantitative design is particularly well-suited to this study, as it allows for the precise measurement of variables and the application of advanced statistical techniques to uncover significant patterns and relationships.

The survey was administered online using the Survey Planet platform, a reliable and user-friendly tool that facilitated efficient data collection. The survey consisted of 49 meticulously crafted questions, divided into three sections. The first section gathered demographic data, including age, gender, educational background, and work experience, to contextualize the responses and control for potential confounding variables. The second section focused on identifying the predominant leadership styles at X Trading and Logistics Company, with

questions tailored to measure transformational, transactional, and laissez-faire leadership behaviors as conceptualized by Bass (1985). The third section assessed organizational commitment, examining the three dimensions of affective, continuance, and normative commitment, as defined by Meyer and Allen (1991).

The survey was distributed to employees via email, ensuring a broad reach within the organization. To enhance response rates and data accuracy, the survey design incorporated several best practices, such as clear instructions, concise questions, and the assurance of participant anonymity and confidentiality. This approach not only encouraged candid responses but also mitigated response bias, thereby strengthening the validity and reliability of the data collected.

By integrating a robust quantitative framework with a well-structured survey instrument, this research is positioned to provide valuable insights into how leadership styles influence organizational commitment within the context of the Azerbaijani logistics and trading sector.

3.3. Participants

The participants in this study were drawn from X Trading and Logistics Company, a leading firm in Azerbaijan's logistics and trading sector, employing over 50 staff members. The sample included a diverse cross-section of employees occupying various roles within the organization, specifically targeting senior managers, supervisors, and logistics specialists. These groups were strategically selected due to their direct involvement in decision-making processes and their significant exposure to the leadership styles practiced within the company. Their perspectives are crucial for understanding the impact of these leadership styles on organizational commitment.

Participation in the study was entirely voluntary, ensuring that employees were free to engage without any pressure or obligation. To protect the integrity of the data and encourage honest responses, strict confidentiality protocols were observed. No personally identifiable information was collected, and the anonymity of participants was maintained throughout the research process. This approach not only safeguarded the privacy of the respondents but also contributed to the reliability and validity of the data by minimizing social desirability bias.

The selection of participants from different hierarchical levels within the organization allows for a more nuanced analysis of how leadership styles influence employees with varying degrees of responsibility and decision-making power. By focusing on these key roles, the study aims to capture a comprehensive understanding of leadership dynamics and their effects on organizational commitment across the entire company.

3.4. Data Collection

Data collection for this study involved a systematic and ethical approach to ensure the accuracy and reliability of the findings. Following the receipt of approval from the management of X Trading and Logistics Company, the email addresses of the employees were gathered for the distribution of the survey. A total of 50 questionnaires were disseminated to the staff members across various departments, and 43 were completed and returned, resulting in an impressive 86% response rate. This high response rate significantly enhances the reliability and validity of the study's findings, as it indicates strong engagement from the participants and reduces the potential for response bias.

The survey was conducted using the Survey Planet platform, a robust tool known for its ease of use and secure handling of data. The questionnaire, composed of 49 questions, covered a range of topics, including demographics, leadership styles, and factors influencing organizational commitment. The anonymity and confidentiality of the respondents were rigorously maintained, ensuring that participants could provide honest and unguarded feedback without concerns about personal or professional repercussions.

To complement the quantitative data obtained from the surveys, follow-up interviews were conducted with three senior managers from the company. These interviews were designed to delve deeper into the leadership styles employed at the executive level and to gain insights into the strategic perspectives of top management. Importantly, the results of the survey were not disclosed to the interviewees to prevent any influence on their responses, thereby ensuring that the interview data remained unbiased and authentic.

Both the survey questionnaire and the interview questions underwent thorough ethical review and received approval from Cardiff University's ethics committee. This approval underscores the study's commitment to ethical research practices, including the protection of participants' rights and the integrity of the data collected. All relevant documents, including the consent forms, survey questionnaire, and interview questions, are included in the appendix for transparency and future reference.

This multi-method approach to data collection—combining quantitative survey data with qualitative insights from interviews—provides a comprehensive understanding of leadership styles and their impact on organizational commitment within X Trading and Logistics Company.

3.5. Description of Survey Questions

The survey questionnaire was meticulously designed to address the research objectives and provide a comprehensive analysis of the relationship between leadership styles and organizational commitment at X Trading and Logistics Company. The questionnaire was structured into three distinct sections, each serving

a specific purpose:

- The first section gathered essential demographic information to create a detailed profile of the survey participants. Questions in this section covered key variables such as gender, age, educational qualifications, and years of work experience. Collecting this data was critical for understanding the diverse backgrounds of the respondents and for analyzing how these factors might influence perceptions of leadership and organizational commitment. The demographic data also facilitated subgroup analyses, allowing for a more nuanced interpretation of the survey results.
- The second section focused on assessing the leadership styles practiced within X Trading and Logistics Company. Drawing from established leadership theories, this section included questions designed to identify the presence and prevalence of transformational, transactional, and laissez-faire leadership styles. The questions were formulated based on recognized scales from the literature, ensuring that the assessment was both reliable and valid. Respondents were asked to evaluate various statements related to their direct supervisors' behaviors, providing insights into the leadership dynamics at different levels of the organization. This section was crucial for determining which leadership styles are most commonly observed and how they align with the company's operational goals.
- The third section of the survey aimed to measure the level of organizational commitment among employees, with a particular focus on the three dimensions of commitment: affective, continuance, and normative. Affective commitment pertains to the emotional attachment and identification employees have with the organization; continuance commitment relates to the perceived costs of leaving the organization; and normative commitment involves a sense of obligation to remain with the company. The questions in this section were adapted from well-established commitment scales and required respondents to reflect on their motivations for staying with the company, their loyalty, and their overall engagement. Understanding these dimensions of commitment provided valuable insights into the factors that influence employee retention and satisfaction.

Each section of the questionnaire was carefully crafted to yield meaningful data that could be quantitatively analyzed. The use of a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) allowed for a nuanced understanding of respondents' attitudes and perceptions. The structured format ensured that the data collected was consistent, enabling robust statistical analysis and comparisons across different groups within the company. This comprehensive approach ensured that the survey captured the complexity of leadership styles and their impact on organizational commitment, providing a solid foundation for the study's findings and recommendations.

3.6. Measurement Instruments

The primary measurement tool employed in this study is the Likert scale, a widely recognized method in social science research for assessing attitudes and perceptions. Initially introduced as “A Technique for the Measurement of Attitudes,” the Likert scale presents respondents with a series of statements related to the research topic, allowing them to express their level of agreement or disagreement. The Likert scale is unidimensional and summative, meaning that the total sum of responses to individual items constitutes the overall score for a given variable. This method is particularly effective in survey research where understanding the intensity of participants’ opinions or experiences is essential (UK Essays, 2018).

For this study, all survey questions were measured using a five-point Likert scale with the following response options:

- 1) Strongly disagree;
- 2) Disagree;
- 3) Neither agree nor disagree;
- 4) Agree;
- 5) Strongly agree.

Participants were asked to rate their perceptions of leadership styles and organizational commitment using this scale. The responses were scored numerically (1 to 5), with the mean score calculated for each question to determine overall trends. Mean scores ranging from 3.1 to 5 were interpreted as positive, scores between 2.51 and 3.0 as neutral, and scores from 1 to 2.5 as negative.

Survey Administration

The questionnaire was administered using the Survey Planet software, an online platform that facilitates the efficient distribution and collection of survey data. The survey link was sent via email to the employees of X Trading and Logistics Company. Participants accessed the survey directly through the provided link, ensuring convenience and maintaining anonymity.

Follow-Up Interviews

In addition to the survey, 17 open-ended interview questions were administered to three senior managers at X Trading and Logistics Company. These interviews were conducted without disclosing the survey results to ensure unbiased responses. The interviews aimed to provide deeper insights into leadership styles from the perspective of top management, allowing for a more comprehensive comparative analysis. All survey and interview materials were pre-approved by the relevant ethics committee and are included in the appendix of this thesis.

3.7. Data Analysis

The data analysis process provided valuable insights into the distribution of de-

mographic characteristics within the sample, offering a comprehensive understanding of the participant pool. This analysis was crucial for ensuring that the findings were representative and for identifying any potential biases. Descriptive statistics were employed to summarize the basic features of the data, including the calculation of frequency and percentage for all demographic variables such as gender, age, educational level, years worked with the company, and current position within the organization. These descriptive statistics allowed for a clearer picture of the demographic composition of the sample, facilitating a better understanding of the diversity and representativeness of the participants.

To establish the central tendencies of the data, the mean was calculated for each variable. The mean serves as an average value, providing insight into the typical response or characteristic within the sample. For example, the mean response for leadership style preferences and organizational commitment levels helped identify the most common trends and attitudes among employees.

Furthermore, the standard deviation was computed to assess the variability or dispersion of the data around the mean. The standard deviation indicates the degree to which individual responses deviate from the average response, which is essential for evaluating the consistency and reliability of the data.

Correlation analysis was conducted to explore the relationships between different variables. This statistical method assesses the strength and direction of the relationships between leadership styles and dimensions of organizational commitment. The findings from the correlation analysis contributed to a nuanced understanding of how different leadership styles may influence employee commitment within X Trading and Logistics Company.

It is important to note that regression analysis was not conducted in this study due to the limited sample size. While regression analysis could have provided more detailed insights into the predictive relationships between variables, the relatively small number of participants made it difficult to achieve the statistical power necessary for reliable regression results. The study's focus on descriptive and correlational analysis ensured a robust examination of the data while remaining within the scope of the research objectives and the constraints of the available sample size.

3.8. Assumptions

The following assumptions were made in conducting this research study:

- The responses were obtained exclusively from employees of X Trading and Logistics Company.
- The respondents possessed a sufficient understanding of the leadership traits being assessed.
- The participants fully comprehended the instructions and questions presented in the survey questionnaire.

- The respondents provided honest and genuine answers to the survey questions.
- The responses reflected the respondents' true perceptions and experiences regarding leadership and organizational commitment.
- The senior managers provided accurate and candid insights during the follow-up interviews, based on their genuine perspectives.

These assumptions are critical to ensuring the validity and reliability of the study's findings.

4. Results Discussion

4.1. Descriptive Analysis of Survey Results

The main concept of the current study conducted by online survey using the Survey Planet software tool was to determine the leadership styles and organizational commitment level. The survey study was focused on determining the different levels of leadership styles and organizational commitment levels in X Trading and Logistics Company in Azerbaijan.

The first section consists of the demographics of all the participants in the research as identified by using the online survey questionnaire. The next section consists of the assessment of the leadership style and organizational commitment with a thorough discussion of the findings of the study as compared with the original hypotheses. The targeted population for this study was 50 participants. However, 43 of them decided to participate in an online survey.

4.2. Demographics Data

Gender

The first section of the survey questionnaire aimed to determine the demographic characteristics of participants. **Figure 1** shows that male participants slightly outnumber females by 10%, indicating no significant gender imbalance among the survey participants.

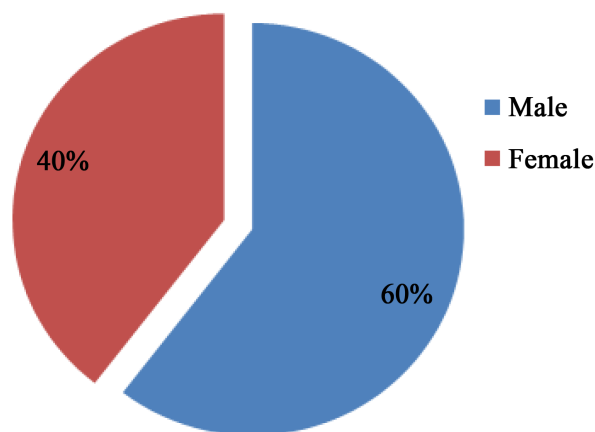


Figure 1. Gender. The impact of leadership styles on organizational commitment by Samir Novruzov.

Age Group

Figure 2 indicates that approximately 75% of the participants were aged between 20 and 45, with less than 10% under 20 and fewer than 20% over 45, suggesting a youthful workforce with a substantial proportion in the prime working age.

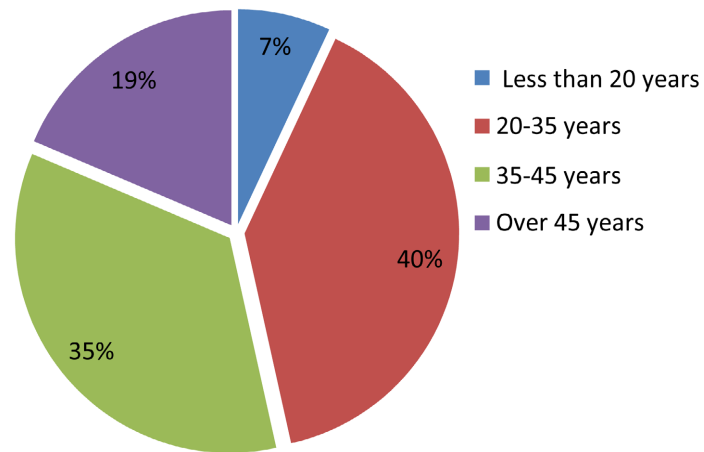


Figure 2. Age group. The impact of leadership styles on organizational commitment by Samir Novruzov.

Educational Level

Figure 3 reveals that the majority of participants (58%) held Bachelor's degrees, followed by 26% with Master's degrees, 12% with high school diplomas, and 5% with PhDs. This distribution highlights the company's emphasis on higher education.

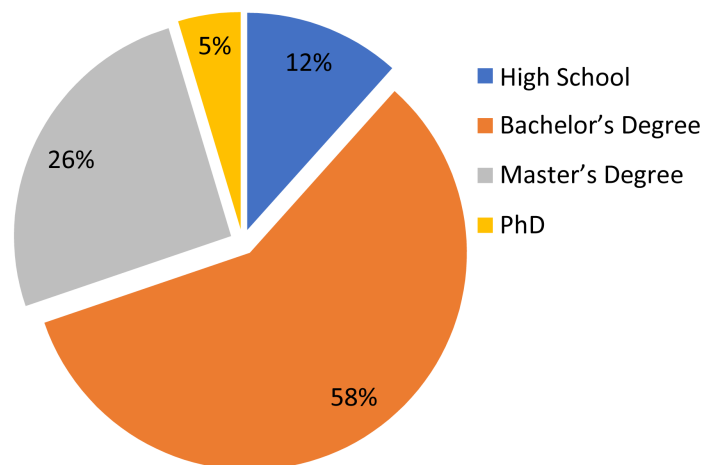


Figure 3. Educational level. The impact of leadership styles on organizational commitment by Samir Novruzov.

Years Worked with the Company

Figure 4 shows that around 58% of participants had been with the company

for more than three years, while 42% had less than three years of experience, indicating a moderate turnover rate.

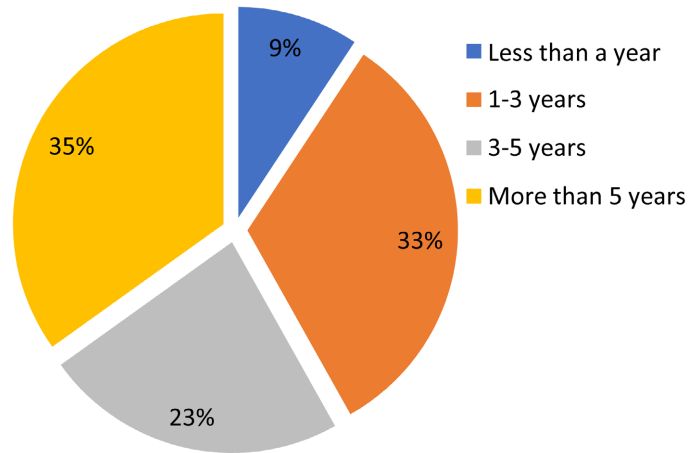


Figure 4. Years worked with the company. The impact of leadership styles on organizational commitment by Samir Novruzov.

Current Position

Figure 5 illustrates that 60% of participants are logistics specialists. Additionally, 12% are senior managers, 23% are supervisors, and 5% belong to other working groups.

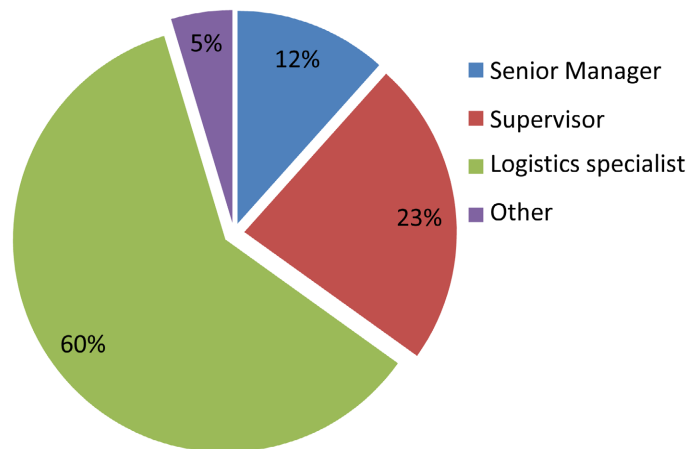


Figure 5. Current position. The impact of leadership styles on organizational commitment by Samir Novruzov.

4.3. Leadership Style Assessment

The second section of the questionnaire, consisting of 44 response questions grouped into 11 tables with 4 questions each, aimed to assess the leadership styles of higher-level management at X Trading and Logistics Company in Azerbaijan. The results depicted in the tables are as follows:

Transformational Leadership

- **Idealized Influence:** The mean response was 2.22, indicating a negative perception among employees. They did not feel a strong sense of pride or collective mission instilled by their managers.
- **Inspirational Motivation:** The mean response was 2.27, suggesting that employees did not perceive their managers as optimistic or enthusiastic about the future.
- **Intellectual Stimulation:** The mean response was 2.17, reflecting a lack of encouragement from managers to question assumptions or look at problems from different perspectives.
- **Individualized Consideration:** The mean response was 2.03, indicating that employees felt they were not treated as individuals with unique needs and strengths.

Transactional Leadership

- **Contingent Reward:** The mean response was 4.05, indicating a positive perception. Employees felt that their efforts were recognized and rewarded appropriately.
- **Management by Exception (Active):** The mean response was 3.84, showing that managers were perceived as attentive to mistakes and deviations from standards.
- **Management by Exception (Passive):** The mean response was 2.42, suggesting that employees felt their managers often waited until problems became serious before intervening.

Laissez-Faire Leadership

- The mean response was 2.19, indicating a negative view. Employees felt their managers were often absent when needed and avoided making decisions.

4.4. Organizational Commitment Assessment

The third section of the questionnaire focused on employees' organizational commitment to X Trading and Logistics Company in Azerbaijan.

Affective Commitment

The mean response was 2.25, indicating that employees had a low emotional attachment to the organization and were not particularly happy to spend the rest of their careers there.

Normative Commitment

The mean response was 2.71, showing a neutral sense of obligation to remain with the organization. Employees felt some level of moral obligation but were not strongly committed.

Continuance Commitment

The mean response was 3.86, reflecting a strong perception of the necessity to stay with the organization due to a lack of alternative job opportunities and the high costs associated with leaving.

4.5. Analysis of Standard Deviations

The analysis of the standard deviations for both leadership and organizational commitment provides key insights into the variability of responses among employees at X Trading and Logistics Company.

The standard deviation for leadership is approximately 0.59, indicating a moderate level of consistency in how participants perceive leadership styles within the organization. This value suggests that most respondents share similar views on leadership, with responses clustering around the mean. The relatively low variability highlights a general agreement among employees regarding the leadership practices at X Trading and Logistics Company, indicating that leadership behaviors are uniformly recognized across the workforce (Cohen, 1988).

The standard deviation for organizational commitment is slightly higher, at approximately 0.68. This indicates more variability in employees' perceptions of their commitment to the organization. While some employees may exhibit strong commitment, others may have more diverse or neutral views, leading to a broader range of responses. This higher variability suggests that organizational commitment is influenced by a wider range of factors, possibly including job satisfaction, career development opportunities, and external economic conditions (Field, 2013).

The slightly higher standard deviation for commitment compared to leadership suggests greater diversity in how employees perceive their commitment to the organization. This variation may indicate that while leadership is perceived relatively uniformly, commitment levels are more individualized, reflecting personal circumstances and differing motivational factors (Tabachnick & Fidell, 2013).

Both standard deviations are below 1.0, indicating that responses are generally close to the mean. This reflects a reasonable degree of agreement among employees regarding both leadership and organizational commitment, with slightly more variation in the latter. The overall alignment in perceptions suggests a coherent organizational culture, though there are differences in commitment levels that may warrant further attention (Hair et al., 2010).

The findings suggest that while leadership perceptions are consistent, there is a need to address the varied levels of organizational commitment. Leadership strategies could be refined to target these differences, focusing on enhancing employee engagement and addressing specific factors that influence commitment. Tailored approaches that consider the diverse needs and concerns of employees could help strengthen overall organizational commitment (Northouse, 2021).

4.6. Correlation Analysis

To understand the relationships between different leadership styles and dimensions of organizational commitment, a correlation analysis was conducted. Pearson's correlation coefficient (r) was used to measure the strength and direc-

tion of these relationships. The formula for Pearson's correlation coefficient is given by:

$$r = \frac{(n(\sum xy) - (\sum x)(\sum y))}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}} \quad (\text{Pearson, 1895})$$

where:

n is the number of observations,

x = independent variable (leadership styles);

y = dependent variable (organizational commitment);

Σ denotes the summation over all observations.

1) Transformational Leadership and Affective Commitment

The correlation coefficient of $r = -0.2268$ indicates a weak negative relationship between transformational leadership and affective commitment. This suggests that as transformational leadership increases, affective commitment tends to decrease slightly. However, the relationship is weak, implying that other factors might play a more significant role in influencing affective commitment.

This result challenges the conventional belief that transformational leadership universally enhances affective commitment. The weak correlation suggests that in this specific organizational context, other factors such as organizational culture, individual employee needs, or external economic conditions might overshadow the influence of transformational leadership.

Leaders may need to consider integrating transformational leadership with other strategies, such as personalized employee engagement programs or recognition initiatives, to more effectively foster affective commitment. This could involve aligning transformational practices with the unique values and expectations of the workforce.

2) Transactional Leadership and Normative Commitment

With a correlation coefficient of $r = -0.7300$, there is a strong negative relationship between transactional leadership and normative commitment. This suggests that higher levels of transactional leadership are associated with significantly lower levels of normative commitment. Employees under a transactional leadership style may not feel a sense of obligation or moral duty to remain with the organization.

This strong negative correlation suggests that an over-reliance on transactional leadership—focused primarily on rewards and punishments—could undermine the development of an intrinsic sense of loyalty to the organization. This finding is particularly significant in contexts where organizations aim to build a culture of long-term commitment and shared values.

Leaders should consider the potential drawbacks of a purely transactional approach. To mitigate the negative impact on normative commitment, organizations could incorporate elements of transformational leadership, such as fostering a shared vision or encouraging employee development, to create a more

balanced and supportive work environment.

3) Laissez-Faire Leadership and Continuance Commitment

The correlation coefficient of $r = 0.9569$ suggests a very strong positive relationship between laissez-faire leadership and continuance commitment. This indicates that under laissez-faire leadership, employees are likely to stay with the organization due to practical or economic reasons, rather than out of emotional attachment or moral obligation.

Although laissez-faire leadership is often criticized for its lack of direction and involvement, this strong positive correlation with continuance commitment suggests that employees might remain with the organization because they perceive it as the best available option, possibly due to job security or benefits. However, this type of commitment is typically associated with lower levels of job satisfaction and engagement.

Leaders should critically assess whether laissez-faire leadership is fostering the right type of commitment. While it may help retain employees in the short term, over-reliance on this style could lead to disengagement and reduced performance. To improve long-term organizational effectiveness, leaders might explore ways to increase affective and normative commitment by providing more direction, support, and opportunities for professional growth.

The correlation analysis reveals nuanced insights into the relationship between leadership styles and different dimensions of organizational commitment:

- **Transformational Leadership:** The weak negative correlation with affective commitment highlights the complexity of leadership dynamics. It suggests that while transformational leadership is generally seen as beneficial, it may not always significantly boost affective commitment. Leaders should consider a more tailored approach that includes understanding the specific motivators and needs of their employees.
- **Transactional Leadership:** The strong negative correlation with normative commitment underscores the potential limitations of a transactional approach. It suggests that transactional leadership, if not balanced with other styles, could erode a sense of loyalty and moral obligation among employees. Organizations should aim to blend transactional methods with strategies that build intrinsic commitment, such as cultivating a strong organizational culture.
- **Laissez-Faire Leadership:** The very strong positive correlation with continuance commitment suggests that while laissez-faire leadership may be effective in retaining employees, it does so for reasons that may not contribute to long-term organizational success. Leaders should consider complementing laissez-faire practices with more active forms of leadership that foster deeper commitment and engagement.

The correlation analysis provides nuanced insights into the relationship between leadership styles and different dimensions of organizational commitment. These insights suggest that a one-size-fits-all approach to leadership is unlikely

to be effective. Instead, leaders should adopt a more nuanced and context-sensitive approach, recognizing that different leadership styles impact various forms of commitment in diverse ways. By understanding these dynamics, leaders can develop more effective strategies for fostering a committed and engaged workforce, ultimately driving organizational success.

This analysis, combined with the Pearson's correlation coefficient formula and the applied Excel statistical functions, provides a comprehensive understanding of how leadership styles influence organizational commitment, offering practical guidance for leaders in any organizational context.

By integrating these advanced statistical methods, the study provides a comprehensive and nuanced understanding of the complex relationships between leadership styles and organizational commitment. These insights are crucial for both theoretical development and practical applications in the field of leadership and organizational behavior, particularly within the unique cultural and economic context of Azerbaijan.

4.7. Visual Analysis

Figure 6 illustrates the relationship between leadership styles (Transformational, Transactional, and Laissez-faire) and various dimensions of organizational commitment (Continuance, Affective, and Normative Commitment) at X Trading and Logistics Company. This visual analysis, combined with the correlation data, provides key insights into how different leadership approaches influence employee commitment within the organization.

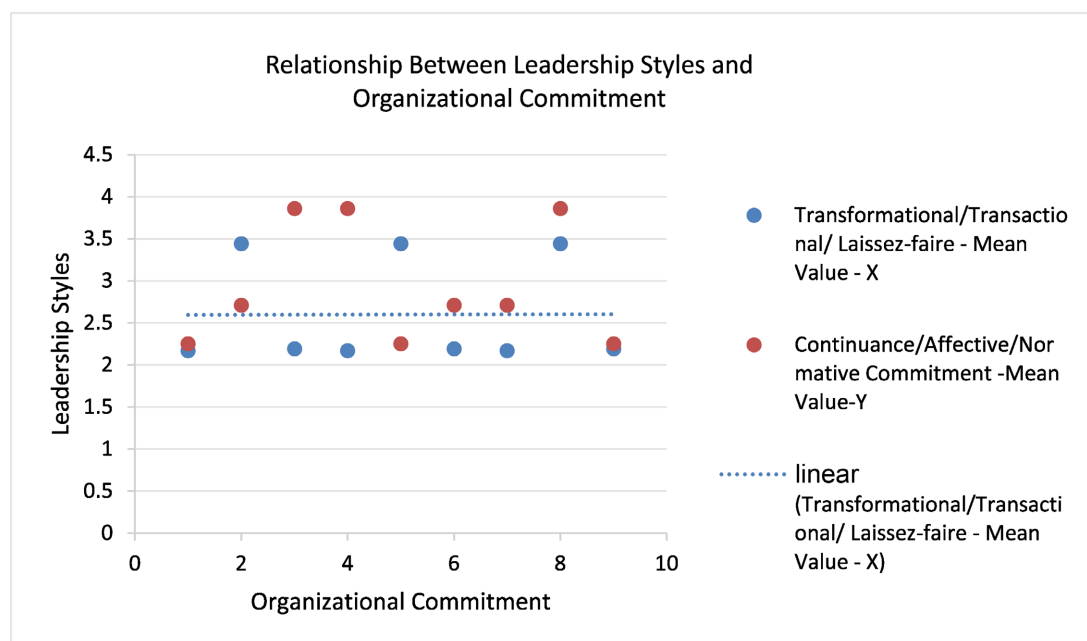


Figure 6. Relationship between leadership styles and organizational commitment. The Impact of Leadership Styles on Organizational Commitment by Samir Novruzov.

1) Transformational Leadership vs. Affective Commitment

The scatter plot shows a weak and somewhat horizontal distribution, indicating no strong linear relationship between transformational leadership and affective commitment.

The correlation coefficient of $r = -0.2268$ corroborates this visual, indicating a weak negative relationship. This suggests that as transformational leadership increases, affective commitment slightly decreases, but the relationship is not strong.

The weak negative correlation challenges the conventional belief that transformational leadership always enhances affective commitment (Bass & Avolio, 1993). In this organizational context, other factors like organizational culture or external economic conditions may dilute the expected positive impact of transformational leadership on affective commitment. Leaders may need to integrate additional strategies to enhance affective commitment effectively.

2) Transactional Leadership vs. Normative Commitment

The data points in the scatter plot for transactional leadership versus normative commitment are more spread out horizontally, indicating minimal variation in normative commitment despite varying levels of transactional leadership.

The strong negative correlation coefficient $r = -0.7300$ suggests that higher levels of transactional leadership are associated with significantly lower levels of normative commitment.

This strong negative correlation implies that a transactional leadership style, which focuses primarily on rewards and punishments, may reduce employees' sense of obligation or moral duty to the organization (Burns, 1978). Leaders might need to balance transactional methods with approaches that build intrinsic commitment, such as emphasizing shared organizational values or long-term career development opportunities.

3) Laissez-Faire Leadership vs. Continuance Commitment

The scatter plot displays a concentrated cluster of data points, indicating a strong positive relationship between laissez-faire leadership and continuance commitment.

This is supported by the very strong positive correlation coefficient $r = 0.9569$, suggesting that employees under laissez-faire leadership are more likely to stay with the organization for practical or economic reasons rather than due to emotional attachment or a sense of obligation.

While laissez-faire leadership might be effective in retaining employees in the short term due to factors like job security, it is often associated with lower engagement and job satisfaction (Lewin et al., 1939). Leaders should evaluate whether this type of leadership fosters the right kind of commitment and consider combining laissez-faire practices with more proactive leadership strategies to improve overall employee engagement and satisfaction.

The scatter plots and correlation analysis reveal nuanced insights into the im-

pact of different leadership styles on various dimensions of organizational commitment:

- The weak negative correlation with affective commitment suggests that this leadership style may not always lead to higher emotional attachment to the organization, highlighting the need for a more tailored approach that considers individual employee needs.
- The strong negative correlation with normative commitment indicates that over-reliance on transactional methods could undermine employees' sense of loyalty and duty, necessitating a more balanced leadership approach.
- The very strong positive correlation with continuance commitment suggests that laissez-faire leadership may retain employees due to external factors rather than fostering genuine engagement, calling for more active leadership interventions to improve long-term organizational effectiveness.

These insights underline the complexity of leadership and its varied effects on organizational commitment. Leaders should adopt a nuanced, context-sensitive approach, recognizing that different leadership styles impact various forms of commitment in diverse ways. By understanding these dynamics, leaders can craft more effective strategies for fostering a committed and engaged workforce, ultimately driving organizational success.

4.8. Survey Results Discussion

The survey results reveal that the preferred leadership style at X Trading and Logistics Company is the Contingent Reward Transactional style, with a mean score of 4.05. This style focuses on providing rewards for good performance and is effective in maintaining high levels of employee motivation and task completion. The preferred organizational commitment style is Continuance Commitment, with a mean score of 3.86, indicating that employees feel compelled to stay with the organization primarily due to financial and practical reasons rather than emotional attachment or moral obligation.

According to [Balazs \(2002\)](#), great leaders aim to reward employees and recognize their hard work, which aligns with the approach observed at X Trading and Logistics Company. Financial incentives and material rewards play a crucial role in employee and management behavior. Transactional leaders use an exchange model, rewarding good work and punishing poor performance ([Odumeru & Ogbonna, 2013](#)). This leadership style focuses on specific task performance and working processes, rather than forward-thinking ideas.

[Bass \(1999\)](#) argues that contingent reward and active management by exception are more effective transactional leadership styles. Contingent rewards involve giving positive reinforcement when set goals are accomplished, while contingent punishments are given when performance falls below standards. [Allen and Meyer \(1990\)](#) explain that continuance commitment arises from the high financial costs of changing jobs, such as lost bonuses and promotions, and the

time and energy invested in the current job. Alkahtani (2016) supports the view that contingent rewards are deployed after achieving predetermined goals.

Several researchers, including Aldaibat (2017), and Al-Ababneh (2013), have found that transformational leadership positively impacts organizational commitment, particularly in contexts similar to Azerbaijan. Munyeka and Ngirande (2014) found that transactional leadership positively affects normative commitment, while transformational leadership positively affects continuance commitment.

The relationship between contingent rewards and continuance commitment is reasonable in Azerbaijani society, given the economic challenges such as currency devaluation and high living costs (Farchy, 2015; Zeynalova, 2016). Azerbaijan's local currency, the manat, devalued twice since 2015, losing more than half its value against the dollar. This devaluation increased the cost of living significantly, with prices for basic needs such as food and utilities rising dramatically. As a result, many employees feel financially compelled to stay in their current jobs, reflecting high levels of continuance commitment.

Despite the devaluation, the Azerbaijani parliament has set minimum wages below the cost of living, making it difficult for workers to meet their basic needs. This economic situation has led to high levels of unemployment, particularly after major companies like British Petroleum and SOCAR began cutting jobs. The economic crisis, coupled with rising prices and limited job opportunities, has made it costly and difficult for employees to switch jobs, reinforcing their continuance commitment to their current employer (Colibasanu, 2017).

Managers at X Trading and Logistics Company leverage contingent rewards such as bonuses, payroll increases, and overtime payments to boost effectiveness and meet targets. This approach aligns with the transactional leadership style, which emphasizes financial incentives to drive performance and maintain organizational stability in a challenging economic environment.

4.9. Analysis of Interview Results

To delve deeper into the subject and derive comprehensive insights, the study included one-to-one interviews with three C-level managers of X Trading and Logistics Company. The open-ended interview questions focused on three key leadership styles—transformational, transactional, and laissez-faire—and assessed in-role and organizational citizenship behavior for employee performance. This qualitative data aimed to corroborate and enrich the quantitative findings from the survey.

Transactional Leadership Style

From the responses, it was evident that all three managers shared a common vision of leadership and the expected organizational commitment from their employees. However, significant differences in their leadership styles were detected.

The CEO, Mr. MG, strongly emphasized transactional leadership traits. He described his leadership philosophy as closely aligned with the “carrot and stick”

approach:

MG: “My leadership style philosophy is close to the ‘carrot and stick’ approach, with relevant reward or punishment.”

He further explained his focus on goals, achievements, success, and results:

MG: “My style is to focus on goals, achievements, success, and results. I prefer action or operation rather than a given word.”

While MG portrayed himself as an energetic and progressive leader, elements of an autocratic style were also apparent, which could potentially hinder organizational growth:

MG: “Of course, as a leader I always need professionals and experts in my team, and open to views and opinions that serve forward performance and growth of the company. Hence, I scarcely think that critique towards me would bring some effectiveness or growth to the company.”

John C. Maxwell’s insights on leadership growth resonate with this view. Maxwell argues that true leadership involves continuous self-improvement and adapting to changing circumstances, rather than resting on one’s laurels. MG’s approach suggests a strong self-confidence and a transactional, monetized perspective of leadership, focusing heavily on measurable achievements and financial incentives.

Maxwell posits that “A Leadership Position invites and requests a Leader to grow. If you are eager to lead, you need to work on yourself and improve yourself. By improving yourself, you would be capable of making the growth of your organization. The real true impact starts with you. Otherwise, you would blemish in full.”

Maxwell (2011) further emphasizes the importance of leaders knowing their values and living in compliance with them. These values shape a leader’s approach and contributions, focusing on ethical, relational, and success values. Leaders should ask themselves: What does it mean to do the right thing for the right reason? How do you build an environment of trust and respect? What goals are worth spending your life on? MG’s reluctance to blend personal and organizational values highlights his transactional approach:

MG: “I don’t want anybody to bring and instill their morals to my organization.” Maxwell argues that if a leader has strong values and lives by them, subordinates will respect not only the position but also the leader. Commitment from subordinates is not driven by power or title but by genuine values.

During the interview, MG displayed a high level of self-confidence, exemplifying a modern mercantile transactional leader who pursues monetized achievements. This was evident in his frequent use of the pronoun “I”, reflecting a unique level of ego and self-assurance:

MG: “As the founder of this company, I built it from the ground up, overcoming significant challenges and obstacles. I’ve worked tirelessly to bring it to where it stands today. People here call me ‘Reis’—which means boss or chief in

Azerbaijani—and I don't mind. In my organization, I see myself as both a leader and a boss, almost like a godfather figure to everyone."

Poet T.S. Eliot declared, "Half of the harm that is done in this world is due to people who want to feel important...They don't mean to do harm...They are absorbed in the endless struggle to think well of themselves." Maxwell (2011) argues that passionate leaders often become too focused on their positions, growing a sense of entitlement and expecting subordinates to serve their positions rather than seeking ways to serve their employees. This focus on transactions, regulations, and job descriptions rather than team building and relationships can lead to a negative working environment and hinder team cohesion. Maxwell claimed that "They (leaders) estimate the area of their reign rather than team building and teamwork. Ordinarily, they focus on transactions, regulations, and their pros and dismiss relationships. This led to a negative working environment and ruined team building."

MG's approach reflects a similar mindset:

MG: "This is my field, my area and only my rules possess intrinsic value."

Transformational Leadership Style

In contrast, the Chief Operating Officer (COO), Mr. AA, exhibited a more nuanced approach, blending various leadership styles, including transformational elements. He described his leadership style as a mix of coaching, visionary, pace setting, transformational, and hands-off approaches, depending on the context:

AA: "It's a blend of diverse and sometimes contradictory components like self-interest, a strong sense of mission, a messianic zeal to spread a certain way of thinking and doing things, need for power, a natural propensity to calculated risk-taking and gambling, a need to continually experiment on and check the results of new ways of thinking, trailblazing and pioneering and so on."

This indicates AA's inclination towards transformational leadership, which involves inspiring and motivating employees through a shared vision and intellectual stimulation. However, AA also expressed skepticism about the overemphasis on leadership concepts in contemporary business contexts:

AA: "To be honest, I believe the leadership concept used in day-to-day business context is another overhyped buzzword that has little relevance on how things are run or should be run in a modern business environment."

Despite this, AA acknowledged the importance of adaptability and the need for leaders to be both coaches and visionaries, guiding their teams through various challenges and fostering an environment of continuous improvement. He highlighted the four main components of transformational leadership—idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

AA: "Only those that really teach something new to me or make me see things in another way, prove the righteousness of its arguments, and show the ways to better the points criticized."

Maxwell (2011) critiqued this type of leadership, emphasizing the need for managers to engage with their subordinates beyond job requirements and rules. Leaders must learn who their employees are, help and support them, and make them a team. This transformation into a responsible, growth-oriented leader requires leaving one's comfort zone. As Socrates said, "Let him that would move the world, first move himself."

Cultural factors play a significant role in shaping leadership styles. In Azerbaijan, cultural stereotypes heavily influence organizational commitment, often linked to financial needs and material incentives. Beyond organizational values, employees value the human factor, including their sense of belonging to the team and organizational culture.

Transformational leadership, in its ideal form, creates a valuable change in the followers with the end goal of developing subordinates into leaders. If enacted in its authentic form, transformational leaders enhance the morale and performance of subordinates through various mechanisms, the most common being the 4I's: Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration.

1) Idealized Influence: Being clear on values, authenticity, and role modeling.

MG sees himself as a role model for his organization, reflecting high self-esteem and a belief in discipline and hard work:

MG: "We are accustomed to the opinions and expressions that 'leaders are born, not made,' but I'm sure that leaders are made by discipline, hard work, and eager desire. It is to be able to sacrifice lots of things to achieve your main goal of being on the top."

2) Inspirational Motivation: Sharing an aspiring vision, being optimistic, and owning a sense of purpose.

MG, however, focuses more on material rewards and values and lacks inspirational motivation.

3) Intellectual Stimulation: Rewarding success, being open to innovation, encouraging "light bulb moments," and constantly challenging yourself to improve performance.

MG expresses openness to professional views and opinions, but the practical implementation might face obstacles due to the hierarchical structure.

MG: "Of course, as a leader, I always need professionals and experts in my team, and open to views and opinions that serve forward performance and growth of the company."

4) Individualized Consideration: Mentoring and coaching, recognition, and respect of differences.

MG's approach focuses on task completion and efficiency, potentially neglecting long-term growth and employee well-being.

MG: "For me, the loyal team members who do their job accurately, on schedule, bring effectiveness and efficiency, and are able to leave their comfort zone.

For them, the work is in the first place.”

The COO, AA, presents a more balanced view, appreciating the importance of transformational leadership: AA: “I believe the most efficient way to manage people is to focus your efforts and time on the best performers who do most of the work diligently and honestly. Without respect for the work well done and appreciation of someone’s fruitful effort, an organization wouldn’t go far.”

NJ’s responses further underscore the transformational approach: NJ: “The most important thing for a company is to have regular feedback from the employees through different survey tools to understand the employees’ feelings and do not tolerate any retaliation afterward.”

Laissez-faire Leadership Style

The Deputy COO, Ms. NJ, demonstrated traits of a laissez-faire leadership style, emphasizing trust and autonomy. She highlighted the importance of delegation and the value of diverse leadership approaches:

NJ: “Leadership is a wide concept which embraces various, equally important areas such as self-awareness, people management, collaboration and effective team working, empathy, coaching and development of others, diversity and inclusion, strategic thinking and decision making, leading through volatility, leading innovations, productivity and resilience.”

NJ’s responses suggest a preference for empowering employees and fostering a collaborative team environment. She stressed the significance of open communication and feedback in resolving conflicts and improving performance:

NJ: “The best way of solving conflicts is through communication and discussion. If my subordinates’ opinions seem stronger than mine, I agree with them and change my mind.” Laissez-faire leadership is based on trust, allowing employees to work autonomously and make decisions independently. In the context of X Trading and Logistics Company, where the environment is relatively rigid with directive goals, this style may seem less common. However, NJ emphasized the need for leaders to demonstrate empathy, emotional intelligence, and the ability to build a collaborative team environment.

Organizational Commitment

The interviews also provided insights into the patterns of organizational commitment among employees. MG viewed loyalty as a matter of fulfilling job responsibilities accurately and efficiently, often emphasizing necessity over desire:

MG: “Loyalty is such a vague and indefinite expression. For me loyal team members do their job accurately, on schedule, bring effectiveness, and can leave their comfort zone.”

AA, on the other hand, emphasized the significance of loyalty in all relationships and believed in the inherent loyalty of his team:

AA: “Loyalty is of the greatest significance not only in the context of the relationship between employer and employees but also in every human interaction. From the very beginning, loyalty or its absence defines, forms, and directs the

course of any relationship.”

NJ pointed out that the strength of employee loyalty depends on time and individual circumstances:

NJ: “The time will show how strong the loyalty level is regarding any relationship.”

These differing perspectives highlight the varied approaches to fostering organizational commitment within the company. The discussion of interview results underscores the importance of applying the right leadership styles in specific contexts to enhance employee performance and organizational commitment. While transactional leadership remains the predominant style, the integration of transformational and laissez-faire elements can address diverse employee needs and drive long-term organizational success.

John C. Maxwell’s research supports this notion, emphasizing the need for leaders to adapt and grow continuously. The world is under zero obligations to conform to any leader’s strategy. Great leaders and organizations have the humility, situational awareness, and organizational skills to adapt to the world as it is and as it evolves (Ritter & Ruggero, 2017). They combine flexibility with a disciplined ability to foresee both threats and opportunities. Agile leaders hold fast to a clear intent (value, innovation, or any other goal) but quickly and intelligently create new plans based on new insights and better ideas.

In a survey conducted by the Opinion Research Corporation for Ajilon Finance, American employees were asked to choose the most important trait of a leader (Maxwell, 2011). The results are presented in **Table 1**, which highlights the top leadership traits, with “Leading by Example” being ranked the highest at 27%, followed by “Strong Ethics or Moral” at 19%, and other traits as shown in the figure (Maxwell, 2011). The results are as follows (**Table 1**).

These traits emphasize the importance of ethical leadership and the ability to inspire and guide employees through example and integrity. Implementing these qualities can significantly improve organizational commitment and overall performance.

Table 1. The most important trait of a leader. Maxwell (2011). *The 5 Levels of Leadership: Proven Steps to Maximize Your Potential*. New York: Hachette Book Group.

Rank	Characteristic	Percentage
1	Leading by Example	27%
2	Strong Ethics or Moral	19%
3	Knowledge of Business	17%
4	Fairness	14%
5	Overall Intelligence	13%
6	Recognition of Employees	10%

5. Discussions and Recommendations for Future Studies

The research study aimed to analyze the impact of different leadership styles on employee organizational commitment within X Trading and Logistics Company in Azerbaijan. The findings provide a comprehensive understanding of the leadership dynamics at play and their implications for employee behavior and organizational performance. Several key themes emerged from the study, each highlighting significant aspects of the leadership-commitment relationship within the unique economic and cultural context of Azerbaijan.

5.1. Leadership Styles and Their Impact

Transactional Leadership: The study found that the predominant leadership style at X Trading and Logistics Company is transactional, particularly the contingent reward approach, which had the highest mean score of 4.05. This style is highly effective in the Azerbaijani context, where economic uncertainties and financial constraints drive employee behavior. The emphasis on clear goals, performance expectations, and financial rewards resonates well with employees, ensuring high levels of motivation and retention. This finding aligns with the literature, which suggests that transactional leadership is particularly suitable for environments where task performance and immediate rewards are critical.

Transformational Leadership: Although not the dominant style, transformational leadership traits were observed among some senior managers. This style, which focuses on inspiring and motivating employees towards a collective vision, holds the potential for fostering long-term organizational commitment and innovation. However, its presence was mixed, reflecting both a growing recognition of its value and the challenges of implementing it within the existing organizational culture. The study indicates that while transformational leadership can enhance affective commitment, its current influence is limited due to competing priorities and the strong emphasis on transactional methods.

Laissez-faire Leadership: The presence of laissez-faire leadership, characterized by a hands-off approach and significant delegation, was also noted among certain managers. While this style can be beneficial in fostering autonomy and creativity, its effectiveness is contingent upon a highly skilled and self-motivated workforce. In the context of X Trading and Logistics Company, where clear direction and structure are valued, laissez-faire leadership may lead to disengagement and reduced performance if not balanced with more active leadership practices.

5.2. Organizational Commitment

The study revealed varying levels of organizational commitment among employees, with continuance commitment being the most prevalent. This form of

commitment is primarily driven by economic factors, such as the high costs of leaving the organization and the lack of alternative job opportunities. While continuance commitment ensures short-term stability, it does not necessarily foster long-term engagement or satisfaction. The study suggests that enhancing affective and normative commitment through more strategic leadership interventions could yield more sustainable organizational loyalty and performance. Transformational leadership, with its emphasis on inspiring a shared vision and supporting employee development, could be particularly effective in this regard.

5.3. Cultural and Economic Context

The cultural and economic context of Azerbaijan plays a significant role in shaping both leadership practices and organizational commitment. The legacy of the post-Soviet era, combined with rapid economic transitions and cultural values around loyalty and job security, heavily influences employee behavior. The generational differences observed in the study, with older employees exhibiting higher loyalty due to past economic constraints and younger employees having broader career aspirations, underscore the need for a nuanced leadership approach that considers these contextual factors.

5.4. Recommendations for Future Studies

Future research should extend beyond the logistics and trading sector to include a comparative analysis across different industries within Azerbaijan. Such studies can provide insights into whether the observed leadership-commitment dynamics are consistent across various sectors or if unique industry-specific factors come into play.

Conducting longitudinal studies would offer valuable insights into how leadership styles and organizational commitment evolve over time, particularly in response to economic changes and organizational transformations. These studies can help identify long-term trends and the sustainability of different leadership approaches.

Investigating the role of emotional intelligence in enhancing leadership effectiveness and organizational commitment within the Azerbaijani context could provide actionable insights for leadership development programs. Understanding how emotional intelligence interacts with different leadership styles can help in designing training programs that foster both transactional and transformational leadership traits.

Further research is needed to delve deeper into the impact of cultural values on leadership and organizational commitment. Studies that explore the interplay between national culture, organizational culture, and leadership practices can provide a more comprehensive understanding of how to effectively lead and manage in culturally diverse settings.

Exploring various employee engagement strategies beyond financial incentives can help in identifying approaches that enhance affective and normative commitment. Future studies should investigate the effectiveness of professional development opportunities, recognition programs, and inclusive work environments in fostering deeper organizational loyalty.

Expanding the research to include a wider range of leadership perspectives and styles can provide a more holistic view of leadership effectiveness. Including perspectives from different organizational levels, genders, and backgrounds can help in understanding the diverse needs and motivations of employees.

Examining the role of technology in shaping leadership practices and organizational commitment can provide insights into how digital tools and platforms can enhance communication, collaboration, and performance management. Understanding the impact of technology on leadership can help in designing more adaptive and responsive leadership strategies.

By addressing these recommendations, future research can build on the findings of this study and contribute to a more nuanced and comprehensive understanding of leadership and organizational commitment in Azerbaijan. These insights can ultimately guide organizations in developing effective leadership strategies that drive sustainable performance and employee satisfaction.

5.5. Limitations

This study, while comprehensive, has several limitations that should be considered. Firstly, it is limited to a single company, X Trading and Logistics Company, which may not represent Azerbaijan's broader logistics and trading sector. The specific cultural and organizational context of this company may limit the generalizability of the results to other companies or industries.

The sample size for this study was limited to 43 employees from a single organization, which may not be fully representative of the broader logistics and trading sector in Azerbaijan. While the findings provide important context-specific insights, they may not be generalizable to other companies or industries, especially those operating under different cultural, economic, or organizational conditions.

While the study highlights the influence of Azerbaijan's unique post-Soviet cultural context on leadership and organizational commitment, it may not fully capture the nuances of how cultural factors intersect with leadership styles. The cultural analysis is somewhat broad, and the study could benefit from a deeper exploration of specific cultural norms and values that influence leadership behaviors and employee perceptions in this context.

However, the use of self-reported surveys may introduce response biases, such as social desirability bias, where respondents may provide answers, they believe are more socially acceptable rather than reflecting their true opinions and be-

haviors. Additionally, the study employs a cross-sectional design, capturing data at a single point in time. This approach limits the ability to conclude causality or the long-term effects of leadership styles on organizational commitment. Longitudinal studies would be more effective in understanding how these relationships evolve over time and in response to changing economic and organizational conditions.

While the mixed-methods approach enhances the depth of the analysis, the qualitative component is limited to interviews with only three C-level managers. This small number restricts the ability to capture a diverse range of managerial perspectives and leadership styles within the organization.

Despite these limitations, the study provides valuable contributions to understanding the impact of leadership styles on employee commitment in the Azerbaijani logistics and trading sector, offering a foundation for further research and practical applications.

6. Conclusion

In conclusion, this study provides a robust analysis of the critical role of leadership in shaping employee organizational commitment within X Trading and Logistics Company in Azerbaijan. The findings highlight the effectiveness of transactional leadership in addressing immediate performance and retention needs while also recognizing the potential of transformational leadership to foster long-term engagement and innovation. The study underscores the importance of considering the cultural and economic context in developing effective leadership strategies that drive sustainable organizational success.

By implementing the recommendations and exploring the identified research directions, organizations can enhance their leadership practices, leading to improved employee satisfaction, loyalty, and performance. This study serves as a foundational step toward understanding and optimizing leadership and organizational commitment within the dynamic and evolving landscape of Azerbaijan. The insights gained from this research can guide organizations in navigating the complexities of leadership in a culturally diverse and economically challenging environment, ultimately contributing to their long-term success and sustainability.

This chapter concludes the thesis, reaffirming the importance of adaptable and context-sensitive leadership in fostering organizational commitment. As Queen Elizabeth II wisely noted, *“I know of no single formula for success. But over the years I have observed that some attributes of leadership are universal and are often about finding ways of encouraging people to combine their efforts, their talents, their insights, their enthusiasm, and their inspiration to work together”* (BrainyQuote, 2024).

Disclaimer

This paper incorporates the author’s contributions to the Dissertation Thesis

completed as part of the Master's degree in Business Administration at Cardiff University Cardiff Business School. To maintain ethical standards and protect the confidentiality of the research participants, the names of the organization and the executives have been anonymized. Throughout this paper, the organization is referred to as "X Trading and Logistics Company." These modifications ensure the privacy of all involved while preserving the integrity and validity of the research findings.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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