Effect of Democratic Leadership on Public Organization Performance with Mediation of Employee Commitment: A Case Study of Oromia Region, Ethiopia

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Abstract

This study investigates the impact of democratic leadership on public organization performance in the context of Oromia, Ethiopia, with a particular focus on the mediating role of employee commitment. Democratic leadership is characterized by participatory decision-making, inclusive practices, and empowering employees in the decision-making process. The study aims to understand how democratic leadership influences public organization performance and whether employee commitment mediates this relationship. The research adopts a mixed-methods approach, combining qualitative and quantitative data collection techniques. The qualitative phase involves in-depth interviews with key stakeholders, including public sector leaders and employees, to gain insights into their perceptions of democratic leadership, employee commitment, and organizational performance. These qualitative findings inform the development of a structured survey instrument for the quantitative phase. The quantitative data collection involves surveying a sample of public sector employees in various departments and levels within the Oromia region. The survey measures variables related to democratic leadership, employee commitment, and public organization performance. Data analysis includes confirmatory factor analysis to assess the validity and reliability of the measurement scales, followed by structural equation modeling to examine the direct and indirect effects of democratic leadership on public organization performance, mediated by employee commitment. The study hypothesizes that democratic leadership positively influences employee commitment, which in turn positively impacts public organization performance. The mediation analysis will test the significance of the indirect effect and the strength of the mediation relationship. The findings of this study will contribute to the understanding of the relationship between democratic leadership, employee commitment, and public organization performance in the specific context of the Oromia region. The results will provide valuable insights for policymakers, public sector leaders, and managers seeking to enhance organizational performance through effective leadership practices and employee engagement. Additionally, the study will contribute to the existing literature on leadership and organizational behavior in the context of public organizations in developing countries.

Keywords: Democratic Leadership; Public Organization; Performance; Mediation; Employee Commitment

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1. INTRODUCTION

Democratic leadership plays a crucial role in fostering employee commitment and benefiting public organizations. Democratic leadership involves employees in decision-making processes, allowing them to have a voice and contribute to the organization's direction (Ali, 2021). When employees feel their opinions and ideas are valued, they are more likely to be committed to their work and the organization as a whole. This involvement leads to higher job satisfaction, increased motivation, and a sense of ownership and responsibility (Mathende, 2022). Democratic leaders empower employees by delegating authority and giving them the autonomy to make decisions within their roles (Arar & Saiti, 2022). This sense of empowerment enhances employee engagement and commitment, as individuals feel trusted and respected. When employees have the opportunity to make meaningful contributions and take ownership of their work, they are more likely to be committed to achieving organizational goals (Donkor, 2022).

Democratic leadership fosters an environment of trust and open communication. Leaders who encourage transparency and actively listen to their employees' concerns and feedback create a sense of trust and psychological safety (Qing et al., 2020). This trust enables employees to express their ideas and opinions without fear of retribution, leading to increased commitment and loyalty to the organization (Ali, 2021). Democratic leaders prioritize employee development and growth by providing opportunities for skill enhancement and career advancement. They encourage learning, provide constructive feedback, and support employees' professional aspirations (Donkor, 2022). This commitment to employee development enhances their sense of commitment and loyalty, as they perceive the organization as invested in their success (Arar & Saiti, 2022).

Democratic leadership promotes collaboration and teamwork by fostering an inclusive and participatory work culture. By involving employees in decision-making and problem-solving processes, leaders encourage cooperation and synergy among team members (Machet al., 2022). This collaborative environment enhances employee commitment as they feel valued as part of a cohesive team working towards common goals. Democratic leadership can positively impact the overall performance of public organizations (Bashir et al., 2022). When employees are committed and engaged, they are more likely to go the extra mile, be proactive, and contribute their best efforts to achieve organizational objectives. This increased commitment translates into improved productivity, innovation, and efficiency, leading to the overall success of the organization (Hasan et al.2018).

In public organizations, democratic leadership helps build public trust and satisfaction. When leaders involve citizens in decision-making processes and demonstrate transparency and accountability, it enhances public confidence in the organization. Citizens feel that their interests are being considered, leading to greater satisfaction and support for public initiatives and services (Mathende, 2022).

In summary, democratic leadership promotes employee commitment by involving employees in decision-making, empowering them, fostering trust and communication, supporting their growth, and encouraging collaboration. This commitment, in turn, benefits public organizations by enhancing performance, public trust, and satisfaction.

2. THEORETICAL FOUNDATION

There are several theories that can help explain the potential mediation relationship between democratic leadership, employee commitment,

and public organization performance. Here are a few theories that are commonly referenced in this context:

1. Social Exchange Theory: Social exchange theory suggests that individuals engage in a reciprocal relationship with their organizations (Ali, 2021). In the case of democratic leadership, employees perceive their leaders as being fair, inclusive, and supportive. This perception fosters a positive social exchange between leaders and employees, leading to increased commitment. The increased commitment, in turn, can positively influence public organization performance (Hasan et al. 2018).

2. Self-Determination Theory: Self-determination theory posits that individuals have innate psychological needs for autonomy, competence, and relatedness. Democratic leadership, which involves employee participation, empowerment, and involvement in decision-making, supports these needs (Bashir et al., 2022). When employees feel their autonomy and competence are respected and have a sense of relatedness with their leaders and organization, they are more likely to be committed, engaged, and perform better (Scuottoet al., 2022).

3. Transformational Leadership Theory: Transformational leadership theory suggests that leaders who inspire and motivate their followers can have a significant impact on follower commitment and performance. Democratic leaders often exhibit transformational leadership behaviors, such as providing intellectual stimulation, individualized consideration, and inspirational motivation (Arar & Saiti, 2022). These behaviors can enhance employee commitment by fostering a sense of shared vision, empowerment, and trust, which positively influences public organization performance (Canavesi & Minelli, 2021).

4. Organizational Support Theory: Organizational support theory posits that when employees perceive that their organization values their contributions and well-being, they develop a sense of reciprocity and commitment (Hasan et al. 2018). Democratic leadership, by involving employees in decision-making and valuing their input, signals organizational support and enhances employee commitment. This commitment can then translate into improved organizational performance (Mathende, 2022).

5. Contingency Theory: Contingency theory suggests that the effectiveness of leadership styles depends on the specific characteristics of the situation or context (Qing et al., 2020). In the context of public organizations, where employee involvement, participation, and collaboration are often valued, democratic leadership may be particularly effective. By promoting employee commitment through democratic practices, public organization performance can be enhanced (Donkor, 2022).

These theories provide conceptual frameworks for understanding the relationships between democratic leadership, employee commitment, and public organization performance. Researchers often draw upon these theories to design empirical studies and test the mediation relationship between these variables in specific organizational contexts (Mathende, 2022).

3. LITERATURE REVIEW

Democratic Leadership

Democratic leadership is a style of leadership in which decision-making is decentralized and involves the active participation of group members (Qing et al., 2020). It is characterized by open communication, inclusivity, and the empowerment of individuals within the group or organization (Ali, 2021). In a democratic leadership approach, leaders seek input and

feedback from team members, consider their perspectives and opinions, and involve them in the decision-making process (Arar & Saiti, 2022).

Democratic leaders value the opinions and contributions of all group members and strive to create an inclusive and participatory environment. They encourage open dialogue, actively listen to different viewpoints, and ensure that everyone has a chance to express their ideas (Hasan et al. 2018).

In democratic leadership, decisions are made collectively, with input from team members. The leader facilitates the decision-making process by encouraging discussion, debate, and consensus-building. While the leader plays a prominent role, the final decisions reflect the collective agreement or compromise of the group. Overall, democratic leadership is a participatory and inclusive approach that values the input and involvement of team members, fostering an environment of collaboration, trust, and commitment (Canavesi & Minelli, 2021).

A. Democratic Leadership types

1.) Participative leadership

Participative leadership, also known as participatory leadership, is a leadership style that emphasizes the active involvement of team members in decision-making processes and problem-solving. It is based on the belief that involving and empowering individuals leads to better decisions, increased commitment, and improved performance (Donkor, 2022).

Participative leaders foster a collaborative work environment where team members are encouraged to contribute their ideas, insights, and expertise. They value the input of others and create opportunities for open dialogue and discussion. In participative leadership, decisions

are made collectively, with input from team members (Canavesi & Minelli, 2021). Leaders seek input and opinions from individuals affected by the decision and consider their perspectives before making a final choice. This approach promotes a sense of ownership and commitment among team members (Mathende, 2022).

Participative leadership has several benefits. It promotes employee engagement, creativity, and job satisfaction by involving individuals in decision-making processes. It leverages the diverse expertise and perspectives within the team, leading to better-quality decisions and innovative solutions (Qing et al., 2020).

2.) Shared leadership

Shared leadership is a leadership approach that involves multiple individuals or team members collectively taking on leadership responsibilities and making decisions within a group or organization (Scuottoet al., 2022). Rather than relying solely on a single leader at the top, shared leadership distributes leadership roles and encourages collaboration, participation, and the sharing of power and influence among team members (Nonaillada & Martin, 2022).

In a shared leadership model, authority and decision-making are decentralized and distributed across the team or organization. The idea is to tap into the diverse skills, expertise, and perspectives of team members (Arar & Saiti, 2022), allowing them to contribute their unique talents and take ownership of their areas of expertise. This approach recognizes that leadership is not limited to a single individual and that everyone can be a leader in their own right (Scuottoet al., 2022). Overall, shared leadership offers a collaborative and inclusive approach to leadership that can foster a positive work environment, enhance team performance,

and drive organizational success (Mathende, 2022).

3.) Open book leadership

Open book leadership, also known as open book management, is an approach to leadership and organizational management that involves sharing financial and operational information with employees at all levels of the organization (Bashir et al., 2022). The goal is to create a transparent and inclusive environment where employees have access to relevant data, understand how their work contributes to the organization's success, and are empowered to make informed decisions (Langeret al., 2022). In open book leadership, leaders provide employees with access to financial statements, performance metrics, and other relevant information that may have traditionally been kept confidential or limited to top-level management (Hunteret al., 2022). By sharing this information, leaders aim to increase employees' understanding of the organization's financial health, goals, and challenges. This transparency helps employees see the bigger picture and how their individual efforts impact the organization as a whole (Canavesi & Minelli, 2021).

Open book leadership can have several benefits for organizations. It promotes a sense of ownership and accountability among employees, leading to increased engagement and motivation. Employees become more aware of the impact of their decisions and actions on the organization's financial performance (Jabbar et al., 2020). Additionally, by involving employees in decision-making processes, organizations can tap into their knowledge, creativity, and problem-solving abilities, leading to improved innovation and productivity (George et al., 2022).

Implementing open book leadership requires a commitment from top-level management to embrace transparency and share information openly (Nonaillada & Martin, 2022). It also requires effective communication channels, such as regular meetings, reports, and discussions, to ensure that employees understand the shared information and have opportunities to ask questions or provide feedback (Hunteret al., 2022). Overall, open book leadership is a leadership approach that promotes transparency, employee engagement, and a shared understanding of organizational goals and performance. By involving employees in decision-making and sharing relevant information, organizations can foster a culture of collaboration, continuous improvement, and financial success (Donkor, 2022).

B. Employee commitment

Employee commitment refers to the level of dedication, loyalty, and engagement that employees have toward their organization. It is a measure of how invested employees are in their work, their willingness to go above and beyond their job requirements, and their desire to contribute to the success of the organization (Arar & Saiti, 2022). High levels of employee commitment are typically associated with positive outcomes for both the employees and the organization. When employees are committed, they are more likely to be motivated, productive, and satisfied with their jobs (Bashir et al., 2022). They are also more likely to stay with the organization for a longer period, reducing turnover rates and associated costs (Jabbar et al., 2020).

Allen and Meyer developed a widely recognized model of employee commitment that identifies three types of commitment: affective commitment, continuance commitment, and normative commitment. These types of commitment are often referred to as the "Three-

Component Model of Commitment" (Machet al., 2022).

1. Affective Commitment: Affective commitment refers to an employee's emotional attachment and identification with an organization. Employees with high levels of affective commitment genuinely care about the organization and its goals (Mathende, 2022). They feel a sense of belonging and loyalty, and their commitment is driven by positive emotions, such as pride and enjoyment. Affective commitment is primarily based on the employee's positive experiences, personal values, and the alignment between their own beliefs and the organization's values (George et al., 2022).

2. Continuance Commitment: Continuance commitment is a type of commitment based on the perceived costs associated with leaving the organization. Employees with high levels of continuance commitment believe that the benefits of staying with the organization outweigh the potential costs of leaving (Machet al., 2022). These costs can include financial considerations, such as loss of benefits or pensions, as well as non-financial factors like the time and effort invested in the organization. Continuance commitment is often characterized by a sense of obligation rather than true emotional attachment (Canavesi & Minelli, 2021).

3. Normative Commitment: Normative commitment is rooted in an employee's sense of duty and obligation to remain with the organization. It is based on a belief that it is morally or socially appropriate to stay committed to the organization (Scuottoet al., 2022). Employees with high levels of normative commitment feel a sense of responsibility toward the organization and its stakeholders, and they prioritize fulfilling their obligations (Hunteret al., 2022). Normative commitment is

influenced by factors such as personal values, professional ethics, and the perceived expectations of significant others, such as colleagues or family members (Jabbar et al., 2020).

Understanding these types of commitment can help organizations identify and address the factors that influence employee commitment, develop strategies to enhance commitment levels, and create a supportive work environment that fosters employee engagement and loyalty.

C. Public Organization Performance

The Balanced Scorecard (BSC) is a strategic management framework that provides a comprehensive view of a company's performance by measuring and monitoring key performance indicators (KPIs) across four perspectives: financial, customer, internal processes, and learning and growth (Langeret al., 2022). The BSC recognizes that financial metrics alone are not sufficient to evaluate a company's overall performance and success. Instead, it emphasizes a balanced approach that considers multiple dimensions of performance. Let's explore how the BSC can impact business performance in each perspective:

1. Financial Perspective: The financial perspective focuses on traditional financial measures, such as revenue growth, profitability, and return on investment. By setting and tracking financial goals, organizations can assess their financial health and evaluate the effectiveness of their strategies and initiatives. The BSC encourages companies to align their financial objectives with other perspectives, ensuring that financial measures are supported by actions in other areas (Jabbar et al., 2020).

2. Customer Perspective: The customer perspective examines how a company is delivering value to its customers and meeting

their needs. KPIs in this perspective may include customer satisfaction, customer retention rates, and market share (Hunteret al., 2022). By monitoring customer-related metrics, organizations can identify areas for improvement, enhance customer experiences, and increase customer loyalty, ultimately driving revenue growth and profitability (Machet al., 2022).

3. Internal Processes Perspective: The internal processes perspective focuses on the efficiency and effectiveness of a company's internal operations and processes (Nonaillada & Martin, 2022).
KPIs in this perspective can include measures of process quality, cycle time, and cost reduction. By optimizing internal processes, organizations can improve productivity, reduce waste, enhance product or service quality, and ultimately deliver better value to customers (George et al., 2022).

4. Learning and Growth Perspective: The learning and growth perspective emphasizes the development of employees' skills, knowledge, and capabilities, as well as the organization's capacity for innovation and adaptation. KPIs in this perspective may include employee satisfaction, employee training and development, and the introduction of new products or services (Bashir et al., 2022). By investing in employee development, fostering a culture of learning, and promoting innovation, organizations can enhance their ability to adapt to changing market conditions and drive long-term success (Jabbar et al., 2020).

The BSC enables organizations to translate their strategic objectives into measurable KPIs across these four perspectives. By monitoring and analyzing performance in each perspective, companies can gain a holistic view of their business performance, identify areas for improvement, and make informed decisions to drive overall success (Donkor, 2022).

It's worth noting that the specific KPIs and targets within each perspective will vary depending on the nature of the business and its strategic goals. Organizations should carefully select and align their KPIs with their unique circumstances and objectives to effectively use the BSC as a tool for performance management and strategic alignment (Langeret al., 2022).

4. EMPIRICAL LITERATURE REVIEW AND HYPOTHESIS BUILDING

a. Democratic leadership and public organization performance

Democratic leadership can have a positive impact on public organization performance in several ways. Democratic leadership encourages employee participation and involvement in decision-making processes (Nonaillada & Martin, 2022). This involvement fosters a sense of ownership and commitment among employees. Engaged employees are more likely to be motivated, productive, and dedicated to achieving organizational goals, which ultimately enhances overall performance. By involving employees in decision-making, democratic leaders tap into the diverse knowledge, skills, and perspectives of their team members (Canavesi & Minelli, 2021). This collaborative approach fosters creativity, encourages the sharing of ideas, and promotes innovative solutions to challenges. As a result, public organizations can adapt more effectively to changes, solve complex problems, and drive performance improvement (Scuottoet al., 2022).

Democratic leaders emphasize open communication and collaboration among team members. This facilitates the exchange of information, promotes transparency, and encourages the sharing of knowledge and expertise (Hunteret al., 2022). Effective communication and collaboration are crucial for

public organizations to coordinate efforts, align goals, and achieve optimal performance. Democratic leadership creates a work environment where employees feel valued, respected, and heard. This positive work environment contributes to higher levels of employee morale and job satisfaction. Satisfied employees are more likely to be committed to their work, have a positive attitude, and go the extra mile to achieve organizational objectives (Nonaillada & Martin, 2022).

In a democratic leadership setting, decisions are made through a participatory process involving multiple perspectives (Langeret al., 2022). This can lead to more well-rounded and informed decisions. By considering diverse viewpoints, potential biases and blind spots can be minimized, resulting in more effective and well-thought-out decisions that positively impact organizational performance. Democratic leadership provides opportunities for employees to develop their leadership skills (George et al., 2022). When employees are given the chance to participate in decision-making processes, they can cultivate skills such as critical thinking, problem-solving, and communication. These skills not only contribute to individual growth but also enhance the overall leadership capacity within the organization, leading to improved performance (Machet al., 2022).

It's worth noting that the effectiveness of democratic leadership in public organizations may be influenced by various factors, such as organizational culture, the complexity of tasks, and the level of employee readiness for participation. Flexibility in leadership styles and a situational approach are essential for leaders to adapt their approach based on the specific context and needs of the organization (Jabbar et al., 2020).

H1: Democratic leadership can have a significant impact on public organization performance.

b. Democratic leadership and employee commitment

Democratic leadership can have a positive effect on employee commitment. When leaders adopt a democratic leadership style, they involve employees in decision-making processes, seek their input and feedback, and consider their opinions before making final decisions. This participatory approach can lead to several benefits that enhance employee commitment (Hunteret al., 2022). By involving employees in decision-making, democratic leaders make employees feel valued and recognized (Mathende, 2022).This sense of involvement fosters a higher level of engagement and commitment to the organization's goals. Democratic leadership gives employees a sense of empowerment and autonomy over their work. When employees have the opportunity to contribute their ideas and opinions, they feel a greater sense of ownership and responsibility for their work, leading to increased commitment (Bashir et al., 2022).

When employees have a voice in decision-making processes, they perceive their work environment as fair and inclusive. This can result in higher job satisfaction levels, as employees feel that their opinions are valued and taken into account (Langeret al., 2022). Democratic leaders encourage open communication and collaboration among team members. This collaborative environment promotes better relationships, trust, and teamwork, which positively impact employee commitment. In a democratic leadership setting, employees have the chance to develop their skills through participation in decision-making processes (Nonaillada & Martin, 2022). This involvement allows them to broaden their knowledge, expand their perspectives, and contribute to their professional growth, which can increase their commitment to the organization (Canavesi & Minelli, 2021).

However, it is important to note that the effectiveness of democratic leadership may depend on various factors, such as the nature of the task, organizational culture, and employee readiness for participation. Different individuals and situations may require different leadership styles, and a one-size-fits-all approach may not always be appropriate (Machet al., 2022).

H2: Democratic leadership can have a significant effect on employee commitment.

c. Employee commitment mediation between democratic leadership and public organization performance

Employee commitment plays a crucial role in mediating the relationship between democratic leadership and public organization performance. Democratic leadership refers to a leadership style where leaders involve employees in decision-making processes, encourage open communication, and value their input and feedback. This leadership style promotes employee participation, empowerment, and engagement (Hunteret al., 2022).

Employee commitment refers to the extent to which employees are dedicated to their organization, its goals, and their work. Committed employees are more likely to go above and beyond their job requirements, remain loyal to the organization, and exhibit higher levels of job satisfaction. Employee commitment acts as a mediator between democratic leadership and public organization performance (Donkor, 2022). Democratic leadership fosters a sense of inclusion and involvement among employees, making them feel valued and heard. This increased engagement leads to higher levels of commitment from employees (Nonaillada & Martin, 2022).

Committed employees are more likely to engage in organizational citizenship behavior (OCB), which involves discretionary efforts that contribute to the overall effectiveness and success of the organization. They may willingly take on additional responsibilities, help colleagues, and support organizational initiatives (Hasan et al.2018). When employees are committed and engaged, they are more likely to invest their time and effort into their work. This increased commitment, in turn, positively impacts their job performance, leading to improved organizational outcomes (Jabbar et al., 2020). Democratic leadership practices that encourage employee participation and collaboration create a positive organizational climate characterized by trust, respect, and mutual support. This climate further reinforces employee commitment and promotes better organizational performance (George et al., 2022).

By mediating the relationship between democratic leadership and public organization performance, employee commitment acts as a key mechanism through which the positive effects of democratic leadership are translated into improved outcomes for the organization (Langeret al., 2022).

H3: Employee commitment mediation between democratic leadership and public organization performance.

5. RESEARCH METHODOLOGY

Research Design was involved surveying employees in public organizations to collect data on their perceptions of democratic leadership, employee commitment, and organizational performance. In this study, researchers were need to measures for democratic leadership, employee commitment, and public organization performance. Ensure that these variables are

operational zed through reliable and valid measurement scales.

Formulation of specific hypotheses under empirical literature review was reflected the mediation relationship you want to investigate. For example, you may hypothesize that employee commitment mediates the relationship between democratic leadership and public organization performance. Data was collected from the 400 identified employee's sample, ensuring an appropriate sample size to conduct the mediation analysis effectively. Ensure that the data collected are reliable and representative of the target population.

Organize and prepare the data for analysis involves the cleaning the data, checking for missing values, and ensuring the variables are coded appropriately for AMOS analysis. Specify the mediation model in AMOS by using a structural equation modeling (SEM) framework. This was involves creating a path diagram that represents the relationships between the variables in the mediation model. Use AMOS to estimate the parameters of the mediation model. This involves running the analysis to estimate the path coefficients, direct effects, indirect effects, and total effects of the variables in the model.

Evaluate the fit of the mediation model to the data using various fit indices, such as the chi-square test, Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR). Assessing model fit helps determine how well the model fits the observed data. Analyze the direct and indirect effects in the mediation model to determine if the mediation relationship exists. Specifically, examine whether the indirect effect of democratic leadership on public organization performance through employee commitment is statistically significant.

Figure 1: Conceptual Framework
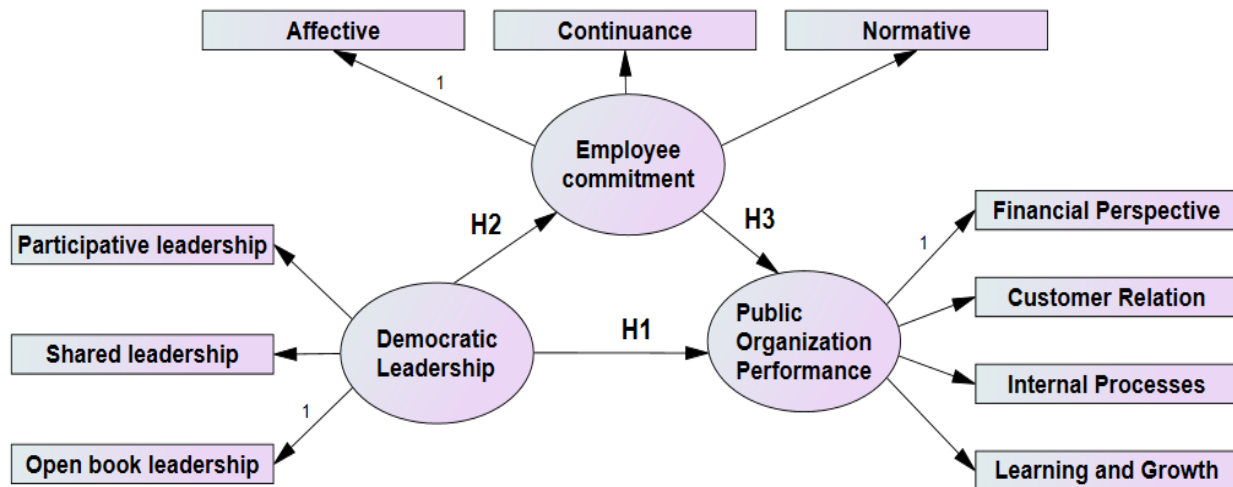
Source: Empirical Literature, 2023

6. DATA ANALYSIS

a. Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis (CFA) is a statistical technique used to assess the measurement model and test the relationship

between observed variables and latent constructs. In the context of your research, CFA can be conducted in AMOS to examine the relationship between employee commitment, democratic leadership, and public organization performance. Specify the measurement model in AMOS by defining the latent constructs (e.g., employee commitment, democratic leadership, public organization performance) and their corresponding observed indicators (e.g., survey

items or scales). Assign the appropriate measurement model to each latent construct (e.g., reflective or formative) based on the theoretical understanding of the constructs.

Select the indicators (observed variables) that represent each latent construct. These indicators should have a conceptual connection with the construct they are intended to measure. Ensure that the indicators are reliable and valid measurements of the constructs.

Figure 2: Confirmatory Factor Analysis
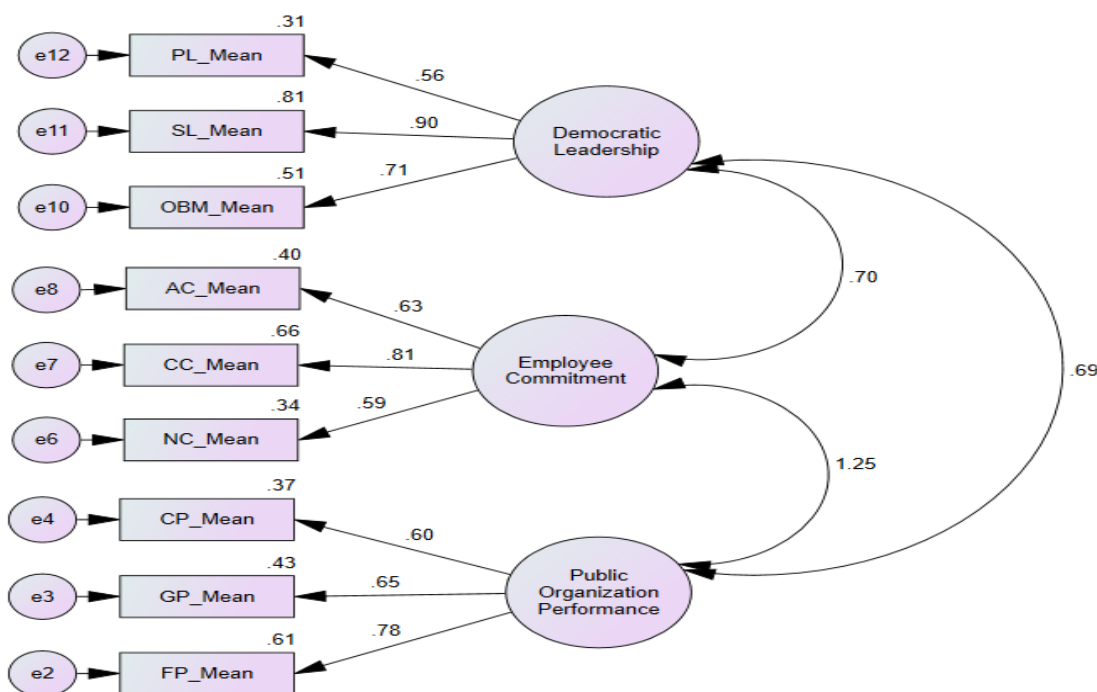
Source: AMOS Output, 2023

b. Interpret the results of the CFA model

Examine the factor loadings that founded more than 0.40 for all observed variables assess the strength and significance of the relationships between the latent constructs and their indicators. Ensure that the factor loadings are statistically significant and have appropriate magnitudes. Evaluate the goodness-of-fit indices to determine if the model adequately represents the data.

By conducting CFA in AMOS, investigators evaluated the measurement properties of the observed variables and assess the relationships between employee commitment, democratic leadership, and public organization performance. The results of the CFA can provide insights into the validity and reliability of the measurement model, and establish a foundation for further analysis, such as structural equation modeling to examine the relationships between the latent constructs.

Table 2: Hypothesis Testing

		Estimate	S. E.	C. R.	P	H
Public Organization Performance	<-->	Employee Commitment	.186	.018	10.205	***	H3
Public Organization Performance	<-->	Democratic Leadership	.156	.020	7.943	***	H1
Employee Commitment	<-->	Democratic Leadership	.111	.015	7.296	***	H2

Source: AMOS Output, 2023

The covariance between Public Organization Performance and Employee Commitment is estimated to be 0.186. The covariance estimate, 0.186, has a standard error of about 0.018. Dividing the covariance estimate by the estimate of its standard error gives z = .186/.018 = 10.205. In other words, the covariance estimate is 10.205 standard errors above zero. The probability of getting a critical ratio as large as 10.205 in absolute value is less than 0.001. In other words, the covariance between Public Organization Performance and Employee Commitment is significantly different from zero at the 0.001 level (two-tailed).

The covariance between Public Organization Performance and Democratic Leadership is estimated to be 0.156. The covariance estimate, 0.156, has a standard error of about 0.020. Dividing the covariance estimate by the estimate of its standard error gives z = .156/.020 = 7.943. In other words, the covariance estimate is 7.943 standard errors above zero. The probability of getting a critical ratio as large as 7.943 in absolute value is less than 0.001. In other words, the covariance between Public Organization Performance and Democratic Leadership is

significantly different from zero at the 0.001 level (two-tailed).

The covariance between Employee Commitment and Democratic Leadership is estimated to be 0.111. The covariance estimate, 0.111, has a standard error of about 0.015. Dividing the covariance estimate by the estimate of its standard error gives z = .156/.020 = 7.943. In other words, the covariance estimate is 7.943 standard errors above zero. The probability of getting a critical ratio as large as 7.296 in absolute value is less than 0.001. In other words, the covariance between Employee Commitment and Democratic Leadership is significantly different from zero at the 0.001 level (two-tailed).

When Democratic Leadership goes up by 1, Employee Commitment goes up by 0.363. The regression weight estimate, 0.363, has a standard error of about 0.047. Dividing the regression weight estimate by the estimate of its standard error gives z = .363/.047 = 7.802. In other words, the regression weight estimate is 7.802 standard errors above zero. The probability of getting a critical ratio as large as 7.802 in absolute value is less than 0.001. In other words, the regression weight for Democratic Leadership in the prediction of Employee Commitment is significantly different from zero at the 0.001 level (two-tailed).

When Employee Commitment goes up by 1, Public Organization Performance goes up by 1.698. The regression weight estimate, 1.698, has a standard error of about 0.123. Dividing the regression weight estimate by the estimate of its standard error gives z = 1.698/.123 = 13.857. In other words, the regression weight estimate is 13.857 standard errors above zero. The probability of getting a critical ratio as large as 13.857 in absolute value is less than 0.001. In other words, the regression weight for Employee Commitment in the prediction of Public Organization Performance is significantly

different from zero at the 0.001 level (two-tailed).

founded as 0.045. The Default model has a discrepancy of 402.082. The Default model has 35 degrees of freedom. Assuming that the Default model is correct, the probability of getting a discrepancy as large as 402.082 is 0.000. For the Default model, the discrepancy divided by degrees of freedom is 16.083.

Table 4: Model Fitness

GFI	RMESA	CMIN	NFI	CFI	CMIN/DF
.915	0.045	402.082	.914	.915	3.083

Source: AMOS Output, 2023

GFI for the Default model was founded as 0.915. RMSEA for the Default model was

Therefore model was considered fit.

Figure 3: Path Analysis
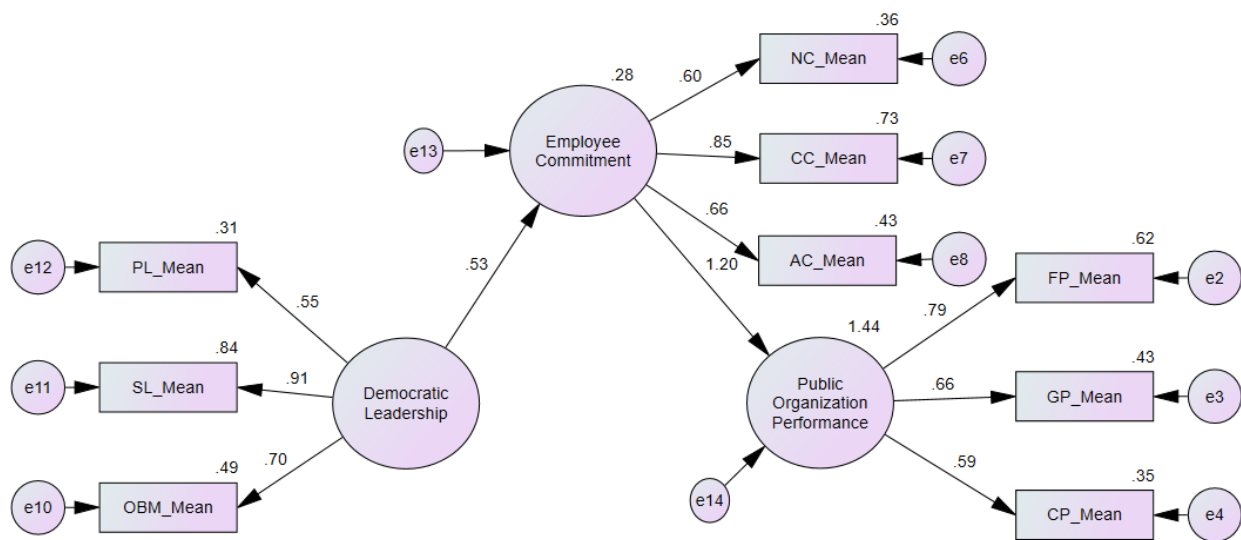
Source: AMOS Output, 2023

Table 3: Linear Regression Analysis

			Estimate	S.E.	C.R.	P	Label
Employee Commitment	<---	Democratic Leadership	.363	.047	7.802	***	par_7
Public Organization Performance	<---	Employee Commitment	1.698	.123	13.857	***	par_8

Source: AMOS Output, 2023

Table 5: Mediation Analysis

	Democratic Leadership	Employee Commitment	Public Organization Performance
Employee Commitment	.363	.000	.000
Public Organization Performance	.000	1.698	.000

Source: AMOS Output, 2023

The direct (unmediated) effect of Democratic Leadership on Employee Commitment is 0.363. That is, due to the direct (unmediated) effect of

Democratic Leadership on Employee Commitment, when Democratic Leadership goes up by 1, Employee Commitment goes up by

0.363. This is in addition to any indirect (mediated) effect that Democratic Leadership may have on Employee Commitment.

The direct (unmediated) effect of Employee Commitment on Public Organization Performance is 1.698. That is, due to the direct (unmediated) effect of Employee Commitment on Public Organization Performance, when Employee Commitment goes up by 1, Public Organization Performance goes up by 1.698. This is in addition to any indirect (mediated) effect that Employee Commitment may have on Public Organization Performance.

Therefore full mediation founded by Employee Commitment in relation between Democratic Leadership and Public Organization Performance.

7. CONCLUSION

Based on the above findings provided, investigators provide with some general insights on how such an analysis might be interpreted. In a mediation analysis, it was founded that employee commitment acts as a mediator between two other variables (democratic leadership and public organization performance). The analysis examines whether the relationship between democratic leadership and public organization performance is influenced by the mediating variable of employee commitment. The mediation analysis yields significant results; it suggests that employee commitment fully mediates the relationship between democratic leadership and public organization performance. In other words, democratic leadership influences employee commitment, which, in turn, affects the overall performance of the public organization. It's important to note that the specific findings and conclusions of the mediation analysis would depend on the data collected, the statistical methods used, and the specific hypotheses being tested. Therefore, without more information about the study design, data analysis, and

results, it is not possible to provide a definitive conclusion for the mediation analysis in the study area.

8. MANAGERIAL IMPLICATION OF THE STUDY

If employee commitment is found to mediate the relationship between democratic leadership and public organization performance, it can have several important implications: The findings suggest that democratic leadership styles positively affect employee commitment, which in turn leads to improved organizational performance (Bashir et al., 2022). This reinforces the importance of democratic leadership practices within public organizations and provides evidence of their effectiveness in fostering employee commitment. Employee commitment is closely tied to employee engagement, which refers to the level of involvement, enthusiasm, and dedication employees have towards their work. The mediation analysis highlights the significance of fostering employee engagement through democratic leadership practices to enhance public organization performance. It emphasizes the need for leaders to involve employees in decision-making processes, seek their input, and value their contributions (Donkor, 2022).

The mediation analysis underscores the role of organizational culture and values in promoting employee commitment. Democratic leadership practices often align with values such as transparency, trust, and open communication. These values contribute to a positive organizational culture that fosters employee commitment and, consequently, improves public organization performance. Democratic leadership encourages employees to voice their opinions, share ideas, and participate in decision-making processes. When employees feel empowered and have a sense of ownership in their work and the organization, their commitment levels tend to increase. This

suggests that public organizations should create mechanisms for employee voice and empowerment to foster commitment and enhance overall performance (Nonaillada & Martin, 2022).

The findings of the mediation analysis can have implications for leadership development programs within public organizations. It highlights the importance of training and developing leaders who possess the skills and competencies necessary to practice democratic leadership effectively. Organizations may need to invest in leadership development initiatives that focus on enhancing democratic leadership behaviors to promote employee commitment and improve organizational performance. It's worth noting that the implications mentioned above are based on the assumption that the mediation analysis yields significant results. The specific implications may vary depending on the context, research design, and the actual findings of the study.

Declaration

Present research is part of Kebede Asefa PhD research work. His research work guided by Dr. Kenenisa Lemi (Jimma University) and Dr. Shashi Kant (Bule Hora University). Authors have no conflict of interests.

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