

Leadership Style And Affective Commitment At Family Businesses

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Doi: 10.23918/ijsses.v9i1p318

Abstract: Leadership is one of the key factors in the success of any company. Similarly, commitment of employees and leadership is regarded as a critical factor for the organizational productivity. In this respect, the aim of the current study is to investigate the suitable leadership styles based on its effects on employee affective commitment at family businesses in the Kurdistan Region of Iraq. Accordingly, approximately 400 data have been collected from 35 various family businesses in the region. After evaluation, 388 data have been accepted for the further analyses. Data has been evaluated via SPSS and AMOS software packages. Based on the results, it has been observed that ethical leadership significantly leveraged employee's affective commitment at the family businesses. Besides, transactional leadership had positive effects on employee affective commitment, while transformational leadership did not. Therefore, it's recommended that residential managers should follow ethical conduct and guidelines to improve employee affective commitment in the region.

Keywords: Leadership Styles, Ethical Leadership, Affective Commitment, Family Business, Kurdistan, Iraq

1. Introduction

Leadership is one of the most critical parts at the organizations to reach efficiency. This is because flexible leaders are more successful to promote adaptation to changing environment. And a changing environment is one of the challenging factors that force organizations to ensure long-term existence

Researchers observed that the characters and attitudes of leaders are significantly vital on employee's motivation and performance (Yahaya & Ebrahim, 2016). Besides, it has been noted that Leaders inspire their employees to be imaginative and dynamic at workplaces to go beyond requirements. Based on Allen and Meyer (1991) employees present three kinds of commitment to their organization, which are continuous, normative, and affective commitment. Further, researchers noted that affective commitment is the strongest types of others that positively increase employee's attachment with the organization and boost their performance in the long term (Vandenberghe, 2004).

Received: January 20, 2022

Accepted: March 16, 2022

Hadžiahmetović, N., Demir, S., & Budur, T. (2022). Leadership Style And Affective Commitment At Family Businesses. *International Journal of Social Sciences and Educational Studies*, 9(1), 318-335.

Family businesses are ones in which a single family or family clan owns and manages the company (Litz, 1995). Regardless of size, or market growth, family companies have been the bedrock of socioeconomic success throughout nations (Poutziouris, Smyrnios, & Klein, 2006). In this respect, current paper aimed to investigate the suitable leadership style on the affective commitment of employees at the family businesses in the Kurdistan Region of Iraq.

Further, researchers discovered a favorable relationship between transformational leadership and organizational commitment (Khasawneh, Omari & Abu-Tineh (2012). Many studies have demonstrated that transformational leadership raise employee motivation and hence increase their commitment to the organization. But on the other hand, some studies showed weak link between the transactional leadership and organizational commitment. The current study tried to statistically discover the influence of leadership styles (transformational and transactional) on organizational commitment.

Another purpose of this research is to determine the effect of ethical leadership on organizational commitment. There is sufficient data to suggest that ethical leadership increases worker motivation and promotes organizational performance. According to study, ethical leadership has a favorable impact on worker's affective commitment and job satisfaction when it comes to fostering an ethical environment at the organization (Neubert 2009). Furthermore, according to another research, ethical leadership has a beneficial impact on organizational commitment and work pleasure (Celik 2015).

Furthermore, organizational commitment is the individual's psychological attachment to an organization. It is an essential variable in understanding employee actions in the company. Employees who are committed to their organizations are more motivated and perform well in their job (Singh & Jain, 2013). Further, leadership style is the vital factor for organizational commitment that motivates employees and makes them feel them important.

Moreover, there are several experimental findings in the recent literature on the effects of transformational, transactional, and ethical leadership on organizational commitment. However, little is understood about the relationship between transformational, transactional, and ethical leadership models and their impact on organizational commitment in the family business. In this regard, one of the objectives of this article is to explore the impacts of organizational commitment on the effectiveness of leadership, and the secondary goal is to investigate leadership effects on family businesses in the Kurdistan Region of Iraq's Sulaymaniyah district.

2. Literature Review

2.1 Leadership Styles

Leadership is the process of motivating people, giving direction, and implementing plans (Kotter, 2001). Leaders should determine the optimal leadership style to motivate and manage their employees in the organization (Budur, 2018). Leadership is a process that requires interacting with others to achieve a desired goal. In other terms, the leader is the one who inspires and directs the activity. Leadership and performance are strongly linked in business (Top et al., 2020). Effective leaders are those who can improve their company's financial line.

The most common leadership styles are transactional and transformational. These two styles are widely investigated since last decade in various organizations. Further, ethical leadership has been found one of the strongest leadership styles in the Kurdistan Region. Therefore, these styles have been proposed to investigate as the scope of this paper.

2.1.1 Transformational Leadership

Transformational leadership is described by Burns as a process as opposed to a particular action. Burns claims that transformational leaders inspire followers to create significant and fundamental change. Transformational leaders provide leaders and followers with greater connections and higher levels of dedication, performance and morality (Budur & Poturak, 2021a).

Transformational leadership is concerned with their followers' particular needs and personal development. Transformational leaders motivate employees to accomplish more than the required. Bass (1985) suggests three ways transformational leaders might do this: At beginning, through educating employees on the significance of work objectives, second, by encouraging subordinates to put the organization's needs ahead of their own, lastly, increasing high-level demands by motivating employees to work harder (Budur & Demir, 2022).

Additionally, transformational leadership stresses the need of recognizing and appreciating workers (Poturak et al., 2020). Transformational leaders elicit emotion and success in their followers. Transformational leaders are more interested with their workers' advancement and development. Transformational leaders also care about self-motivation, morals, and employee development. Consequently, followers regard transformational leaders with trust, adoration, loyalty, and respect (Yukl, 2010). Further, the characteristics of these leaders are explained as followed,

1. **Idealized influence:** Idealized influence, sometimes referred to as charismatic, is a term that refers to transformational leaders who enhance motivation for their supporters (Bass, 1985; Gill, 2006). Idealized influence is linked to charm and a leader's capacity to be a role model for his or her followers and genuinely lead the way.
2. **Inspirational motivation:** Inspirational motivation arises when leaders encourage and inspire others around them by offering challenges and significance to their job (Yulk & Van Fleet, 1982). They present visions of what is achievable as well as strategies for achieving these objectives.
3. **Intellectual stimulation:** Intellectual stimulation instills in followers an attitude of creativity and innovation (Bass, 1985). In implementation, transformational leaders assist others in rethinking old challenges and in constantly challenging and refining their own ideas, presumption, and worth.
4. **Individualized consideration:** Per Bass (1985) individualized consideration entails knowing and recognizing others' interest and support level and engaging each single member distinctively. Focusing on followers' personal career requirements while also giving them with a feeling of improved ability to carry out tasks, leaders further boost followers' dedication to the organization's mission.

2.1.2 Transactional Leadership

Burns (1978) created the transactional leadership approach. It happens when one individual interacts anyone with the aim of exchanging valuable items, which might be economic, political, or psychological in character. Burns observed that while each part have similar goals, the connection does not extend beyond the exchange of valuable advantages. The connection is unlikely to elicit followers' extra-role conduct (Erhart & Naman, 2004). The leader and the followers are also not bound together in their common and on-going quest for a bigger aim (Burns, 1978).

According to Bass, transactional leadership is defined by the system of changing that replace between leaders, partners, and supporters. An example of this kind of discussion is a dialogue between leaders and followers about the criteria and incentives that will be given to the followers if those conditions are met (Bass, 1994). Transactional leaders changing valuable items with supporter in order to meet the needs of both sides (Ivey, 2010). Leaders expect group of people to achieve his or her standards in return for compliments and gifts, or for the leader to refrain from punishing them for bad performance or failure to reach objectives. Thus, transactional leadership is practical since it focuses on achieving particular objectives or goals (Aarons, 2006).

1-Contingent reward: Transactional leadership is characterized by the establishment of explicit performance objectives and expectations, as well as the selection of appropriate motivating incentives (Bass, 2003).

2-Active management by exception: Active management by exception refers to a leader who creates goals and outcomes standards, actively observes workers' tasks to look for flaws and violations, adjusts problems, and follows processes and laws (Gill, 2011).

3-Passive management by exception: Leaders establish the norm and then wait for faults or issues to arise before intervening reluctantly. Leaders let workers perform their jobs and only intervene when they make errors on the job (Gill, 2011).

2.1.3 Ethical Leadership

Ethical leadership is defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision making” (Brown et al., 2005). Ethical leadership is also as a leader's qualities, actions, or conduct in the organization from which others might profit. The primary characteristics of ethical leaders are honesty, reliability, attentiveness, and fairness (Zaim et al., 2020). Additionally, ethical leaders are not just preachers of virtues; they are also the primary characters of the organization's ethical ideals.

According to Riggio et al. (2010), an ethical leader is someone who exemplifies four key values that all businesses should strive to emulate. These values are, according to Plato and Aristotle, knowledge, bravery, fairness, and tolerance, which are comparable to Al-definition Ghazali's of pleasant ethics, which is prudence, righteousness, virtues, and bravery, as well as the virtues of fairness, virtue, and bravery (Budur, 2018). Ethical leadership is the leader's ethical behaviors in the workplace, which include two-

way interactions, personal and interpersonal relationships, behaviors, and decision procedures that impact others in accordance with ethical concepts and norms.

For ethical leaders, sincerity, modesty, and compassion, according to Trevino (2000), are essential characteristics to possess. According to the definitions provided above, it can be seen that ethical leadership comprises three distinct aspects. On the one hand, leaders will serve as role models (Budur & Demir, 2019a) as the source of ethical climate, on the other hand, they will encourage subordinates to follow these ethical rules through rewards and punishments (Demir & Budur, 2019), and finally, they will confer with colleagues when it comes to making ethical judgments in the workplace (Budur & Demir, 2019; Benevene et al., 2018; Brown et al., 2005). Ethical leaders are critical in implying ethical behavior in the workplace and ensuring workplace justice and fairness.

Budur (2018) investigated the impact of moral qualities such as justice, wisdom, bravery, and temperance on ethical leaders' commitment and performance. And he discovered that the religion of leaders was favorably and strongly related to staff commitment and performance.

2.2 Organizational Commitment

Researchers are paying close attention to organizational commitment. It is well-known in the organizational literature that commitment influences employee's job activity. According to research, commitment can be defined in a variety of ways. Porter et al. (1974)'s concept of organizational commitment is as followed. Organizational commitment is defined by three psychological factors, according to Porter et al.

- firstly, recognition of the organization's aims and principles (identification);
- secondly, commitment to accomplishing organizational objectives (involvement)
- lastly, great motivation to stay in a company (loyalty).

On the other hand, Meyer and Allen (1997) conceptualized organizational commitment as, affective commitment, continues commitment, and normative commitment, which are the most commonly used dimensions of the organizational commitment in the literature.

Affective commitment: Affective commitment is necessary to stay because it establishes an emotional link with the organization (Meyer & Allen 1997). The term may also refer to the psychological phenomena that fosters a worker's sense of belonging to her company. Employees that are committed to the organization identify with it, are active in it, and enjoy being a part of it.

Normative commitment: Normative commitment refers to the willingness to stay a part of the team because of a sense of duty (Meyer & Allen 1997). A responsibility to pursue a certain plan of action is described as normative commitment.

Continuance commitment: Continuance commitment can be decision to stay part of the team as a result understanding of the expense involved quitting it (Meyer & Allen 1997). It is possible to say that the belief that quitting a course of action would be costly. As a result, workers stay to work for the organization

because they must. Continuance commitment is tied to what workers have already ensure for the company. Employees are more devoted to the organization because of previous behavioral activities.

3. Methodology

The purpose of this study was to investigate and test the relationship among transformational, transactional and ethical leadership styles and affective commitment in family businesses. Based on the aim of the study a survey questionnaire has been prepared and delivered to sample group via questionnaire method. The sample group is the companies operating in Sulaymaniyah city of KRG. In total, 388 data were collected from 35 various companies. To reach the aim of the study, initially reliability and EFA analyses has been applied through SPSS software package and SEM has been via AMOS software package applied. Collected data has been evaluated by 5 level Likert's scale, which "1" represents "strongly disagree" and "5" represents "strongly agree".

3.1 Research Model and Hypotheses

The relationship between leadership styles (transformation, transactional and ethical) and organizational commitment (affective) has been analyzed in many aspects. Transformational leadership has four dimensions and organizational commitment has three sub dimensions. The dimensions of transformational leadership are idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration while affective, normative, continuance are components of organizational commitment. As the same way transactional leadership has three dimensions' contingent reward, active management by exception, and passive management by exception. Organizational Commitment is accepted as dependent variable while leadership styles (transformation, transactional and ethical) are independent. The model of the study is as followed,

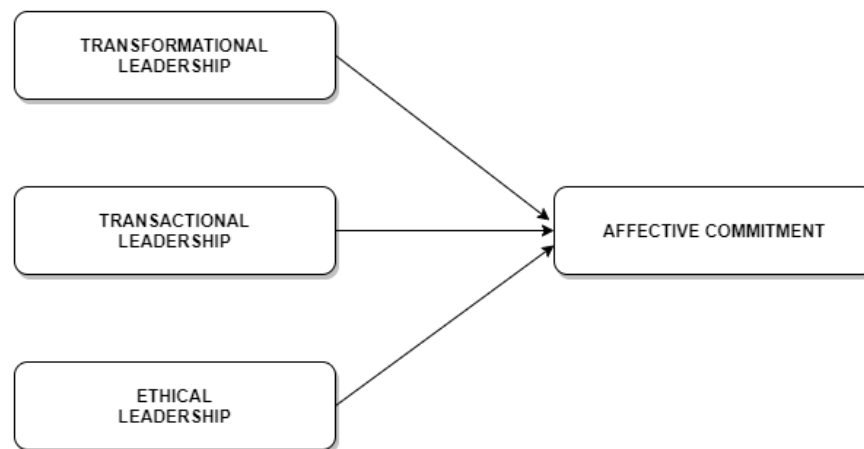


Figure 1: Model of the Thesis

The hypotheses of the study;

H1: Transformational Leadership has positive impact on Affective Commitment at Family Businesses

H2: Transactional Leadership has positive impact on Affective Commitment at Family Businesses

H3: Ethical Leadership has positive impact on Affective Commitment at Family Businesses

3.2 Target Population and Sample

The sample group of the study consists of the family businesses from the Sulaymaniyah city. Majority of the respondents have been chosen among the employees who are the family members of the owner of the company. Accordingly, 388 data have been collected from 35 companies. And among them 278 employees are the family members in the firms.

3.3 Instrumentation

The model of the thesis comprises 4 main constructs and the questionnaire five sections. First section evaluates the demographics of the respondents such as, age, education, and experience. Secondly, transformational leadership has eight questions and transactional leadership has four questions adapted from Bass and Avolio's multifactor leadership questionnaire (MLQ). And Ethical leadership is adapted from Brown et al., (2005) with ten items. Lastly, affective commitment has adapted from Allen and Meyer's (1990) affective commitment scale with five items. Furthermore, participants responded to questions on a Likert scale of 1 to 5, with 1 representing strongly disagree and 5 representing strongly agree, with the other alternatives were 2 disagree, 3 natural, and 4 agree.

3.4 Data Analysis

In order to evaluate the collected data, it is proposed to use SPSS and AMOS software programs. To do this; EFA and CFA analyses will be employed.

EFA: exploratory factor analysis is used to calculate the relation between variables, that this analysis helps research to decrease the collected data into small group of variables to understand the structure of the theory (Yong & Pearce, 2013). Initially the analysis checks data sufficiency with respect to the number of questions. Second, it calculates the explained variance of each construct and the overall questionnaire for the problem in question. Lastly, the study distributes each problem under a construct which represents the theoretical phenomena concerned.

CFA: Confirmatory factor analysis is a statistical multivariate process used to test how well the measured variables represent the number of constructs (Budur, 2020; Bryant & Yarnold, 1995). Confirmatory factor analysis (CFA) and exploratory factor analysis (EFA) are related techniques, but data is specifically analyzed in exploratory factor analysis (EFA) and provides information about the number of factors required to reflect the data (Mohammed et al., 2020; Thompson, 2004). But researchers may specify the number of factors needed in the data in confirmatory factor analysis (CFA), and which measured variable is related to which latent variable (Gerbing & Hamilton, 1996). Confirmatory factor analysis (CFA) is a method used to affirm or refute the principle of measurement.

4. Results

4.1 Descriptive Statistics

Table 1: Demographic of the study

Gender	Frequency	Percent
1 – Male	363	93.6
2 – Female	25	6.4
Education	Frequency	Percent
1 - High school	224	57.7
2 - Vocational school	1	0.3
3 – University	118	30.4
4 - Degree (Master and Ph.D.)	45	11.6
Experience	Frequency	Percent
1 - Less than one year	143	36.9
2 - 1-5 year	141	36.3
3 - 6-10 year	67	17.3
4 - 11-15 year	25	6.4
5 - More than 15	12	3.1
Position	Frequency	Percent
1 - Top Management	9	2.3
2 - Middle Management	21	5.4
3 - Low-level Manag. (Team Manager)	42	10.8
4 - Non-managerial employee (expert)	316	81.4
Age	Frequency	Percent
1 – 20 25	54	13.9
2 – 26 30	197	50.8
3 – 31 35	119	30.7
4 – 36 40	15	3.9
5 – More than 41	3	0.8
Family Member	Frequency	Percent
1 - Family Member	278	71.6
2 - Non-Family Member	110	28.4

4.2 Empirical Findings

4.2.1 Reliability Results

Table 2: Reliability of the variables

Variable	Cronbach's Alpha	N of Items
Transformational Leadership	0.866	8
Transactional Leadership	0.776	4
Ethical Leadership	0.916	10
Affective Commitment	0.771	5

The reliability of a scale indicates how free it is from random error (Mitchell & Jolley, 2013). A Cronbach's alpha reliability measure was applied to four survey instruments. George and Mallery (2003) provide the following rules of thumb when established on Cronbach's alpha coefficients, where > 0.90 is Excellent; > 0.80 is Good; > 0.70 is Acceptable; > 0.60 is Questionable; > 0.50 is Poor; and ≤ 0.50 is Unacceptable. The Cronbach's coefficient alpha estimating reliability for the Transformational Leadership of 8 items was 0.866 and Transactional Leadership of 4 items was 0.776 and Ethical Leadership of 10 items 0.916 and Affective Commitment of 5 items 0.771 which indicates a high level of internal consistency for this scale with this specific sample. The reliability values were greater than 0.70, indicating an acceptable statistic testing level (Cortina, 1993; Tavakol & Dennick, 2011; Torlak et al., 2019).

4.2.2 Exploratory Factor Analysis Results (EFA)

EFA is used to test the closeness of each items in the variables. Based on the Table 3, it can be seen that model provides enough significance of Kaiser Meyer Olkin method, which is 0.934 with Bartlett's level of 6281.57.

Table 3: KMO significance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.934
Bartlett's Test of Sphericity	Approx. Chi-Square	6281.57
	df	351
	Sig.	0

Table 4 gives information about the total variance explained. Accordingly, the four variables of transformational leadership, transactional leadership, ethical leadership, and affective commitment explained the 63.226 percent of the total.

Table 4: Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.061	43.146	43.146	9.061	43.146	43.146	4.524	21.543	21.543
2	1.682	8.008	51.154	1.682	8.008	51.154	3.641	17.336	38.879
3	1.435	6.832	57.986	1.435	6.832	57.986	2.985	14.213	53.092
4	1.101	5.241	63.226	1.101	5.241	63.226	2.128	10.134	63.226
5	0.861	4.102	67.329						
6	0.824	3.922	71.251						
7	0.676	3.217	74.468						
8	0.651	3.101	77.569						
9	0.562	2.674	80.243						
10	0.523	2.491	82.734						
11	0.486	2.313	85.047						
12	0.471	2.241	87.288						
13	0.422	2.011	89.299						
14	0.37	1.76	91.059						
15	0.324	1.544	92.603						
16	0.301	1.433	94.035						
17	0.283	1.349	95.384						
18	0.261	1.242	96.626						
19	0.26	1.236	97.862						
20	0.236	1.124	98.986						
21	0.213	1.014	100						
Extraction Method: Principal Component Analysis.									

Further, the table 15 explains the result of the component matrix analysis that model has provided the adequacy for further analyses. Accordingly, the four dimensions has collected their items in each volume. However, the overlapped items have excluded from the model (EL2, EL5, EL8, TL1, and AC5).

Table 5: Rotated component matrix

	Component			
	1	2	3	4
EL1	0.526			
EL9	0.789			
EL10	0.746			
EL8	0.716			
EL7	0.693			
EL6	0.624			
EL4	0.611			
EL3	0.714			
TS2		0.811		
TS1		0.768		
TS4		0.692		
TS3		0.691		
TL8			0.505	
TL4			0.784	
TL3			0.782	
TL5			0.77	
TL2			0.617	
AC1				0.667
AC2				0.6
AC3				0.556
AC4				0.648
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 8 iterations.				

4.2.3 Confirmatory Factor Analysis (CFA)

CFA is used to explain the relation between observed variables and latent dimensions. Accordingly, following factors are used to test the consistency of the analyses; comparative fit values (CFI) with incremental fit index (IFI), chi-square (X^2), root mean square error of approximation (RMSEA), and adjusted goodness of fit (AGFI) values. So far, X^2/df was 3.796 which provides enough significance based on the threshold value recommended as 5 (Marsh and Hocevar, 1988). Further, CFI (0.897), and IFI (0.875) results are acceptable with RMSEA (0.085) and AGFI (0.817) results recommended by Forza and Filippini (1998).

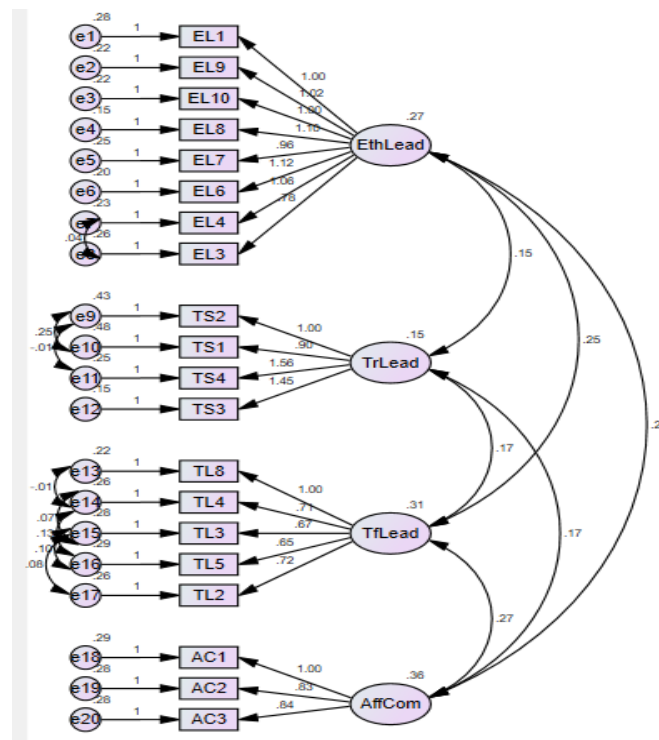


Figure 2: CFA results

Furthermore, based on the table 15 results, convergent validity and discriminant validity analyses have been applied. All the results in the average variance extracted (AVE) are above the threshold which is 0,5 (Fornell and Larcker, 1981) except transformational and transactional leadership. However, they are close to 0.5 could be acceptable in this respect. Additionally, composite reliability values are above the threshold 0.7. In this respect, the convergent and the discriminant validities have showed enough reliability to continue for hypotheses evaluation processes.

Table 6: Discrement and convergent validity

Variables	CR	AVE	MSV	MaxR(H)	EthLead	TrLead	TfLead	AffCom
EthLead	0.906	0.547	0.745	0.912	0.739			
TrLead	0.743	0.474	0.69	0.806	0.727	0.689		
TfLead	0.765	0.498	0.74	0.782	0.860	0.788	0.691	
AffCom	0.749	0.5	0.745	0.752	0.863	0.735	0.79	0.707

Consequently, after having the reliable constructs and their latent variables, proposed hypotheses will be tested through structural equation modelling test (SEM).

4.2.4 Structural Equation Modelling (SEM)

SEM analysis is used to understand the relationship between independent and dependent variables. Based on the results of the table 17 and figure 3 it has been observed that ethical leadership has positive

significant effects on the affective commitments of the employees in the family firms ($\beta=0.768$, t value= 5.283). Besides, transactional leadership had positive significant influence on affective commitment ($\beta=0.322$, t value= 2.163). And lastly, transformational leadership did not have any significant impact on affective commitment ($\beta=0.058$, t value= 0.348).

Table 7: SEM results

Hypotheses			Estimate	S.E.	C.R.	P	Results
AffCom	<---	EthLead	0.768	0.145	5.283	***	Accepted
AffCom	<---	TfLead	0.058	0.166	0.348	0.728	Not Accepted
AffCom	<---	TrLead	0.322	0.149	2.163	0.031	Accepted
X2/df		3.96					
CFI		0.897					
IFI		0.898					
AGFI		0.817					
RMSEA		0.085					

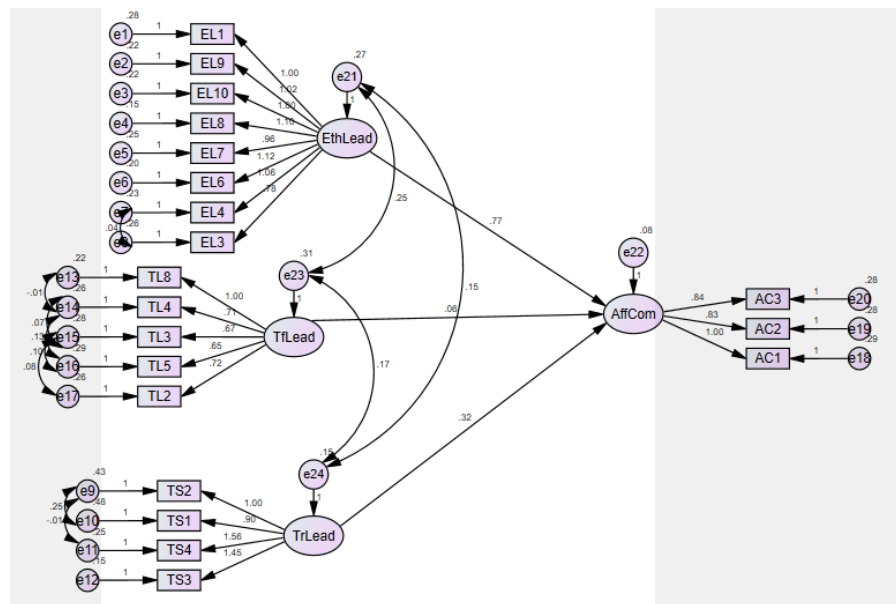


Figure 3: SEM results

5. Discussion

The results of this research are summarized and discussed in further detail in the next section. Following that, the study's potential shortcomings are discussed, and in the last part, further managerial implications and future research suggestions are presented.

Every day, the business world becomes more and more competitive, making it more difficult for firms to remain in business. Organizations' ability to retain talented personnel is critical to their ability to thrive in

today's highly competitive business environment. The strength of organizations is largely dependent on the commitment of their personnel to their organizations and to their respective activities. There are a variety of methods for firms to retain talented personnel, including pricing increases, promotions, and providing a better work environment. In order to maintain staff continuity, one of the most critical ideas to understand is leadership.

Many studies have been conducted on the subject of leadership, and as a consequence of these studies, leadership theories have been developed and refined. One of the most essential characteristics of current leadership models is that leadership is tied to the influence between the leader and the follower, and that the leader creates a democratic and free environment in which followers may be improved and driven to perform better. When workers are inspired and pleased with their managers, they feel more dedicated to their organizations and their jobs, and they are more likely to remain with their companies.

Scholars noted that transformational leadership has significant and positive effects on employee commitment (Budur & Poturak, 2021b; Sadler, 2003). Besides, Tims et al., (2010) revealed that transformational leader's employee's engagement and creative behaviors in the organization. Further, Poturak et al., (2020) observed that transformational leaders increase the quality of the relations and commitment to the organization among the employees. On the other hand, current paper did not find any significant relation between transformational leadership and employee commitment at the family businesses in the region.

Concerning the relation between transactional leadership and affective commitment, researchers noted a weak correlation (Brown & Dodd, 1999). Further, Fasola et al. (2013) found a positive correlation between transactional leadership and employee commitment. Besides, Nguni et al. (2006) observed that transformational and transactional leadership has positive add effect between each other that in turn leverages employee commitment in the organization. In line with those studies, current paper has revealed that transactional leadership has positive and significant effect on the employee commitment in the family businesses.

Lastly, current paper noted that ethical leadership leverages employee affective commitment that it supports the previous studies such as Ahadiat and Dacko-Pikiewicz (2020), Budur (2018), Demirtas and Akdogan (2015), Torlak et al., 2021; Zaim et al. (2020). Secondly, it has been observed that ethical leadership has stronger effects on the employee outcomes, which is in line with the previous studies in the same region such as, Budur and Demir (2019a, b) and Demir and Budur (2019).

5.1 Theoretical Implications

Concerning the results of the study, it provides an important contribution to the current literature in terms of the employee affective commitment at family businesses. It has been observed that ethical leadership has the strongest impact on the affective commitment.

5.2 Practical Implications

Based on the results of the study, it is recommended that residential managers should follow the ethical guidelines to improve employee commitment. Further, the positive effects of ethical leadership and

transactional leadership show that employees are waiting to be rewarded due to their performance, whereas some of the common points between ethical and transactional leadership requires close contact to check and update performances. Accordingly, residential managers should provide closer relationship with the employees and provide suitable rewarding and punishment policies for the employees.

5.3 Limitations and Future Directions

One of the limitations of the study is the number of the family businesses and family members in the companies. Future studies should focus on a greater number of the family businesses to increase the significance of the study.

6. Conclusion

The aim of the study was to investigate the leadership styles namely, ethical leadership, transformational leadership, and transactional leadership effects on the employee affective commitment at the family businesses in the Kurdistan region of Iraq. To do this, a survey questionnaire has been prepared and the data collected from various businesses in the region. Totally, 388 data have been collected from 35 companies. After evaluation of the data set via SPSS and AMOS software programs, it has been observed that ethical leadership had the strongest positive effect on the employee's affective commitment. This has been followed by transactional leadership. As a result, the current study revealed in the literature that ethical principles and rewarding/warning policies in companies have a significant impact on the emotional commitment of employees in the region's family businesses.

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