

The Relationship Between Transformational Leadership, Public Service Motivation, Affective Commitment and Organizational Performance at the Public Service Employees Transport Service Enterprise (PSETSE) in Ethiopia

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ABSTRACT: This paper examines the relationship between transformational leadership (TL), affective organizational commitment (AOC), public service motivation (PSM), and perceived organizational performance (POP). A structural equation modeling was used to examine the perceptions of 112 public employees in Ethiopian Public Service Employees Transport Service Enterprise (PSETSE). The result indicates that transformational leadership has a positive, significant but medium relationship with perceived organization performance, affective organizational commitment, and public service motivation. It is also found that TL has a positive effect on AOC, PSM and POP. However, the level of influence slightly differs. It is revealed that 29.6%, 41.6% and 23.5% of change on civil servant's perceived organizational performance, affective organizational commitment, and public service motivation respectively is explained by the variation in the transformational leadership at the Enterprise. It is found that affective organizational commitment has significant contribution in the improvement of organizational performance at Enterprise. The result also indicated that public service motivation has a significantly positive relation with and influences on both perceived organizational performance and affective organizational commitment. AOC and PSM have mediating effect on perceived organizational performance albeit the indirect effect is weak. It is also found that none of the control variables (gender, age, marital status, educational background and work experience) has any significant effect on affective organizational commitment, public service motivation, and perceived organizational performance. It is possible to conclude that transformational leadership does play an important role in determining the levels of perceived organizational performance, both directly and indirectly, but only at medium level.

KEYWORDS: Transformational Leadership, Affective Organizational Commitment, Public Service Motivation, Perceived Organizational Performance

INTRODUCTION

Improving the performance of government institutions is a vital concern of public administration (Brewer and Selden, 2000). Factors that affect organizational performance in public sector among others include transformational leadership, affective organizational commitment, and public service motivation. Transformational leadership in public organization has been found to directly influence organizational performance. Some scholars have developed and tested theories that acknowledged the imperative of transformational leadership's for organizational performance improvements. Previous research indicates that transformation leadership has a direct, positive effect on the performance of the organization (Arif and Akram, 2018; Bass, Avolio, Jung, & Berson, 2003; Bellé, 2013; Imran, Zahoor, and Zaheer, 2012).

Transformational leadership encourages followers to focus on a common goal or mission, generates intrinsic motivation and inspires them to 'go the extra mile' (Bass, 1985). Over the past three decades, accumulating research has indicated that transformational leadership is related to various important outcomes, such as performance (Arif and Akram, 2018; Bass 1985; Imran, et al, 2012; Meaza, 2018); job satisfaction, organizational commitment (Nyengane, 2007), willingness to put in extra effort on job and job performance (Caillier, 2015).

In addition to transformational leadership, the effect of organizational commitment on performance has been well documented. Researchers have found that employees who are pleased with their supervisors/leaders, feel that they are being treated with respect and are valued by their management feel more attachment with their organizations (Wiza & Hlanganipal, 2014). There are three types of commitment in organizations namely, affective, continuance and normative (Hadi and Tentama, 2020). However, from these three types of commitment, affective commitment is typically used in transformational leadership theories (Caillier, 2015),

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and is more critical in public agencies and therefore has been used as a proxy for organizational commitment in government organizations (Kim, 2012), which also mediates the leadership-performance relationship, and thus this article focuses on affective commitment.

Public service motivation is another factor that influences organizational performance. Management theorists have dedicated much attention to finding out which factors motivate public employees (Caillier, 2014) among which public service motivation is said to influence the attitudes and behaviors of employees (Kim, Henderson & Eom, 2015). Employees with greater public service motivation (PSM) are likely to perform better in public sector jobs (Perry & Wise, 1990). Hence, PSM is positively associated with public sector job choice, organizational commitment, individual and organizational performance, and low turnover (Ritz, Brewer, and Neumann, 2016).

Besides, public service motivation (PSM) and affective organizational commitment are said to mediate the relationship between transformational leadership and organizational performance. Scholars designate that transformational leadership has an indirect influence on performance through such factors as affective commitment (Chen, 2004; Kumasey, Bawole, and Hossain, 2017; Peng, Liao, and Sun, 2020) and public service motivation (PSM) (Bellé, 2013; Khan, et al, 2020). However, few studies have examined the mediation role of affective organisational commitment on the relationship between transformational leadership and organizational performance in the public sector services in developing economies (Donkor and Zhou, 2020).

Moreover, the evidence on the relationships between these variables is mixed. For example, even though some (Arif and Akram, 2018; Meaza, 2018; Bass 1985; Imran, et al, 2012; Yeh and Hong, 2012) reported that transformational leadership is positively correlated with performance, others (Dvir, Eden, Avolio, and Shamir 2002; Grant, 2012) have shown inconsistent evidence of the effectiveness of transformational leaders in motivating higher performance among their followers. In addition, few empirical studies have been made of organizational performance in the public sector from the perspective of public employees in Ethiopia (Aschalew and Pandian, 2020; Bekele, 2014; Meaza, 2018; Mekonnen, 2014; Mulu and Kuar, 2017; Tafesse A. B. and Mohammed, 2020; Temesgen, 2011); and almost all focus only a few factors that affect perceived organizational performance. All this calls for further studies to clarify the evidence from previous studies.

This article, thus, seeks to fill this gap by examining the effect of three factors namely, transformational leadership, public service motivation, civil servants' affective organizational commitment on perceived organizational performance at public institution; and investigating the mediation role of affective organisational commitment and public service motivation on the relationship between transformational leadership and organizational performance at the Public Service Employees Transport Service Enterprise of Ethiopia. Accordingly, this study aims at testing whether: a) transformational leadership positively relates to and effects on organizational performance at PSETSE; b) transformational leadership positively associated with and influences on affective organizational commitment; c) transformational leadership positively correlated with and effects on PSM; d) organizational commitment positively associated with and influences on organizational performance; e) PSM positively linked with and influences perceived organizational performance; f) PSM positively associated with and influences on affective organizational commitment; g) PSM mediates the relationship between transformational leadership and organizational performance; and h) affective organizational commitment mediates the relationship between transformational leadership and organizational performance at the Public Service Employee's Transport Service Enterprise (PSETSE) of Ethiopia

Started with 55 buses to alleviate the transport problem of public servants, recently the Enterprise has 460 buses and serves more than 100,000 employees of federal government institutions and Addis Ababa City Administration employees. PSETSE is one of the public service institutions that provide service to the public and it is awarded the highest appreciate certificate for its better quality service in 2020 by the Ethiopian Quality Awards Organization(EQAO) in collaboration with the Federal Democratic Republic of Ethiopia (FDRE) Civil Service Commission. More recently, in 2021, another competition was held among private and public institutions organized by EQAO, and the Enterprise was also awarded a certificate of the third level prize of the Ethiopian Quality Awards for its quality service. Therefore, it is commanding to test the relationship between these variables at the Public Service Employee's Transport Service Enterprise of Ethiopia, which is regarded by the Ethiopian Quality Awards Organization as the best provider of public service.

1. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Several literatures indicate the imperative of transformational leadership's for organizational performance improvements (Arif and Akram, 2018; Bass, 1985; Bass, et al., 2003; Bellé, 2013; Imran et al., 2012). Numerous previous works have also shown that transformational leadership has positive effect on PSM (Afjahi, Dehghanan, Kashei, Malmir, and Karbalaee, 2013; Bellé, 2013; Caillier, 2015; Caillier, 2014; Wright, Moynihan, & Pandey, 2012). There are abundant works that demonstrate the positive influence of PSM on perceived organizational performance (Alonso and Lewis, 2001; Camilleri and Van Der Heijden, 2007; Kim, et al, 2015; Kumar, 2021; Perry and Wise, 1990; Qi and Wang, 2018). Besides, certain previous works done designate that

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affective organizational commitment has contribution in the improvement of organizational performance (Camilleri et al, 2007; Yeh, and Hong, 2012).

However, the evidence on the relationships between these variables is mixed. For example, even though some (Arif and Akram, 2018; Meaza, 2018; Bass, 1985; Imran, et al, 2012; Yeh and Hong, 2012) reported that transformational leadership is positively correlated with performance, others (Dvir, et al, 2002; Grant, 2012) have shown inconsistent evidence of the effectiveness of transformational leaders in motivating higher performance among their followers. Moreover, organizational commitment holds a partial mediating effect between the relationship of transformational leadership and job performance (Yeh and Hong, 2012), but few studies have examined the mediation role of organisational commitment on the relationship between transformational leadership and organizational performance in the public sector services in developing economies (Donkor and Zhou, 2020). Some have examined the effects demographic variables on these relationships, but inconsistent results. For example, according to Caillier (2016), age has a negative effect on organizational commitment and PSM whereas education level has a positive effect on these variables. Camilleri, et al, (2007) on the other hand, noted that organizational commitment is positively related to age, organizational and tenure, and women and married employees report higher organizational commitment scores. However, some like Ritz (2009) reported that gender, age and tenure do not show any significant effects. All this calls for further studies to clarify the evidence from previous studies.

Besides, few empirical studies have been made of organizational performance in the public sector from the perspective of public employees; and most focus only a few factors that affect organizational performance. Moreover, organizational commitment holds a partial mediating effect between the relationship of transformational leadership and job performance (Yeh and Hong, 2012), but few studies have examined the mediation role of organisational commitment on the relationship between transformational leadership and organizational performance in the public sector services in developing economies (Donkor and Zhou, 2020). Furthermore, it is possible that PSM may mediate between transformational leadership style and organizational performance; but little considerations have been given to the mediation role of PSM on the relationship between transformational leadership and performance.

The variances in the literatures cause one to contemplate the universality of the findings and also the influence of the demographic variables on relationship between transformational leadership, public servants' affective commitment is little known at federal level with respect to PSETSE work context. This observation indicates that there is a need to reconsider the relationship between and among the four variables in Ethiopia at the Public Service Employee's Transport Service Enterprise of Ethiopia to confirm, reject, or modify existing claims by scholars. Along these lines, this study is an attempt to bridge this gap in the literature that affects the federal Enterprise's work environment in Ethiopia.

2.1 Conceptualizing TL, AOC, PSM and POP

Transformational leadership (TL) is one of the various styles of leadership. Much of the literatures are devoted to describing transformational leaders as leaders that provide a vision and a sense of mission, inspire, pride and gain respect and trust through charisma. As Wright, et al note, "[g]iven both the public service orientation of public organization missions and the attractiveness of such goals to many public employees, public sector transformational leaders may be in a better position to activate the higher-order needs of their employees and encourage them to transcend their own self-interest for the sake of the organization and its clientele." (Wright, et al., 2012, p212) Although the concept of transformational leadership created by Burns in 1978 as a description of political leaders who transform the values of their followers, it was Bass (1985) who expanded the scope to include leadership within organizational settings (Cailier, 2015; Sandell, 2012). Transformational leadership is about correlating needs of followers with the objectives and goals of the leader, the group and the organization and by providing an inspiring vision of the future (Bass, 1985; Meaza, 2018).

There are three types of organizational commitment in organizations, namely, affective commitment (desire), continuance commitment (a need) and normative commitment (an obligation) (Meyer and Allen, 1991). Affective organizational Commitment (AOC) is an individual's emotional attachment to the organization characterized by acceptance of the organization's culture and primary values and by willingness to remain with the enterprise (Allen, Atttoh and Gong, 2017; Park and Rainey, 2007). Unlike normative and continuance commitment, which target specific turnover-related behaviors, affective commitment is primarily an attitude held toward the organization, its values, and its mission, and underlies a general propensity to further the interests of the organization (Im, Campbel and Jeong, 2016). Among the three forms of commitment, affective commitment demonstrates the strongest positive correlation to desirable work behaviors (Allen et al, 2017). For the above reasons, affective commitment was the focus of this study.

Public Service Motivation (PSM) is understood as "an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations" (Perry and Wise, 1990, p. 368), which is an intrinsic motive that induce individuals to serve their community, as well as the greater society (Caillier, 2015). PSM is fundamentally grounded in self-

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sacrifice (Kim, 2015). It refers to an individual's orientation to delivering service to people with the purpose of doing good for others and society, which implies that individuals have a propensity to deliver public service in order to benefit others" (Perry and Hondeghem 2008). According to Perry (1996), the level and type of an individual's PSM and the motivational composition of a public service organization's workforce affect individual job choice, job performance, and organizational effectiveness. People with high public service motivation (PSM) are more likely than others to choose government jobs, to perform better on the job, and to respond more to non-utilitarian incentives once in government (Alonso and Lewis, 2001; Im, et al., 2016; Perry and Wise, 1990).

Organizational performance is a difficult concept to define and measure. Organizational performance is a socially constructed phenomenon that is subjective, complex, and particularly hard to measure in the public sector (Brewer and Selden 2000). It comprises internal and external dimensions of efficiency, effectiveness, and fairness. The variables that most affect organizational performance are efficacy, teamwork, building human capital, structure of task/work, protection of employees, concern for the public interest, and task motivation (Ibid.). It can also be understood as the employees' perceptions about the organization, its ability to meet the overall goal of public interests. The perceived organizational performance (POP) measure involves some important issues such as an agency's contribution to society, internal productivity and quality, utilization of employee expertise, and organizational treatment of employees and client. According to Brewer and Selden (2000), in spite of measurement error and the potential for mono method bias, measures of perceived public organizational performance correlate positively with moderate to strong associations) with objective measures of public organizational performance.

2.2 THEORETICAL FRAMEWORK AND HYPOTHESIS

2.2.1 The Link between Transformational Leadership and Organizational Performance

Transformational leadership has often been considered as one of the most powerful factors motivating purposeful action and high public employee performance (Bellé, 2013; Park and Rainey 2008; Wright, et al., 2012). In their study, Bass and Riggio (2006) suggested that transformational leaders are able to increase performance because of their ability to set challenging and clear goals; a position that has received empirical support.

Since Bass (1985) hypothesized the transformational leadership - performance relationship, there have been several scholars have developed and tested theories which acknowledged the imperative of transformational leadership's for organizational performance improvements (Arif and Akram, 2018; Bass, et al., 2003; Bellé, 2013; Imran et al., 2012). These studies indicated that transformation leadership has a direct, positive effect on the performance of the organization. Hence, the following hypothesis was suggested.

Hypothesis-1: TL positively related to and effects on POP

2.2.2 The Link between Transformational Leadership and Affective Organizational Commitment

The relationship between commitment and leadership style has been reported in literatures. For example, Nyengane (2007) notes that transformational leaders are able to influence employees' organizational commitment by promoting higher levels of intrinsic value associated with creating a higher level of personal commitment on the part of the leader and followers to a common vision, mission, and organizational goals. In addition, most of the studies about the nexus between transformational leadership and employees' commitment have shown that there is a positive relationship between them irrespective of the work settings. (Abasilim, et al., 2019; Awan and Mahmood, 2009; Nyengane 2007). Specifically, Keskes, Sallan, Simo, Fernandez (2018) contend that styles of leadership based on vision and intellectual stimulation can be antecedents of affective commitment. Numerous studies have found a positive and significant relationship between transformational leadership and affective commitment (Allen, et al 2017; Keskes, et al., 2018; Bass and Riggio, 2006; Wiza and Hlanganipai, 2014), which propose that leadership can enhance the development of an emotional attachment to the organization on followers. Accordingly, the second hypothesis is proposed:

Hypothesis-2: TL positively associated with and influences on AOC.

2.2.3 Relationship between Transformational Leadership and Public Service Motivation

Transformational leadership style requires close foresightedness on the part of leaders in order to identify and track the followers' needs, values and assess suitable motivational interest (Akeel and Subramaniam, 2013). Leaders can influence public service motivation through several mechanisms, including engaging employees' existing values, infusing jobs with meaning, and highlighting and rewarding public service values. Bottomley, Mostafa, Gould-Williams, and Leon-Cazares (2016) postulate that by emphasizing collective rather than individual goals, transformational leadership theory encourages followers to transcend their own self-interests for the sake of the team, organization and larger polity. Several works found that transformational leadership has positive effect on PSM (Afjahi, Dehghanan, Kashei, Malmir, and Karbalaee, 2013; Bellé, 2013; Caillier, 2015; Caillier, 2014; Wright, et al., 2012).

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Hypothesis-3: TL positively correlated with and effects on PSM.

2.2.4 Affective Organizational Commitment and Organizational Performance

Researchers have found that employees who are pleased with their supervisors/leaders, feel that they are being treated with respect and are valued by their management feel more attachment with their organizations (Wiza and Hlanganipal, 2014). Specifically, affective commitment is more critical in public agencies and therefore has been used as a proxy for organizational commitment in government organizations (Kim, cited in Caillier, 2015). According to Qi and Wang (2018), affective commitment may contribute to organizational performance in two ways. First, it supports employees to internalize organizational goals and values to a system of personal goals and values; and secondly, employee turnover can be reduced, which may save training costs and retain productive workers. As Keskes, et al (2018) note “an employee with high affective commitment to the organization will be more likely to perform work beyond what is specified in the job description, developing a leader-member relationship based on contribution.” Similarly, Qi and Wang (2018) and Peng, et al. (2020) postulate that affective attachment toward organizations may affect job satisfaction and organizational performance in public organizations. Thus, hypothesis four is proposed.

Hypothesis-4: AOC positively associated with and influences on POP

2.2.5 PSM and Organizational Performance

The PSM–performance relationship is considered to be the cornerstone of PSM theory, which interests both scholars and practitioners (Qi and Wang, 2018). Perry and Wise (1990) also hypothesized that public agencies with many high-PSM employees would depend less on utilitarian incentives. In addition, Ritz, et al., (2016) note that PSM is positively associated with job satisfaction, public sector job choice, organizational and job commitment, individual and organizational performance, and low turnover. Brewer and Selden (2000) also presumed that PSM is positively related to federal agency performance. The positive relationship between public service motivation and organizational performance has been supported by a number of scholars (Alonso and Lewis, 2001; Camilleri et al, 2007; Kim, et al., 2015; Kumar, 2021; Qi and Wang, 2018). Therefore the following hypothesis was proposed.

Hypothesis-5: PSM positively linked with and influences on perceived POP

2.2.6 PSM and Affective Organizational Commitment

Affective organizational commitment defined as an individual’s identification with and involvement in their organization and characterized by an acceptance and affirmation of the organization’s goals and values is intuitively linked to PSM in public sector organizations (Im et al., 2016). PSM leads to higher affective commitment mainly for two reasons (Qi and Wang, 2018). The first one is high PSM may lead employees to internalize the values and goals of their agencies and to develop identification with and emotional attachment to their agencies; and the second reason related to the literature on person–organization fit, since public organizations better satisfy the needs of individuals with high PSM, these people are more likely to work for the government (Perry and Wise, 1990), and they may be more committed to their agencies (Qi and Wang 2018). Moreover, if the equity and procedural justice motivation theories are taken into consideration, the results indicate a significant relation among equity perceptions, affective OC, and performance (ibid). A number of studies in public sectors have confirmed empirically the link between PSM and affective organizational commitment (Camilleri et al, 2007; Montundu, Kamaluddin, Husin, 2020; Qi and Wang 2018; Sun, 2021; Wright et al., 2012). Based on strong precedence in the literature, this study also assumes a positive relationship between PSM and affective organizational commitment.

Hypothesis-6: PSM is positively associated with and influences on AOC

2.2.7 PSM as Mediating the Relationship between Transformational Leadership and Organizational Performance

In addition to having a direct influence on performance, transformational leadership’s influence on performance may be mediated through PSM. Quoting Gillet et al, Khan et at (2020, p4) put, “Transformational leaders may help to ensure individual’s inner motivation to perform a task efficiently which in turn increases their work performance .These leadership approaches are advantageous for both individual and organizational growth”. From this it can be inferred that public service motivation (individual internal motivation) can serve as a mediating role in the relationship between transformational leadership and performance. A study conducted by Caillier (2015) on transformational leadership further provided supporting evidence that it had a positive effect on PSM which in turn increased organizational commitment. Bellé (2013) contended that transformational leadership may represent a superior fit for a workforce in public organization with high levels of PSM because their employees tend to be motivated by a greater desire to serve others than private sector workers exhibit. Moreover, Khan et at. (2020) postulate that intrinsic motivation is one of the main mechanisms by which transformational leaders influence employees’ job performance. Based on these, this study proposes the following hypothesis:

Hypothesis-7: PSM mediates the positive relationship between TL and POP.

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2.2.8 Affective Organizational Commitment as Mediating the Relationship between Transformational leadership and Organizational performance

According to Peng, et al., (2020), transformational leaders shape employees' affective commitment as well as the mechanisms that can strengthen or weaken such leadership influence. Transformational leaders clarify and champion organizational values, thereby allowing followers to embrace and internalize them and strengthen their affective bond with the organization (Im, et al., 2016). Moreover, Yeh and Hong (2012) found that organizational commitment partially mediates the relationship between leadership style and job performance. Similarly, Chen (2004) concluded that the organizational commitment will mediate the relationship between transformational leadership behaviors and job performance in supportive and bureaucratic culture. Furthermore, Yiing, et al. (2009) suggested that leadership style would affect organizational commitment and, in turns, organizational commitment will influence job performance and mediate the relationship between leadership style and job performance. Hence, the following hypothesis was constructed.

Hypothesis-8: AOC mediates the positive relationship between TL and POP.

2.3 Conceptual Model

Transformational leadership inspires employees to demonstrate and become committed. Employees' affective organizational commitment is effective when the leaders' practice a transformational leadership and when it brings the actual results in the organization. Therefore, the leaders/supervisors are assumed to use, practice or follow transformational leadership, in order to enhance employees' affective organizational commitment and in order to reach organizational goals, which is reflected in both direct and indirect effects. Hence, in this study the independent variable is transformational leadership (TL) and the dependent variable is perceived organizational Performance (POP).

As depicted in Figure 1, H1 transformational leadership style is positively associated with organizational performance (Qi and Wang, 2018). As Bass (1985) and Bottomley et al (2016) postulate transformational leadership encourages followers to focus on a common goal or mission, generates intrinsic motivation and inspires them to 'go the extra mile'; and results in positive outcome on organization performance. Secondly, H2 transformational leadership is positively related to affective organizational commitment. The relationships between the two have been studied by many researchers in various theoretical contexts over the years (Abasilim, et al, 2019; Bass et al., 2003; Garg and Ramjee, 2013; Trottier et al., 2008). Hence, this study presumes that there is a positive relationship between transformational leadership style and employees' affective commitment irrespective of the work settings. Thirdly, in addition to its positive association with organizational performance and affective commitment, transformational leadership is positively associated with PSM as shown in H3 which is supported by prior studies such as Wright, et al. (2012).

Figure 1: Conceptual Model on the relations between Transformational Leadership, PSM, Affective Organizational Commitment, and Organizational Performance

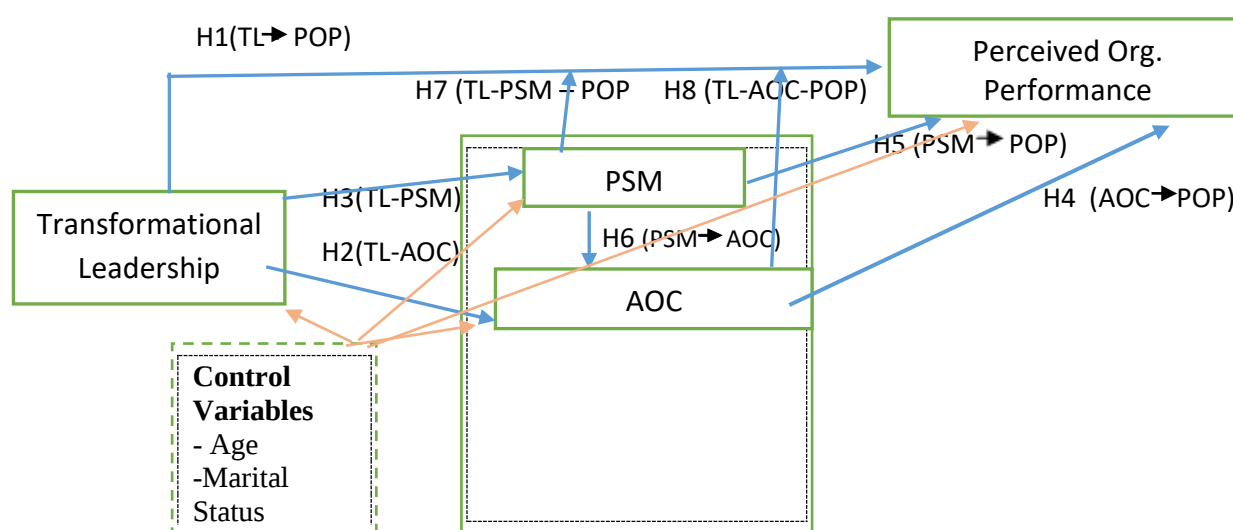


Figure 2-1: Conceptual Model of Association, Own design, 2022

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Fourth, affective organisational commitment (AOC) may lead to performance of an employee (Yeh and Hong (2012:50) but also assumed to enhance perceived organizational performance which is reflected in H4. Fifth, PSM is a positively related to performance (Alonso and Lewis, 2001; Andriono and Nurkholis, 2018; Perry and Wise, 1990; Ritz, et al., 2016). Based on these theoretical and empirical evidences, this study assumes that PSM is positively linked to perceived organizational performance as shown in line H5 in the Figure. H6 shows the positive relationship between PSM and organizational commitment which is also supported by some studies such as Ritz, et al. (2016).

Lastly, as shown in Figure 1, PSM as well as organizational commitment may mediate the relationship between Transformational leadership and performance as indicated in the Figure as H7 and H8, respectively. For example, Kumasey, et al. (2017) and Peng, et al. (2020) posit that leadership style influences on performance may depend on their organisational commitment. The conceptual framework is based on a mediating model that hypothesizes the independent variable causes the mediating variable, which in turn causes the dependent variable, keeping other things constant.

Besides, personal characteristics like age, marital status, tenure, gender, work experience, and level of education may affect employees' public service motivation, organizational commitment, and perceived organizational performance (Qi and Wang, 2018). For example, some reported that organizational commitment is positively related to age and tenure; and women and married employees report higher OC scores (Camilleri et al, 2007). Hence, this study controls the effect of age, marital status, tenure, gender, work experience and level of education assuming that affect organizational commitment and PSM.

3 RESEARCH DESIGN AND METHODOLOGY

Since, the purpose of the research is to examine the relationships between transformational leadership, affective organizational commitment, public service motivation and organizational performance, correlation quantitative methods were used to test the four variables. It used both descriptive and causal research designs. The study is designed as cross-sectional which relied on collecting data that present a population at a single point in time.

3.1 Measurements of Variables

Measurements used in this study were drawn from scales established in the existing literature. It measured four main variables (transformational leadership, affective commitment, public service motivation, and organizational performance). Each construct has different dimensions, but this paper considered a uni-dimensional construct. For example, transformational leadership has four dimensions, namely, idealized influence; inspirational motivation; intellectual stimulation; and individualized. Instead of several subdomains, a uni-dimensional factor construct is attempted for each construct. There are a total of 27 items in these constructs, and each measured on a 5 point Likert-type scales ranging from 1 to 5, where 1 indicated strong disagreement and 5 indicated strong agreement.

Transformational leadership was measured using multi-item scale developed by Carless, Wearing, and Mann (2000), and used by Caillier (2015). Multi- Factor Leadership Questionnaire (MLQ) is common scale in measuring four facets of transformation leadership, namely idealized influence and inspirational motivation, individualized consideration and intellectual stimulation. However, similar to the MLQ, transformational leadership is best depicted as one variable (Wright and Pandey, 2010, cited in Caillier, 2015). This study adopts seven-item scale such as "My supervisor communicates a clear and positive vision of the future"; "My supervisor gives encouragement and recognition to staff"; "My supervisor encourages thinking about problems in new ways and questions assumptions"; and "My supervisor instills/inculcates pride and respect in others and inspires me by being highly competent", used by Caillier (2015). These can be a common scale for transformational leadership because it contains fewer items, making it easier for respondents to complete the survey. The uni-dimensional construct was found to be acceptably consistent, with an alpha coefficient of 0.853.

Affective organizational commitment measures the extent to which the values embodied by the organization and its activities are similar to those held by the employee, and how passionately employees feel about their work at the organization (Im et al, 2018). As the underlying theory of this study focuses on the affective and cognitive responses of employees to various organizational phenomena, the study focus exclusively on this dimension of organizational commitment. Thus affective organizational commitment was measured using three items taken from Caillier (2015) and Qi and Wang (2018) such as "I feel a strong sense of belonging to my organization"; "My organization has a great deal of personal meaning for me"; and "I feel like part of the family at this organization". The three items mainly assessed the sense of belonging and affective attachment toward organizations, and they may also affect employees' public service motivation, organizational commitment, job satisfaction and perceived organizational performance (Qi and Wang, 2018). Higher scores on the scales indicated that respondents are more emotionally attached to or involved in their organization. This affective commitment scale measurement used by Caillier (2015) and Qi and Wang (2018). Cronbach's alpha for the scale was 0.831 and acceptable

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Perry (1996) considers PSM as multidimensional which consists of numerous motives such as strong desire to participate in the formulation of public policymaking; strong commitment to serve in the public interest; employee's strong desire for patriotism and benevolence (compassion). Instruments developed by Perry (1996) are often too long to be used due to space limits of questionnaires (Qi and Wang, 2018). Accordingly, PSM was measured using a popular five item questions in order to capture four dimensions: social justice, commitment to public interest, compassion, and self-sacrifice, adopted from Perry (1996) that have been previously used (Alonso and Lewis 2001; Wright, et al., 2012; Caillier, 2015; Qi and Wang 2018), which are validated as a global measure of PSM (Wright, et al, 2012). Although this scale is much shorter than the original, it has the same advantage as the modified version of transformational leadership (Caillier, 2015: 461). Hence, PSM was measured using a modified version of Perry's (1996) original 24 item scale, using five items such as "Meaningful public service is important to me"; "Making a difference in society means more to me than personal achievements"; and "I am prepared to make sacrifices for the good of society". Researchers generally use this shorter scale because it contains the normative and affective motives most consistent with public service values (Caillier, 2015: 461). The scale was also found to have an acceptable level of internal consistency with an alpha coefficient of 0.853.

Perceived Public-organizational performance is complex but this study used a instruments developed by Brewer and Selden (2000). Perceived organizational performance was measured by twelve items scale which is related to productivity, service quality, goal achievement, customer satisfaction, commitment to cost reduction, prompt customer handling, and minimal mistake in conducting work. Accordingly, the perception of employees regarding the public organizational performance (POP) was measured based on items, developed by Brewer and Selden (2000), used and modified by Im, et al (2016); Qi and Wang (2016). The alpha level for the scale was 0.932, which indicates that the presence of high internal consistency.

This article controlled for the effects of gender, age, marital status, educational background and work experience in the structural equation modeling. As previous research has suggested (Brewer and Selden, 2000), these individual-level variables may also affect employees' public service motivation, organizational commitment, job satisfaction and perceived organizational performance.

3.2 Population and Sampling

PSETSE has about 1,120 employees. However, most of them are drivers (461), cleaners, guards, etc. who did not assume management position and did not hold any diploma or degree. Out of the population, only 112 who were top management, middle management and support staff that forms the lower management who hold diploma and above. Hence, for the purpose of this research only those who exercised at least lower level of management and hold at least Diploma were selected by using purposive sampling techniques. These employees were selected for the reason that they have relatively potential and opportunities for understanding and/or practices leadership; and the relationship between transformational leadership, public service motivation, affective organizational commitment and organizational performance. Out of 112 target population, 101 reacted to the distributed questionnaire voluntarily, and so the respondent's rate was 90.2%.

Questionnaire was prepared to distribute for civil servants at Pubic Service Employees Transport Service Enterprise, in order to gather quantitative data. A pilot study was conducted to test the validity and reliability of the research instrument. The pilot test was conducted with 15 individuals. They were requested to answer the questionnaire, and provide any comments and feedback, marking spelling errors, grammatical clarity, vague sentences, and any related suggestions to improve and enhance the quality of an instrument. Based on the feedback correction was made. The face validity of the research instrument was also improved by collecting comments from instructors of Public Administration and Development Management of Addis Ababa University and changed unclear and ambiguous questions. After getting permission and did pilot survey, a discussion with the Human Resource Head took place on how to distribute and collect the data. A brief orientation was given for respondents on how to complete the questionnaire for investigation.

3.3 Validity and Reliability

This paper tried to address validity through the review of literature and adapting instruments used in previous research as well as by conducting pilot survey. As the current study used multiple items in all variables, internal consistency analysis was carried out through Cronbach alpha reliability tests. As shown in Table 1, the overall Cronbach's alpha value was 0.94, which is very close to 1.00, and thereby having high reliability and considered as stable and consistent instrument, indicating the presence of excellent internal validity.

Table 1: Reliability Statistics					
No	Variable Name	Cronbach's Alpha Value	Cronbach's Alpha based on standardized items	No of items	(α) reliability ranges

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1	Transformational Leadership (TL)	0.853	0.852	7	Very good
2	Affective Organizational Commitment (AOC)	0.831	0.831	3	Very good
3	Public Service Motivation (PSM)	0.853	0.852	5	Very good
4	Public Organizational Performance (POP)	0.932	0.932	12	Very good
5	Overall	0.938	0.936	27	Excellent

Source: Own Survey, 2021

N.B. The rules of thumb: “_ Within the Range of 0.9 to 1, Excellent; 8 to 9, V. Good; 7 to 8, Good; <7 –Unacceptable
The value of Cronbach’s alpha test for transformational leadership equal 0.85, and is very good, indicating internal consistency. Cronbach’s alpha coefficient for affective organizational commitment is 0.83 which is also very good. Cronbach’s alpha coefficient for public service motivation is 0.85 which indicates internal consistency. Coefficient factor for POP equals 0.93; which is very close to 1.00 and thereby having high reliability and considered as stable and consistent instrument. In general, in this research the Cronbach's alpha for the data collected through questionnaire under each variable ranges from 0.83 to 0.94 which means the internal consistency of the data is acceptable

3.4 Method of Data Analysis

A total of eight hypotheses were tested. Six of these hypotheses were designed to examine the direct relationship between transformational leadership, affective organizational commitment, public service motivation, and organizational performance. The rest two hypotheses were designed to test the indirect effect of the mediating variables (AOC and PSM) between transformation leadership and organizational performance. The appropriate way to deal with multiple variables is Structural Equation Model (SEM). Therefore, data were entered and analyzed using STATA 14 version and AMOS to support the use of Structural Equation Model. Both descriptive and inferential methods of data analysis were used for data analysis. Descriptive statistics such as frequency, percentage, mean, standard deviation, correlation, tables and bar graphs were employed. The inferential analysis was used to infer the relationships between the four constructs. Specifically multiple regressions were used to analyze how well one or more independent variables predict the value of dependent variable. In brief, a Two-tailed Pearson’s correlation and multiple regression analysis were used to assess the relationships as per the hypotheses of the study.

4 RESULT AND INTERPRETATION

4.1 Demographic Characteristics of Respondents

As depicted in Table 2 below, 43(43.3%) of the total respondents were male while (58)57% were female. Hence, this indicates that the number of female respondents is greater than that of the male respondents. With respect to age distribution of the respondents, only 2(2 %) of the respondents are less than 25 years old and 70 (69.3%) fell in the 25-34, 16 (15.8%) of them fell in 35-44 age range. 6(5.9) fell in 45-54 and 7 (26.9%) of them fell in 55-64 age range respectively. From the data, it can be inferred that the majority (69.3 %) of the respondents are between the ages of 25 and 34 years, thus this means that the respondents are mostly young. However, the number of respondents below 25 years is low. There is no respondent whose age was above 65 year.

Table 2: The demographic profiles of the respondents.

No.		Item	Frequency	Percent	Cumulative Percent
1	Sex	Male	58	57.4	57.4
		Female	43	42.6	100.0
		Total	101	100.0	
2	Age	Less than 25	2	2.0	2.0
		25 – 34	70	69.3	71.3
		35 – 44	16	15.8	87.1
		45 – 54	6	5.9	93.1
		55 – 64	7	6.9	100.0
		Total	101	100.0	
3	Marital Status	Single	58	57.4	57.4
		Married	42	41.6	99.0
		Divorced	1	1.0	100.0
		Total	101	100.0	

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4	Education	Diploma	46	45.5	45.5
		1st degree	44	43.6	89.1
		Masters	11	10.9	100.0
		Total	101	100.0	
5	Experience	1-3 years	23	22.8	22.8
		4 - 6 years	33	32.7	55.4
		7 -9 years	22	21.8	77.2
		10 - 12 years	13	12.9	90.1
		13 - 15 years	4	4.0	94.1
		Above 15 years	6	5.9	100.0
		Total	101	100.0	

4.2 The Tested Model – Correlation Analysis

The extent of relationship between variables is evaluated based on the description by Barnes and Lewin (2005). Accordingly, if correlation coefficient (r) is less than 0.33 ($r < 0.33$), the strength of relationship would be weak; if (r) between 0.34 and 0.66, there would be medium relationship and if correlation coefficient (r) lies between 0.67 and 0.99 there would have a strong relationship. As depicted in the Table 3 below, the correlation coefficients indicate that none of the combinations of independent variables were correlated above .641, but all main variables are positively associated. The Pearson correlation coefficient (r) between the two variables is 0.504; r lies between 0.34 and 0.66, so the strength was medium. This implies that at 0.001 confidence level, transformational leadership has positive, medium and significant relations with perceived organizational performance at the Public Service Employees' Transport Service Enterprise.

Correlations Table 3: Correlations between Transformational Leadership, Affective Organizational Commitment and Perceived Organizational Performance					
Correlations					
		TL	AOC	PSM	POP
TL	Pearson Correlation	1	.313**	.181	.493**
	Sig. (2-tailed)		.001	.070	.000
	N	101	101	101	101
AOC	Pearson Correlation	.313**	1	.400**	.641**
	Sig. (2-tailed)	.001		.000	.000
	N	101	101	101	101
PSM	Pearson Correlation	.181	.400**	1	.597**
	Sig. (2-tailed)	.070	.000		.000
	N	101	101	101	101
POP	Pearson Correlation	.493**	.641**	.597**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	101	101	101	101
**. Correlation is significant at the 0.01 level (2-tailed).					

Similarly, transformational leadership has a significantly medium positive relationship with affective organizational commitment. However, transformational leadership appears to have weak relation with public service motivation (PSM). Meanwhile, public service motivation is significantly correlated with both affective organizational commitment ($r=0.400$, $p<.001$) and perceived organizational performance ($r=0.597$, $p<.001$). Furthermore, the findings show that affective organizational commitment has the highest correlation with perceived organizational performance ($r=0.641$), yet the association is medium. The general observation is that these antecedents appear to have a significantly medium positive correlation with all main variables except PSM.

4.2 Regression Analysis between POP and PSM, TL and AOC.

As shown in Table 4, the overall regression model is summarized. The examination of the Table indicates that a positive correlation exists between all main variables. This warrants further investigation of the main effect and possible moderators which is presented in the next section.

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Table 4: Regression Analysis of Independent Variables with Dependent Variables Model Summary

Model Summary ^b						
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.793 ^a	.630	.618		.40989	1.999
a. Predictors: (Constant), PSM, TL, AOC						
b. Dependent Variable: POP						

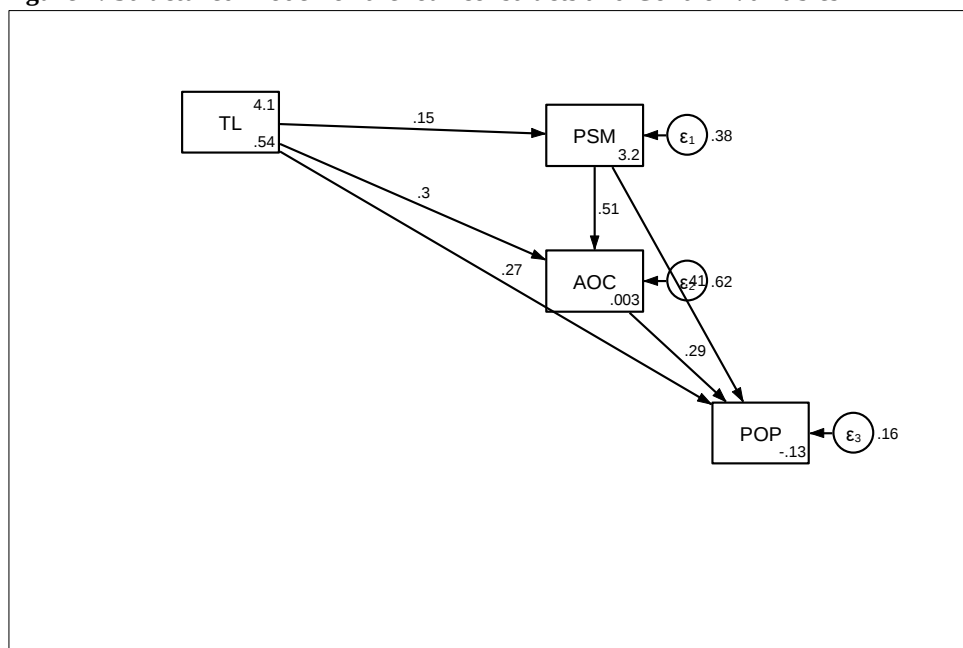
The R square value (0.630) in Table 4 suggests that there is a strong relationship between transformational leadership, affective organizational commitment, public service motivation and perceived organizational performance at Public Service Transport Service Enterprise. The R-squared for the model was 0.63, proposes that the model could explain 63 percent of the total variance of the construct variables.

4.3 The Structural Model – Hypothesis Testing and Discussion

Structural equation modeling (SEM) was used to test the hypotheses. SEM is used to test whether a set of variables are related to each other in a specific causal way as suggested by a theoretical model (Clark and Creswell, 2015) such as the one shown in Figure 2. The model can be especially helpful for identifying mediating variables (Leedy and Ormrod, 2016) and for examining the effects of multiple mediating relationships in a single model (Baron and Kenny, cited in Caillier, 2015). The model examined a hypothesis that the four constructs as a single scale

The model at Figure 2 shows the conceptual model with standardized coefficients. The Figure together with Table 5 indicates the relationship and effects of antecedent variables on AOC, PSM, and POP research question or hypothesis:

Figure 2: Structured Model for the four constructs and Control Variables



4.3.1 Hypothesis-1: Transformational Leadership (TL) positively related to and effects on Perceived Organizational Performance (POP)

The examination of Table 5 shows that there is a significant positive relationship between Transformational leadership (TL) and organizational performance (POP) ($\beta = 0.296$, p -value < 0.001 , 95% confidence intervals (CI) = (0.156633, 0.4358656)). Thus, H-1 is confirmed that transformational leadership does have a significant direct effect at p -value 0.001 on organizational performances because the confidence interval is entirely above zero 95 per cent confidence interval [0.0664 to 0.2401]. Accordingly, 29.6% of change on perception of organizational performance is explained by the variation in the transformational leadership at PSETSE. Thus, TL has an influence on POP at PSETSE.

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The result is in line with the literature that found that transformational leadership has a positive and significant effect on the performance of organization (Arif and Akram, 2018; Bellé, 2013; Imran, et al., 2012). The result is supported by previous studies that found that transformational leadership has a positive and significant effect on the performance of organization (Arif and Akram, 2018; Bellé, 2013; Dola, 2015; Imran, et al., 2012; Sandell, 2012). Leaders would be able to motivate the ability of the follower to work efficiently for organization, which eventually improves performance and there is a positive relationship between the transformational leadership and the performance of the organizations (Meaza, 2018).

4.3.2 Hypothesis H-2: Transformational Leadership (TL) positively associated with and influences on Affective Organizational Commitment (AOC).

As indicated in Table 5, there is a significant positive relationship between transformational leadership (TL) and affective organizational commitment (AOC). [p-value < 0.001, 95% CI = (0.1592155, 0.6719459)], which indicates that TL is positively associated with and influence on AOC. Thus, H-2 is confirmed by the data. As per the Table, the coefficient ($\beta = 0.416$) shows that 41.6% of change on civil servant's affective organizational commitment is explained by the variation in the transformational leadership at PSETSE by promoting higher levels of intrinsic value associated with creating a higher level of personal commitment, since the significant value is below 0.002. Thus, TL is positively associated with and has an important influence on AOC at PSETSE.

Most of the studies about the nexus between transformational leadership and employees' commitment have shown that there is a positive relationship between them irrespective of the work settings (Abasilim, et al., 2019; Awan and Mahmood, 2009; Meaza, 2018; Nyengane 2007). In particular, Keskes, et al (2018) posit that styles of leadership based on vision and intellectual stimulation can be antecedents of affective commitment. Numerous studies have found a positive and significant relationship between transformational leadership and affective commitment (Allen, et al 2017; Keskes, et al., 2018; Bass and Riggio, 2006; Wiza and Hlanganipai, 2014), which confirms that leadership can enhance the development of an emotional attachment to the organization on followers

4.3.3 Hypothesis-3: Transformational leadership (TL) positively correlated with and effects on public service motivation (PSM).

As per Table 5, there is a significant positive relationship between Transformational leadership (TL) and public service motivation (PSM) [p-value < 0.05, and confidence interval is entirely above zero 95 per cent CI = (0.0497046, 0.4215007)]. Thus, H-3 is confirmed by the data. This implies that the transformational leadership can have influence on public service motivation through mechanisms such as engaging employees' existing values and rewarding public service values at PSETSE. . 100% change in transformational leadership leads to 23.6% change in PSM. In other words, 23.6% of change on civil servant's perception of public service motivation is explained by the variation in the transformational leadership. Thus, TL influences POP at PSETSE. But its influence is low compare to its effect on AOC and POP. Transformational leadership theory encourages followers to transcend their own self-interests for the sake of the team, organization and larger polity (Bottomley, et al, 2016). The influence of TL on PSM has been confirmed by several previous literatures (Afjahi, et al., 2013; Bellé, 2013; Caillier, 2015; Caillier, 2014; Wright, et. al., 2012). This may be related to what Wright, et al., (2012) postulated. That is, leaders can influence public service motivation through several mechanisms, including engaging employees' existing values, infusing jobs with meaning, and highlighting and rewarding public service values.

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Table 5: Regression Weights for Structural Model – Direct Effects

Direct effects

		OIM		z	P> z	[95% Conf. Interval]	
		Coef.	Std. Err.				
Structural	PSM <-						
	TL	.1538531	.0830825	1.85	0.064	-.0089856	.3166917
AOC <-	PSM	.5055126	.1271837	3.97	0.000	.2562372	.754788
	TL	.3010674	.1079821	2.79	0.005	.0894264	.5127084
POP <-	PSM	.4068996	.069889	5.82	0.000	.2699197	.5438794
	AOC	.2906389	.0508463	5.72	0.000	.1909819	.3902959
	TL	.2692434	.0572629	4.70	0.000	.1570102	.3814766

4.3.4 Hypothesis-4: Affective organizational commitment (AOC) positively associated with and influences on perceived organizational performance (POP).

The examination of Table 5 shows that there is a significant positive relationship between affective organizational commitment (AOC) and perceived organizational performance (POP) [$\beta = 0.290$, p -value < 0.001 , and confidence interval is entirely above zero 95 per cent CI = (0.188759, 0.3913083)]. Thus, H-4 is supported by the data. As per the Table, affective organizational commitment has contribution in the improvement of organizational performance at PSETSE since the significant value is below 0.001. 29% of change on organizational performance is explained by the variation in the affective organizational commitment. Thus, TL has an influence on POP at PSETSE. Similarly, several previous works done in other countries supported this hypothesis (Camilleri et al, 2007; Yeh, and Hong, 2012). This can be explained by a theory that presumes that a higher organizational commitment will promote employees' willingness to work hard for an organization (Angle and Perry, 1981 cited in Yeh and Hong, 2012, p50); and organizational commitment can improve employees' performance.

4.3.5 Hypothesis-5: PSM positively linked with and influences on perceived public organizational performance (POP)

Table 5 shows that there is a significant positive relationship between PSM and organizational performance (POP) [$\beta = 0.384$, p -value < 0.001 , and confidence interval is entirely above zero 95 per cent CI = (0.2372756, 0.5301902)]. Thus, H-5 is supported by the data. As per the Table, an increase in PSM results in increase in POP, and accordingly 38.4% of change on organizational performance is explained by the variation in the public service motivation. Thus, PSM has an effect on POP at PSETSE.

The result is consistent with previous research in different institutional and cultural contexts. As Qi and Wang (2018) points out, PSM was found to exert a direct and positive effect on perceived organizational performance, which is also supported by several other research (Alonso and Lewis, 2001; Camilleri et al, 2007; Kim, et al, 2015; Kumar, 2021; Perry and Wise, 1990; Qi and Wang, 2018). Public service motivation is said to influence the attitudes and behaviors of employees (Kim, et al., 2015) which may explain a significant positive relationship between PSM and organizational performance (POP) at PSTSE. Individuals with high levels of PSM are assumed to be a good fit for public organizations due to their commitment to service-orientated values (Im, et al., 2016).

4.3.6 Hypothesis-6: PSM positively associated with and influences on affective organizational commitment (AOC).

There is a significant positive relationship between PSM and AOC [$\beta = 0.547$, p -value < 0.001 , and confidence interval is entirely above zero 95 per cent CI = (0.2859115, 0.8080973)]. Thus, H-6 is confirmed by the data. According to Table 5 above, PSM has a significant effect on AOC, since the significant value is below 0.001. The CF indicates that an increase in PSM results in increase in AOC. 54.7.6% of change on employees' affective organizational commitment is explained by the variation in the public service motivation. In other words, 100% change in PSM brings about 54.7% changes on AOC. Thus, public service motivation has an important positive significant effect on AOC at PSETSE.

This hypothesis is also supported by previous research (Camilleri et al, 2007; Montundu, et al., 2020; Qi and Wang 2018; Sun, 2021). Montundu, et al (2020), for example, found that PSM had a significant effect on affective organizational commitment. As Qi and Wang (2018) note PSM leads to higher affective commitment mainly because high PSM may lead employees to internalize the values and goals of their agencies and to develop identification with and emotional attachment to their agencies.

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4.3.7 Hypothesis-7: PSM mediates the positive relationship between transformational leadership (TL) and perceived organizational performance (POP)

The SEM analysis establishes the partial mediator role of PSM, i.e., between TL and POP. Based on the information in Figure 2 above, the indirect effect of TL– PSM - POP pathway indicates that the indirect effect of TL on POP occurred via the influence of PSM. The indirect effect of 0.0921 [i.e., (.24) (.38)] indicates that, on average, the level of public employee perceptions of public performance can be expected to increase by a 0.0921 standard deviation for every increase of standard deviation of the TL via the prior effect on PSM, holding the other variables constant. The result is in line with previous research. Park and Rainey (2008) found that transformational leadership has an indirect influence on performance through such factors as affective commitment and public service motivation. Since PSM can be explained through work motivation theory in general (Perry, 2000), and PSM influences organizational commitment and employee performance, it is also expected that PSM can influence work commitment (Montundu, et al., 2020).

4.3.8 Hypothesis-8: Affective Organizational commitment mediates the positive relationship between TL and POP

As shown in Figure 2 above, the indirect effect of TL → AOC → POP pathway indicates that the indirect effect of TL on POP occurred via the influence of AOC. The indirect effect of 0.1218 [i.e., (.42) (.29)] indicates that, on average, the level of civil servants at PSETSE perceptions of POP can be expected to increase by a 0.1218 standard deviation for every increase of standard deviation of the TL via the prior effect on AOC, holding the other variables constant. Scholars designate that transformational leadership has an indirect influence on performance through such factors as affective commitment (Barling, Weber, and Kelloway, 1996).

However, in contrast to previous research (Brewer and Selden, 2000; Qi and Wang, 2018), none of the control variables (gender, age, marital status, educational background and work experience) have any significant effect on PSM, AOC and POP.

5. CONCLUSION

Since transformational leadership style has been found to have a significant and positive relationship with employee commitment, and public service motivation the Enterprise should sustain transformational leadership as committed employees are the most desirable assets; and so leaders of PSETSE should devote more attention to recognition to staff, cultivates trust, involvement and cooperation among team members, encourages thinking about problems in new ways. However, even though transformational leadership, affective commitment and public service motivation are exhibited at PSETSE, they are at a medium level. One possible reason for this might be related to the bureaucratic nature of public sector organizations. Mechanisms should be designed to promote the existing status and its effects to a higher level. In order to improve employees' affective commitment and their motivation through transformational leadership so as increase organizational performance, the level of centralization, formalization and routinization should be reduced as suggested by Almintisir, Akeel, and Subramaniam (2013). Another mechanism to improve the status is by organizing and taking management development programs, such as continuous professional development, different leadership trainings for leaders/managers/supervisors in order to improve and enhance employees' commitment and motivation so as achieve organizational goals.

Contribution, Limitation, and Further Research: This research contributes to knowledge by testing the forcefulness of the theory and indeed enriches the theory regarding the relationships among the four constructs in Ethiopia; and confirms the previous literature most of which conducted in Europe and America. However, the study is limited to only one federal public sector in Ethiopia, Public Service Enterprise Transport Service Enterprise; and future research should consider expanding the scope of the sample to include more public sector federal agencies that are considered providing a relative better quality public service. Second, the study's design was cross-sectional, meaning causality could only be inferred; hence, to address the weakness of cross-sectional research design, future research can be made by examining the relationship between the variables over an extended period of time. In addition, future research should employ mixed method to identify the reasons behind why the strength of the relationships between most constructs did not go beyond moderate/medium effect. Third, although perceived organizational performance correlate positively with objective measures of organizational performance, the measurement of perceived organizational performance, which is subjective, may suffer from problems such as personal bias. Lastly, in addition to leadership, there are other factors that affect public organizational performance such as organizational culture, human capital and capacity, and red tape. Hence, future research should focus on the relationships and effects of these variables on organizational performance at PSETSE and other public institutions in Ethiopia.

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