Introduction

To run organizations smoothly, effectively and efficiently, the most valuable and indispensable factor organizations need is human resource (Mosadragh, 2003). We have understood that employees are an organization’s most valuable asset, yet their loyalty is often an overlooked factor in organizational success. Most people would agree with Rutledge (2006) that it is becoming increasingly difficult to find talented replacements for employees who leave. The threat of a company losing its key employees is the new reality of today’s talent starved job market (Rutledge, 2006). How to improve employee loyalty is one of today’s most difficult problems that troubles business leaders. Management of employees is largely dependent on the quality of leadership organizations have (Albion and Gagliardi, 2007). Leadership is
a bond which makes people to work together.

Moreover, every business selling a product or service needs effective sales people in order to drive their revenues, especially in import–export industry. A company will have tremendous market value if it is good in sales. In specific, import–export industry without sales will soon be closed their doors. Those who hire sales professionals will increase their revenues. Most of the salespersons in import-export companies are young labors with university degree. They are all report to be the most likely group of having intention to change job. Most of them are willing to quit their current job if they have a better job’s offer from other companies.

This study is conducted with an aim to identify which leadership styles through the mediation of employee extraversion personality provide significant effects on the employee loyalty. Finally, based on the empirical findings, improvement and development suggestions will be provided as practical guidelines for leaders in order to increase employee loyalty.

**Literature Review**

**Leadership**

Leadership continued to be one of the most widely discussed topic by the researchers from all over the world (Kuchler, 2008). Meese and Ortmeier (2004) provided three overarching theories of leadership each of which embraces several independent theories. Leader-centered theories encompass leader-follower exchange theory, transformational theory, and the psychodynamic approach (Yukl et al., 2002). In this study, four different leadership styles were integrated in the research model for further analysis including autocratic, transactional, transformational, and organic leaderships.

**Autocratic leadership style**

The autocratic style was identified with a leader who tended to maintain tight control over a group’s activities and decisions by centralizing authority, dictating work methods, making unilateral decisions, and limiting group member participation (Lewin et al. 1939; Bass and Stogdill, 1990). A hallmark of this style of leadership was the control of individual and group behavior through power (Sferra and Paddock, 1980). In line with the previous research on dysfunctional autocraticism, autocratic leadership includes three behavioral dimensions: dominating (asserting unquestionable obedience), information manipulation (hiding key information and true intentions), and under-representation of subordinate competence (belittling and devaluing subordinates’ competence and their contributions to the group).

**Transactional leadership style**

This leadership style is based on bureaucratic authority and legitimacy within the organization. Transactional leadership was firstly proposed by Burns, it emphasizes work standards, assignments and task-oriented goals. It focuses on task completion and employee compliance and relies on organizational rewards and punishments to influence employee performance (Burns, 1979). Bass (1985) proposed a refined vision of transactional
leadership, which emphasizes rewards exchanging on a basis of leader-follower relationships. Transactional leadership focuses more on daily practices of work transactions (Burns, 1978). Transactional leaders set up working goals and agreements with the followers in order to achieve target objectives (Bass and Avolio, 2004). They also clarify the compensation and rewards that would be offered to the followers when they succeed to accomplish certain tasks (Bass & Avolio, 2004).

There are four dimensions of transactional leadership:

- Contingent Rewards: Leaders provide a variety of rewards in exchange for mutually agreed upon goal achievement.
- Active Management by exception: Leaders take corrective action for any deviation from rules and standards.
- Passive Management by exception: Leaders intervene only in circumstances where standards are not met.
- Laissez-faire: Sometimes abdicates responsibilities and avoids making decisions.

**Transformational Leadership Style**

Transformational leadership (also known as visionary or charismatic) was firstly developed by Burns in 1978. Transformational leaders would encourage followers to make great changes personally and also generated great changes and challenges for the organization (Burns, 1978). This is a leadership style that motivates followers by appealing to higher ideals and moral values which can inspire employees to perform beyond expectations and transform both individuals and organizations (Bass, 1985). Specifically, transformational leaders are viewed as who have powers on employees with individual considerations, inspirations, intellectually stimulations, and personal development (Bass and Avolio, 2004). Transformational leadership shows strong influences on relationship between leaders and followers that instills power for achieving performance objectives and work goals (Bums, 1978).

According to Bass and Avolio (1995), there are four dimensions of transformational leadership:

- Idealized Influence: Leader provides a clear vision and sense of mission, instills pride, and gains respect and trust.
- Inspirational Motivation: Communicates high expectations using symbols to direct efforts and express important purposes in simple ways.
- Intellectual stimulation: Promotes intelligence, rationality and careful problem solving.
- Individualized consideration: Gives personal attention, treats each employee individually, coaches, and advises.

**Organic leadership**

The idea that leadership can be distributed among many individuals, rather than being focused in a single leader, stems from the 1950s, and has received increased attention in recent years (Avery, 2004). The most widely cited definition of organic leadership is that of Pearce and Conger (2003, p.1): “a dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals or both. This influence process often involves peer, or lateral, influence and at other times involves
upward or downward hierarchical influence”. Organic leadership is likely to blur or even eliminate the formal distinction between ‘leaders’ and ‘followers’ (Avery, 2004). Under this style, leadership can change depending on the most appropriate member at the time, rather than being formalized in a permanent, appointed leader. Organic leadership will rely upon reciprocal actions, where people work together in whatever roles of authority and power they may have. Employees become interacting partners in deciding what makes sense, how to adapt to change, and what is a useful direction. Without a formal leader, the interactions of all organizational members can act as a form of leadership (Avery, 2004).

For many people, organic leadership represents a radical change of thinking about leadership, followership, and the traditional nature of organizations. It involves abandoning conventional notions of control, order, and hierarchy, replacing them with trust and an acceptance of continual transformation, a degree of chaos, and respect for diverse members of the organization. In organic organizations, the members are expected to be self-managing and self-leading. It is believed that they have the capacity to solve problems and make decisions in the interests of the organization. Some authors claimed that organic leadership can enhance organizational capacity, especially for dealing with challenges of complexity and work intensification (Trottier et al., 2008).

**Extroverted Personality**

Extraversion is commonly described using such words as sociable, talkative, outgoing, and adventurous (Mount & Barrick, 1991). Extraverts are often expressive, gregarious, and group-oriented. They enjoy social interaction. In contrast, introverts are reserved, less expressive, and less oriented toward group activities. Extraverts may also be more comfortable and skilled in communicating their thoughts to others than are introverts. Extraversion is often viewed as assertiveness or boldness.

Extraversion has been examined in relation to a number of organizational outcomes. Researchers have found that extraversion is positively related to performance in positions that require social interaction such as sales, customer service, and management (Barrick, Mount, & Judge, 2001; Barrick & Mount, 1991). Extraverts are not shy or afraid to speak up. Because of this, it is expected that extraverts will be participative in the selection process and will actively seek out any information or assistance that they need from the psychologist or the office staff or will at least feel that they have that option.

**Employee loyalty**

Employee loyalty to supervisor is a concept that describes the degree to which the employees or followers are committed for their work and their supervisors, including realizing their personal responsibility for the work and whether they tend to look for new job opportunities or not (Coughlan, 2005).

Chen, Tusi, and Farh (2002) forwarded that loyalty to supervisor refers to the strength of a follower's sense of identification, willingness to make extra efforts, attachment and dedication to supervisors, and internalization to a supervisor's beliefs. An ongoing heated discussion about what characterizes a loyal employee has been taking place for many years. The common denominators for this discussion is defined as measure of the level of less likely to look
for work elsewhere, prouding to be working for the company, making an extra effort when required, interesting in improving her/his own performance, having an attitude and behavior that match the company’s values, visions and goals.

In order to obtain all the objectives and further analyses, this study hypothesizes that:

**H**<sub>1</sub>: Factors of autocratic leadership, transactional leadership, transformational leadership, and organic leadership positively and directly affect employee extraversion personality

**H**<sub>2</sub>: Factors of autocratic leadership, transactional leadership, transformational leadership, and organic leadership positively and directly affect employee loyalty

**H**<sub>3</sub>: Employee extraversion personality positively affects employee loyalty

**H**<sub>4</sub>: Employee loyalty is indirectly affected by the factors of autocratic leadership, transactional leadership, transformational leadership, and organic leadership through employee extraversion personality.

**Methodology**

Target population of this research was employees who are salespersons in import-export companies in Ho Chi Minh City. The structured questionnaires were directly and conveniently delivered to 217 respondents.

**Questionnaire design and data collection**

The questionnaire was designed basing on measured variables derived from the literature reviews for four independent variables and two dependent variables. Most questions were set as statements on five-point Likert scale, used to measure the agreement of respondents toward designed statements, ranging from 1 is “strongly disagreed” to 5 is “strongly agreed”. The questionnaire was delivered directly to employees who are salespersons in import-export companies in Ho Chi Minh City.

**Factor Analysis and Reliability**

For improving and obtaining the highest reliability and validity for all measures of this study, factor analysis was conducted for both dependent and independent variables. Exploratory factor analysis (EFA) is a statistical technique useful in decreasing a large set of variances to a smaller set of underlying factors through categorizing valid variable into the same scale and eliminating some invalid variables. In factor analysis procedure, Kaiser-Meyer-Olkin (KMO) Test, Bartlett’s Test of Sphericity and Varimax Rotation were applied in data analyzing. KMO test suggested that the value should be greater than 0.6. Similarly, Bartlett’s Test of Sphericity (sig.) needs to be small than 0.05 to ensure that the data are appropriate to EFA. For this study, the factor analysis procedure was applied twice; once for the group of dependent variables and again for the group of four independent variables.

The Kaiser-Meyer-Olkin measure of sampling adequacy was .803 for the dependent variables and .759 for the independent variables and Bartlett’s Test of Sphericity (Sig.) is smaller than 0.05, indicating that the present data was suitable for principal components analysis.

Using the Kaiser-Guttman’s retention criterion of Eigenvalues greater than 1.0, a two-factor solution provided the clearest extraction for the group of dependent variables, including 10 items. The Cronbach’s Alpha coefficients ranged from .739 to .793 among the factors.
In addition, factor analysis was applied for the group of 4 independent variables including 20 items. The Cronbach’s Alpha coefficients ranged from .707 to .739 among the five factors indicating good subscale reliability. The four factors were considered appropriate and retained for further analysis.

### Table 1 Summary of Dependent Variables with Reliability Coefficients

<table>
<thead>
<tr>
<th>Factors</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha (N= 217)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1: EMPLOYEE LOYALTY (LOY)</td>
<td>5</td>
<td>.796</td>
</tr>
<tr>
<td>Factor 2: EXTRAVERSION (EXTRA)</td>
<td>5</td>
<td>.739</td>
</tr>
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</table>

### Table 2 Summary of Independent Variables with Reliability Coefficients

<table>
<thead>
<tr>
<th>Factors</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha (N= 217)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1: AUTOCRATIC LEADERSHIP (AUTO)</td>
<td>6</td>
<td>.739</td>
</tr>
<tr>
<td>Factor 2: TRANSACTIONAL LEADERSHIP (TRANSAC)</td>
<td>4</td>
<td>.707</td>
</tr>
<tr>
<td>Factor 3: TRANSFORMATIONAL LEADERSHIP (TRANSFOR)</td>
<td>5</td>
<td>.736</td>
</tr>
<tr>
<td>Factor 4: ORGANIC LEADERSHIP (ORGA)</td>
<td>5</td>
<td>.740</td>
</tr>
</tbody>
</table>

**Research Findings**

**Profile of Employees Involved in the Study**

Regarding to gender, male respondents account 52.1% and female 47.9% of the sample size. Therefore, the quantity of male is slightly higher than that of female (113 and 104 representative). It is clear that the group of single male / female considerably dominates with 155 people, equivalent to 71.4% in the research samples.

According to the seniority, 73 employees who have worked less than 1 year (33.6%), and 71 employees who have worked from 1 – 3 years (32.7%). The group of employees which has worked from 4-6 years is 24.9% with 54 people. Whereas, there have only 11 employees who have worked from 7 – 10 years (5.1%), and 08 employees who worked over 10 years with 3.7%.

Most of employees work in sale positions are young people and belong to the group that has high intention to change job. It has that the majority of respondents who are from 18 to 30 years old which include 186 people, obtained 85.7%. Whereas, the groups of employee from 31 – 65 years old just contribute a small percentage; those are 28 employees who belong to age from 31 – 45 with 12.9%, and 3 employees who is from 46-65 years old and occupying only 1.4%.

It is obvious that most respondents who graduated from universities dominate in term of education, occupied for 61.8 % (134 people) of the research sample. Those who study at colleges or postgraduates also contribute a noticeable percentage of 37.8%. Finally, there are only 01 respondent (0.5%) in level of vocational school.
Findings from regression analyses

In order to test the hypotheses (H₁, H₂, and H₃) of this study, a series of three multiple regression analyses were conducted. The first hypothesis was used to explore the relationship between each independent variable and employee extroverted personality. The second hypothesis was formed to test the effects of the independent variables and to identify which factors significantly play important roles in predicting employee loyalty. The third hypothesis was employed to test effect of employee extraversion personality on their loyalty.

Correlations between variables

The findings from Table 3 exhibit positive and significant path coefficients between the dependent variable, EXTRA, and the independent variables: AUTO, TRANSAC, TRANSFOR, and ORGA as below:

- Extraversion and transactional leadership ($r = 0.130$, $p < 0.05$)
- Extraversion and transformational leadership ($r = 0.249$, $p < 0.001$)
- Extraversion and organic leadership ($r = 0.203$, $p < 0.001$)

This means that the better transactional leadership, transformational leadership, and organic leadership have gotten can lowly affect to the level of extraversion.

The results of correlation coefficients in Table 3 also indicate significant relationships between the dependent variable, LOY, and the independent variables: AUTO, TRANSAC, TRANSFOR, and ORGA as below:

- Employee loyalty and transactional leadership ($r = 0.243$, $p < 0.001$)
- Employee loyalty and transformational leadership ($r = 0.324$, $p < 0.001$)
- Employee loyalty and organic leadership ($r = 0.470$, $p < 0.001$)

In these significant relationships, there was very strongly positive correlation between ORGA and EMPLOY ($r = 0.470$, $p < 0.001$). This means that the better organic leadership, the higher level of employees loyalty. In addition, there was a moderate positive correlation between TRANSAC and TRANSFOR ($r = 0.243$, $p < 0.001$) and ($r = 0.324$, $p < 0.001$). This means that the better transactional leadership and transformational leadership have gotten can lowly affect to the level of employee loyalty.

Factors directly affecting employee extraversion personality

Table 4 showed that three out of four independent variables of this research had direct effect on employee extroverted personality. Those are autocratic leadership, transactional leadership, and transformational leadership. Besides that, in order to identify which factor in the three factors have most influence to job satisfaction of employee, this study based on standardized coefficient (Beta). Therefore, it can be seen that transformational leadership possessed the highest Beta with ($\beta = .196$, $p < 0.05$), followed by transactional leadership with ($\beta = .164$, $p < 0.05$), and autocratic leadership with ($\beta = -.173$, $p < 0.01$).

Factors directly affecting the Employee Loyalty

From the result of coefficients showed in Table 5, it can be seen that the two out of four independent variables of this research indicated positive effects on employee loyalty. Those are transactional leadership ($\beta = .188$, $p < .05$), and organic leadership ($\beta = .386$, $p < .001$).
Table 3 Variables’ Correlations

<table>
<thead>
<tr>
<th></th>
<th>LOY</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
</table>
| 1.EXTRA | .495** | 1.000  
| 2.AUTO | .011 | -0.99 | 1.000 |
| 3.TRANSAC | .243** | .130* | .444** | 1.000 |
| 4.TRANSFOR | .324** | .249** | .048 | .163* | 1.000 |
| 5.ORGA | .470** | .203** | -.101 | .132* | .430** | 1.000 |

Mean | 3.42 | 3.46 | 2.98 | 3.20 | 3.21 | 2.99 |

SD. | .680 | .638 | .590 | .640 | .637 | .626 |

* Significant level at p < .05, ** Significant level at p < .001

Table 4 Coefficients between IVs and EXTRA

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.617</td>
<td>.337</td>
<td></td>
</tr>
<tr>
<td>AUTO</td>
<td>-.187</td>
<td>.080</td>
<td>-.173</td>
</tr>
<tr>
<td>TRANSAC</td>
<td>.164</td>
<td>.074</td>
<td>.164</td>
</tr>
<tr>
<td>TRANSFOR</td>
<td>.196</td>
<td>.073</td>
<td>.196</td>
</tr>
<tr>
<td>ORGA</td>
<td>.081</td>
<td>.075</td>
<td>.080</td>
</tr>
</tbody>
</table>

Note: Dependent Variable: EXTRA: EXTRAVERSION
Predictors: AUTO, TRANSAC, TRANSFOR, ORGA
ANOVA: F (4, 216) = 6.105, Sig. =000, p < .0005
Model summary: R2 = .103

Table 5 Coefficients between IVs and LOY

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.218</td>
<td>.324</td>
<td></td>
</tr>
<tr>
<td>AUTO</td>
<td>-.045</td>
<td>.077</td>
<td>-.039</td>
</tr>
<tr>
<td>TRANSAC</td>
<td>.200</td>
<td>.071</td>
<td>.188</td>
</tr>
<tr>
<td>TRANSFOR</td>
<td>.138</td>
<td>.070</td>
<td>.129</td>
</tr>
<tr>
<td>ORGA</td>
<td>.419</td>
<td>.072</td>
<td>.386</td>
</tr>
</tbody>
</table>

Note: Dependent Variable: LOY: Employee loyalty
Predictors: AUTO, TRANSAC, TRANSFOR, ORGA
ANOVA: F (4, 216) = 19.458, Sig. =000, p < .0005
Model summary: R2 = .269
Table 6 Coefficients between EXTRA and LOY

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.594</td>
<td>.222</td>
<td>.000</td>
</tr>
<tr>
<td>EXTRA</td>
<td>.528</td>
<td>.063</td>
<td>.495</td>
</tr>
</tbody>
</table>

Note: Dependent Variable: LOY: Employee loyalty
Predictors: EXTRA: extraversion
ANOVA: F (1, 216) = 69.898, Sig. = .000, p < .0005
Model summary: R² = .245

Path Diagram of Employee Loyalty

![Path Diagram of Employee Loyalty]

Figure 1 Path Coefficients of the Structural Equation for Hypothesis Testing
Note: All coefficients in the model were significant at the .05 level.

Table 7 Direct, Indirect and Total Causal Effects

<table>
<thead>
<tr>
<th>Variables</th>
<th>Causal effects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
</tr>
<tr>
<td>1. AUTO</td>
<td>----</td>
</tr>
<tr>
<td>2. TRANSAC</td>
<td>.188</td>
</tr>
<tr>
<td>3. TRANSFOR</td>
<td>----</td>
</tr>
<tr>
<td>4. ORGA</td>
<td>.386</td>
</tr>
<tr>
<td>Total</td>
<td>.574</td>
</tr>
</tbody>
</table>

Indirect effects on employee loyalty

Basing on the results of multiple regression analysis and simple linear regression, employee extroverted personality was directly influenced by three important factors of transactional leadership (β = .164), autocratic leadership (β = -.173), and transformational leadership (β = .196). Simultaneously, extroverted personality directly caused an effect on employee loyalty (β = .495). Therefore, through the
intervening variable of employee extraversion personality, the factors of transformational leadership, transacational and autocratic leadership indirect effects on employee loyalty at (.097), (.081), and (- .086) respectively.

**Total Causal Effects of Employee Loyalty**

Table 7 summarizes the effects of the independent variables (autocratic leadership; transactional leadership; transformational leadership; organic leadership) and extroverted personality on the dependent variable (Employee loyalty) of this study.

**Discussion and Conclusion**

A review of previous research suggested that the potential factors that might influence employee loyalty focused on three areas, including personal characteristics of the individual, group and organization efforts, and characteristics of other community members (Coughlan, 2005). Leadership styles would directly improve followers' loyalty to supervisors (Kleinman, 2004). Through the way of questionnaire, this research studies the relationship of leadership styles, extraversion personality and loyalty of employees. Therefore, based on the result of study, it is concluded that when employees felt that their supervisors or managers using transactional, transformational, or organic leadership style, those employees were more likely loyal to their current job because these factors were positively associated with employee loyalty. Whereas, when employees felt that their supervisors were more likely autocratic oriented, they were not likely loyal to their current jobs. This study also suggested that salespersons felt more loyal to their companies when they are more extroverted.

This study was conducted to identify the factors that have direct and indirect effect on the relationship between leadership styles and employee loyalty toward import export companies in Ho Chi Minh. To obtain clear answers and evidence for all research hypotheses, the direct and indirect effects of employee loyalty were discussed and explained. Thus, the implications of this study provide both theoretical and practical contributions to the field of organization management and development. The major findings of this study suggest that good leaders are those who lead by organic, transformational, and transacational leadership styles and reduce using autocratic leadership style.

The results of this research model only illustrates the limited dimensions used to evaluate employee loyalty or we can say that there remain other dimensions that can be used evaluate employee loyalty outside this research framework. The further research is suggested to examine the other research models and to access the other aspects of employee loyalty.

**References**


Hospital Topics: Research and Perspectives on Healthcare, 82 (4), 2-9.


