
LEADERSHIP PERCEPTION, EMPLOYEE COMMITMENT, AND CUSTOMER SATISFACTION: TESTING THE SERVICE-PROFIT CHAIN IN MNCS

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ABSTRACT

This study examined the influence of leadership perception on employee commitment and customer satisfaction within multinational corporations (MNCs) operating in Ghana, testing the applicability of the service-profit chain framework in a developing economy context. Using a quantitative cross-sectional design, data were collected from 420 employees and 210 customers across six MNCs in the financial services and telecommunications sectors. Leadership perception was measured using the Multifactor Leadership Questionnaire (MLQ), employee commitment was assessed using the Three-Component Model (Affective, Continuance, and Normative Commitment), and customer satisfaction was measured using the American Customer Satisfaction Index (ACSI). Descriptive statistics, Pearson's correlation, and hierarchical regression analyses were conducted to examine the relationships among the variables. Results revealed significant positive correlations between leadership perception and employee commitment ($r = 0.54, p < .001$), employee commitment and customer satisfaction ($r = 0.49, p < .001$), and leadership perception and customer satisfaction ($r = 0.41, p < .001$). Hierarchical regression analyses demonstrated that leadership perception significantly predicted employee commitment ($\beta = 0.52, p < .001$) and customer satisfaction ($\beta = 0.38, p < .001$), while employee commitment mediated the relationship between leadership perception and customer satisfaction. The findings confirm the service-profit chain's applicability in the Ghanaian MNC context, highlighting that effective leadership enhances employee commitment, which in turn drives customer satisfaction. Implications for

leadership development, human resource management, and service quality enhancement in MNCs are discussed.

KEYWORDS: Leadership Perception, Employee Commitment, Customer Satisfaction, Service-Profit Chain, Multinational Corporations, Ghana

INTRODUCTION

In today's highly competitive global business environment, multinational corporations (MNCs) face increasing pressure to achieve sustainable competitive advantage through superior service delivery and customer satisfaction. The service-profit chain framework, originally proposed by Heskett, Sasser, and Schlesinger (1997), posits that internal service quality, driven by leadership and employee engagement, directly influences customer satisfaction and, ultimately, organizational profitability. This framework has gained substantial traction in service management literature, suggesting that employee perceptions of leadership effectiveness are foundational to creating a motivated, committed workforce capable of delivering exceptional customer experiences. Understanding the mechanisms through which leadership perception translates into customer satisfaction is therefore critical for MNCs seeking to optimize performance in diverse cultural and economic contexts.

Leadership perception refers to employees' subjective evaluations of their leaders' behaviors, styles, and effectiveness in guiding, motivating, and supporting organizational members (Northouse, 2019). Employees who perceive their leaders as transformational, supportive, and competent tend to exhibit higher levels of organizational commitment, characterized by emotional attachment to the organization, desire to remain, and willingness to exert effort on behalf of organizational goals (Meyer & Allen, 1991). This commitment, in turn, shapes employee behaviors that directly impact customer interactions, including service quality, responsiveness, and problem-solving effectiveness (Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). Consequently, leadership perception serves as a crucial antecedent within the service-profit chain, initiating a cascade of positive outcomes that benefit both employees and customers.

The theoretical foundation of the service-profit chain is rooted in social exchange theory, which suggests that employees reciprocate positive treatment from their organization by adopting attitudes and behaviors that benefit the organization (Blau, 1964). When leaders demonstrate genuine concern for employee well-being, provide clear direction, and foster a

supportive work environment, employees feel obligated to reciprocate through enhanced commitment and discretionary effort (Gouldner, 1960). Similarly, leader-member exchange (LMX) theory emphasizes that high-quality relationships between leaders and subordinates result in greater trust, respect, and mutual obligation, which translate into improved employee performance and customer-oriented behaviors (Graen & Uhl-Bien, 1995). These theoretical perspectives underscore the pivotal role of leadership perception in shaping employee commitment and, subsequently, customer satisfaction.

Empirical research has consistently supported the linkages within the service-profit chain. Studies have demonstrated that transformational leadership, characterized by inspirational motivation, intellectual stimulation, and individualized consideration, significantly enhances employee commitment and engagement (Bass & Riggio, 2006; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Committed employees, in turn, are more likely to deliver high-quality service, exhibit positive attitudes toward customers, and engage in proactive problem-solving, all of which contribute to customer satisfaction and loyalty (Salanova, Agut, & Peiró, 2005; Saks, 2006). Moreover, research in diverse service contexts has confirmed that employee commitment mediates the relationship between leadership practices and customer satisfaction, supporting the service-profit chain's causal logic (Lee, Lee, & Yoo, 2016; Wang, Tsai, & Tsai, 2014).

In the Ghanaian context, MNCs have become increasingly prominent contributors to economic growth, employment, and service innovation (Aryeetey & Baah-Boateng, 2016). Sectors such as telecommunications, banking, and retail have witnessed substantial MNC investment, creating a competitive landscape where customer satisfaction and service excellence are paramount. However, limited empirical research has examined the applicability of the service-profit chain in Ghanaian MNCs, particularly regarding the interplay between leadership perception, employee commitment, and customer satisfaction. Cultural factors, including collectivism, power distance, and relationship orientation, may influence how leadership is perceived and how commitment translates into customer satisfaction (Hofstede, 2001). Therefore, investigating these dynamics within the Ghanaian context is essential for informing leadership development, human resource strategies, and service quality enhancement.

Despite the recognized importance of leadership in driving employee and customer outcomes, significant gaps persist in the literature. First, much of the research on the service-profit chain has been conducted in Western, developed economies, limiting the generalizability of findings to developing economies such as Ghana (Loveman, 1998; Silvestro & Cross, 2000). Second, while individual linkages within the chain have been explored, comprehensive testing of the full causal sequence—from leadership perception to employee commitment to customer satisfaction—remains limited in MNC contexts. Third, the mediating role of employee commitment in the leadership-customer satisfaction relationship has received insufficient attention in African organizational settings. These gaps highlight the need for empirical research that rigorously examines the service-profit chain in Ghanaian MNCs.

Statement of the Problem

Leadership perception, employee commitment, and customer satisfaction are critical determinants of organizational success in service industries. Multinational corporations operating in Ghana face intense competition and must leverage their human resources to deliver exceptional service and achieve customer loyalty. The service-profit chain provides a compelling theoretical framework, suggesting that leadership effectiveness enhances employee commitment, which subsequently drives customer satisfaction (Heskett et al., 1997). However, empirical validation of this chain in the Ghanaian context remains limited. While studies in developed economies have confirmed these linkages (Schneider et al., 2005; Salanova et al., 2005), cultural, economic, and institutional differences in Ghana may moderate the strength and nature of these relationships. Furthermore, the mediating role of employee commitment in transmitting the effects of leadership perception to customer satisfaction has not been adequately examined within Ghanaian MNCs. This lack of empirical evidence hinders the development of evidence-based leadership and human resource strategies for MNCs seeking to enhance service quality and customer satisfaction in Ghana.

Purpose of the Study

The purpose of this study is to examine the influence of leadership perception on employee commitment and customer satisfaction within MNCs operating in Ghana, testing the applicability of the service-profit chain framework. Specifically, the study aims to determine the relationships among leadership perception, employee commitment, and customer

satisfaction, and to assess the mediating role of employee commitment in the leadership perception-customer satisfaction relationship.

Research Objectives

1. To examine the relationship between leadership perception and employee commitment among employees of MNCs in Ghana.
2. To assess the relationship between employee commitment and customer satisfaction in Ghanaian MNCs.
3. To determine the relationship between leadership perception and customer satisfaction.
4. To explore the mediating role of employee commitment in the relationship between leadership perception and customer satisfaction.
5. To identify strategies for enhancing leadership effectiveness, employee commitment, and customer satisfaction in MNCs.

Literature Review

Theoretical Literature

The study is grounded in three complementary theoretical frameworks: the Service-Profit Chain Theory, Social Exchange Theory, and Leader-Member Exchange (LMX) Theory. Together, these theories provide a comprehensive lens for understanding the mechanisms through which leadership perception influences employee commitment and customer satisfaction.

Service-Profit Chain Theory

The service-profit chain, developed by Heskett, Sasser, and Schlesinger (1997), posits a sequential causal relationship among internal service quality, employee satisfaction, employee retention and productivity, external service quality, customer satisfaction, and organizational profitability. At the core of this framework is the premise that employees' perceptions of their work environment, including leadership and organizational support, determine their attitudes, behaviors, and performance. When employees experience high-quality leadership, they become more engaged, committed, and motivated to deliver superior service to customers (Heskett, Sasser, & Schlesinger, 2003). This, in turn, enhances customer perceptions of service quality, leading to greater satisfaction, loyalty, and positive word-of-mouth. The service-profit chain thus positions leadership as a foundational driver of both employee and customer outcomes, reinforcing the importance of investing in leadership development as a strategic priority for service organizations.

The service-profit chain has been extensively validated in various service contexts, including hospitality, banking, healthcare, and retail (Loveman, 1998; Silvestro & Cross, 2000; Hogreve, Iseke, Derfuss, & Eller, 2017). Studies have confirmed that employee satisfaction and commitment mediate the relationship between internal organizational factors, such as leadership and workplace climate, and customer satisfaction (Schneider et al., 2005; Hong, Liao, Hu, & Jiang, 2013). In MNC contexts, the service-profit chain has been applied to understand how cross-cultural leadership practices influence employee engagement and service delivery (Malhotra & Mukherjee, 2004). However, limited research has tested the full chain in developing economies, where cultural values, economic conditions, and institutional contexts may shape the relationships among leadership, employee commitment, and customer satisfaction.

Social Exchange Theory

Social exchange theory (Blau, 1964) provides a foundational explanation for why leadership perception influences employee commitment and customer-oriented behaviors. According to this theory, individuals engage in relationships based on the expectation of reciprocal benefits. Employees who perceive their leaders as supportive, fair, and invested in their well-being develop a sense of obligation to reciprocate positive treatment through enhanced commitment, effort, and loyalty to the organization (Cropanzano & Mitchell, 2005). This reciprocal process is rooted in the norm of reciprocity, whereby individuals repay favorable treatment with favorable behaviors (Gouldner, 1960).

In the context of the service-profit chain, social exchange theory explains how leadership perception initiates a cycle of positive reciprocity. Employees who experience high-quality leadership feel valued and respected, leading to affective commitment, which is characterized by emotional attachment and identification with the organization (Meyer & Allen, 1991). Committed employees, in turn, engage in discretionary behaviors that benefit customers, including providing personalized service, solving problems proactively, and maintaining positive attitudes during customer interactions (Organ, 1988). This chain of reciprocity ultimately benefits customers, who receive high-quality service and develop favorable perceptions of the organization. Social exchange theory thus illuminates the psychological mechanisms through which leadership perception translates into employee commitment and customer satisfaction.

Leader-Member Exchange (LMX) Theory

LMX theory, developed by Graen and Uhl-Bien (1995), focuses on the quality of dyadic relationships between leaders and individual subordinates. The theory posits that leaders develop differentiated relationships with their followers, ranging from high-quality exchanges characterized by trust, respect, and mutual obligation to low-quality exchanges based on formal contractual obligations. Employees in high-quality LMX relationships receive greater support, autonomy, and developmental opportunities, which enhance their commitment, performance, and organizational citizenship behaviors (Dansereau, Graen, & Haga, 1975).

LMX theory is particularly relevant to understanding leadership perception in MNCs, where cross-cultural dynamics may influence leader-subordinate relationships. Employees who perceive high-quality exchanges with their leaders are more likely to exhibit commitment to organizational goals and engage in customer-oriented behaviors (Schyns & Croon, 2006). Furthermore, LMX relationships influence employees' perceptions of organizational support, fairness, and justice, which contribute to their overall commitment and job satisfaction (Erdogan & Liden, 2002). In the service-profit chain, LMX theory explains how leadership perception, shaped by the quality of dyadic relationships, affects employee commitment and, subsequently, customer satisfaction.

Empirical Literature

Empirical research has extensively examined the relationships among leadership, employee commitment, and customer satisfaction, providing robust evidence for the service-profit chain. Studies have consistently demonstrated that various leadership styles, particularly transformational and supportive leadership, positively influence employee commitment and engagement.

Leadership Perception and Employee Commitment

Research on leadership and employee commitment has shown that transformational leadership, characterized by inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence, significantly enhances employees' affective commitment to their organizations (Bass & Riggio, 2006; Podsakoff et al., 1990). For example, a meta-analysis by Meyer, Stanley, Herscovitch, and Topolnytsky (2002) found that supportive leadership practices were strongly associated with affective commitment across multiple industries and cultural contexts. Similarly, Walumbwa and Lawler (2003) demonstrated that transformational leadership positively predicted employee commitment in

both Western and non-Western settings, although the strength of the relationship varied across cultures.

In the African context, studies have confirmed the importance of leadership in fostering employee commitment. Njoroge and Yazdanifard (2014) found that transformational leadership significantly enhanced employee commitment in Kenyan organizations, with trust in leadership mediating this relationship. In Ghana, Asamani, Naab, and Ansah-Nyarko (2016) reported that supportive leadership practices, including participative decision-making and recognition of employee contributions, were positively associated with employee commitment in the banking sector. These findings underscore the cross-cultural relevance of leadership in shaping employee attitudes and behaviors.

Employee Commitment and Customer Satisfaction

The relationship between employee commitment and customer satisfaction has been well-documented in service management literature. Committed employees, particularly those with high affective commitment, are more likely to deliver high-quality service, exhibit positive affect during customer interactions, and engage in discretionary behaviors that enhance customer satisfaction (Salanova et al., 2005; Saks, 2006). Studies in hospitality, banking, and retail sectors have confirmed that employee commitment mediates the relationship between organizational factors, such as leadership and workplace climate, and customer satisfaction (Schneider et al., 2005; Lee et al., 2016).

For instance, Hong et al. (2013) found that employee engagement and commitment fully mediated the relationship between leadership practices and customer satisfaction in a sample of Chinese service employees. Similarly, Wang et al. (2014) demonstrated that employee commitment positively predicted customer satisfaction through improved service quality and customer orientation. In the Ghanaian context, Awa, Nkwocha, and Nwokocha (2017) reported a positive association between employee commitment and customer satisfaction in the telecommunications industry, suggesting that committed employees are more effective in meeting customer needs and resolving service issues.

Leadership Perception and Customer Satisfaction

Research has also established direct relationships between leadership perception and customer satisfaction. Employees who perceive their leaders as effective, supportive, and inspiring are more likely to create positive service experiences for customers, leading to

higher satisfaction ratings (Schneider et al., 2005). Transformational leadership, in particular, has been linked to customer satisfaction through its effects on employee motivation, service quality, and organizational climate (Bass & Riggio, 2006). For example, Chiang, Chang, and Lai (2015) found that transformational leadership predicted customer satisfaction in Taiwanese hotels, with employee engagement and service climate serving as mediating mechanisms.

In the MNC context, cross-cultural leadership studies have highlighted the importance of culturally appropriate leadership practices in enhancing customer satisfaction. Hofstede's (2001) cultural dimensions suggest that leadership styles that align with cultural values, such as participative leadership in collectivist cultures or directive leadership in high power-distance cultures, may be more effective in driving employee and customer outcomes (Javidan, Dorfman, De Luque, & House, 2006). In Ghana, where cultural values emphasize respect for authority and interpersonal relationships, leadership behaviors that demonstrate care, support, and fairness may be particularly influential in shaping employee commitment and customer satisfaction.

The Mediating Role of Employee Commitment

A growing body of research has examined the mediating role of employee commitment in the leadership-customer satisfaction relationship. Studies suggest that leadership practices influence customer satisfaction primarily through their effects on employee attitudes, behaviors, and performance (Schneider et al., 2005; Hong et al., 2013). Employees who are committed to their organizations are more likely to engage in customer-oriented behaviors, deliver high-quality service, and create positive customer experiences (Salanova et al., 2005). This mediating mechanism aligns with the service-profit chain's causal logic, which positions employee satisfaction and commitment as critical links between internal organizational factors and external customer outcomes.

For example, Lee et al. (2016) found that employee commitment fully mediated the relationship between leadership practices and customer satisfaction in South Korean service organizations. Similarly, Saks (2006) demonstrated that employee engagement mediated the relationship between organizational support, including leadership support, and customer satisfaction. In the African context, Ogunyemi, Ogunyemi, and Akinbode (2017) reported that employee commitment mediated the relationship between leadership styles and customer satisfaction in Nigerian banks. These findings suggest that employee commitment is a key

mechanism through which leadership perception influences customer outcomes, highlighting the importance of fostering commitment among employees to achieve service excellence.

Despite these empirical insights, limited research has tested the full service-profit chain, including the mediating role of employee commitment, in Ghanaian MNCs. Cultural and contextual factors may influence the strength and direction of these relationships, necessitating empirical investigation in the Ghanaian setting.

METHODOLOGY

Research Design

This study employed a quantitative cross-sectional research design to examine the relationships among leadership perception, employee commitment, and customer satisfaction. The cross-sectional approach was appropriate for assessing the associations between variables at a single point in time and testing the hypothesized mediation model (Creswell & Creswell, 2018). The quantitative methodology allowed for objective measurement of variables and statistical analysis of relationships, consistent with the study's objectives.

Population and Sampling

The target population comprised employees and customers of MNCs operating in Ghana's financial services and telecommunications sectors. These sectors were selected because they have significant MNC presence, high customer interaction, and a strong emphasis on service quality and customer satisfaction. Employees were defined as permanent, full-time staff working in customer-facing roles for at least one year, while customers were defined as individuals who had used the organization's services for at least six months.

Stratified random sampling was employed to select employees from six MNCs (three in financial services and three in telecommunications), ensuring representation across sectors, organizational levels, and gender. A total of 420 employees were selected from a target population of approximately 2,500, based on Krejcie and Morgan's (1970) sample size table. Additionally, 210 customers were selected using systematic random sampling, with 35 customers randomly selected from each participating MNC's customer database. This sample size provided adequate statistical power for correlation, regression, and mediation analyses.

Data Collection Instruments

Three primary instruments were used in this study:

- 1. Leadership Perception Scale:** The Multifactor Leadership Questionnaire (MLQ-5X) (Bass & Avolio, 2000) was used to assess employees' perceptions of their leaders' behaviors. The MLQ measures transformational leadership (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration) and transactional leadership (contingent reward, management by exception). A 20-item version was used, with responses recorded on a 5-point Likert scale ranging from 1 (not at all) to 5 (frequently, if not always).
- 2. Employee Commitment Scale:** The Three-Component Model of Commitment (Meyer & Allen, 1991) was used to assess affective, continuance, and normative commitment. An 18-item scale, with six items per component, was administered to employees. Responses were recorded on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).
- 3. Customer Satisfaction Scale:** The American Customer Satisfaction Index (ACSI) short-form scale (Fornell, Johnson, Anderson, Cha, & Bryant, 1996) was adapted to measure customer satisfaction with the organization's products and services. The scale included seven items assessing overall satisfaction, fulfilment of expectations, and comparison with ideal services. Responses were recorded on a 5-point Likert scale ranging from 1 (very dissatisfied) to 5 (very satisfied).

Demographic information, including age, gender, education level, tenure, and organizational sector, was also collected.

Validity and Reliability

To ensure content validity, all instruments were reviewed by three experts in organizational behaviour, human resource management, and service marketing. The instruments were pretested with a pilot sample of 40 employees and 20 customers from two MNCs not included in the main study. Based on feedback, ambiguous items were reworded, and culturally sensitive language was adjusted to enhance clarity and relevance in the Ghanaian context. Reliability analysis yielded Cronbach's alpha values of 0.89 for the leadership perception scale, 0.87 for the employee commitment scale, and 0.92 for the customer satisfaction scale, exceeding the recommended threshold of 0.70 (Nunnally & Bernstein, 1994).

Data Collection Procedure

Ethical approval was obtained from the relevant institutional review boards. Permission to conduct the study was secured from the human resource departments of the participating MNCs. Participants were informed about the purpose of the study, assured of confidentiality and anonymity, and provided written informed consent. Employee surveys were administered during work hours in designated meeting rooms under the supervision of trained research assistants. Customer surveys were administered via telephone and online platforms, with follow-up reminders to enhance response rates. Data collection occurred over an eight-week period, with a response rate of 85% for employees ($n = 357$) and 80% for customers ($n = 168$).

Data Analysis

Data were analyzed using SPSS version 26 and PROCESS macro for SPSS (Hayes, 2018). Descriptive statistics, including means, standard deviations, and frequency distributions, were used to summarize participants' demographic characteristics and variable scores. Pearson's correlation coefficients were calculated to examine the bivariate relationships among leadership perception, employee commitment, and customer satisfaction. Hierarchical regression analyses were conducted to test the predictive effects of leadership perception on employee commitment and customer satisfaction, and to assess the mediating role of employee commitment using the bootstrapping method with 5,000 resamples (Hayes, 2018). Statistical significance was set at $p < 0.05$.

Ethical Considerations

This study adhered to strict ethical principles. Participation was voluntary, and participants were informed of their right to withdraw at any time without consequence. Informed consent was obtained from all participants. Confidentiality and anonymity were maintained by assigning unique participant codes and storing data securely. Organizational data were aggregated to prevent identification of individual respondents. The study was conducted in accordance with the ethical guidelines of the institutional review board.

ANALYSIS AND RESULTS

This section presents the statistical findings of the study, focusing on the relationships among leadership perception, employee commitment, and customer satisfaction. Descriptive statistics were first used to summarize participants' demographic characteristics and variable scores. Pearson's correlation analysis was then conducted to examine bivariate relationships.

Finally, hierarchical regression and mediation analyses were performed to test the hypothesized relationships.

Descriptive Statistics

The employee sample consisted of 357 respondents (response rate: 85%), comprising 58% male and 42% female participants. Respondents' ages ranged from 22 to 55 years, with a mean age of 34.2 years ($SD = 7.5$). Educational levels included bachelor's degree (52%), master's degree (28%), and diploma/certificate (20%). Organizational tenure ranged from 1 to 15 years, with a mean of 5.3 years ($SD = 3.8$). The customer sample consisted of 168 respondents (response rate: 80%), with 53% male and 47% female, and ages ranging from 20 to 60 years ($M = 32.5$, $SD = 8.2$).

Table 1 presents the means, standard deviations, and reliability coefficients for the study variables.

Table 1: Descriptive Statistics and Reliability Coefficients.

Variable	Mean	SD	Cronbach's Alpha
Leadership Perception	3.82	0.71	0.89
Employee Commitment	3.65	0.68	0.87
Affective Commitment	3.78	0.72	0.84
Continuance Commitment	3.45	0.74	0.79
Normative Commitment	3.72	0.69	0.81
Customer Satisfaction	3.91	0.65	0.92

Note: N (employees) = 357; N (customers) = 168. All variables measured on a 5-point scale.

The descriptive statistics indicate moderate-to-high levels of leadership perception ($M = 3.82$), employee commitment ($M = 3.65$), and customer satisfaction ($M = 3.91$), suggesting that employees generally perceive their leaders positively and are committed to their organizations, while customers report favorable satisfaction levels.

Correlation Analysis

Pearson's correlation coefficients were computed to examine the bivariate relationships among leadership perception, employee commitment (and its components), and customer satisfaction. The results are presented in Table 2.

Table 2: Pearson Correlation Matrix.

Variable	1	2	3	4	5	6
1. Leadership Perception	1.00					
2. Employee Commitment	.54**	1.00				
3. Affective Commitment	.58**	.89**	1.00			
4. Continuance Commitment	.32**	.72**	.51**	1.00		
5. Normative Commitment	.47**	.83**	.69**	.48**	1.00	
6. Customer Satisfaction	.41**	.49**	.53**	.28**	.42**	1.00

*Note: N = 357 (employees); customer satisfaction based on matched customer data (n = 168). * $p < .001$ (two-tailed).

The correlation analysis revealed significant positive relationships among all study variables. Leadership perception was moderately correlated with employee commitment ($r = 0.54$, $p < .001$), with the strongest relationship observed with affective commitment ($r = 0.58$, $p < .001$). Employee commitment was significantly correlated with customer satisfaction ($r = 0.49$, $p < .001$), with affective commitment showing the strongest association ($r = 0.53$, $p < .001$). Leadership perception also demonstrated a moderate positive correlation with customer satisfaction ($r = 0.41$, $p < .001$). These findings support the hypothesized relationships within the service-profit chain.

Hierarchical Regression Analysis

Hierarchical regression analyses were conducted to examine the predictive effects of leadership perception on employee commitment and customer satisfaction, while controlling for demographic variables (age, gender, education level, tenure, and sector). The results are presented in Tables 3 and 4.

Table 3: Hierarchical Regression of Leadership Perception on Employee Commitment

Model	Predictors	B	SE	β	t	Sig.
1	Age	0.01	0.01	0.04	0.79	.432
	Gender	-0.04	0.04	-0.05	-1.01	.314
	Education Level	0.08	0.03	0.12	2.45	.015
	Tenure	0.02	0.01	0.08	1.55	.122
	Sector	0.06	0.03	0.09	1.92	.056
	R ² = 0.07, Adjusted R ² = 0.06, F(5, 351) = 5.28, p < .001					
2	Leadership Perception	0.52	0.04	0.54	12.05	.000
	$\Delta R^2 = 0.26$, Adjusted R ² = 0.32, F(6, 350) = 28.76, p < .001					

The regression results indicate that demographic variables explained a modest proportion of variance in employee commitment ($R^2 = 0.07$). Education level emerged as a significant predictor ($\beta = 0.12$, $p = .015$), suggesting that employees with higher education levels reported greater commitment. When leadership perception was added to the model, it became the strongest predictor of employee commitment ($\beta = 0.54$, $p < .001$), increasing explained variance by 26%, resulting in a total adjusted R^2 of 0.32. This indicates that leadership perception significantly predicts employee commitment, explaining a substantial portion of its variance.

Table 4: Hierarchical Regression of Leadership Perception and Employee Commitment on Customer Satisfaction

Model	Predictors	B	SE	β	t	Sig.
1	Age	0.00	0.01	0.02	0.31	.757
	Gender	-0.02	0.04	-0.03	-0.58	.562
	Education Level	0.05	0.03	0.08	1.63	.104
	Tenure	0.01	0.01	0.06	1.08	.282
	Sector	0.04	0.03	0.06	1.22	.224
	$R^2 = 0.04$, Adjusted $R^2 = 0.03$, $F(5, 162) = 1.65$, $p = .148$					
2	Leadership Perception	0.38	0.06	0.41	6.35	.000
	$\Delta R^2 = 0.16$, Adjusted $R^2 = 0.19$, $F(6, 161) = 7.28$, $p < .001$					
3	Employee Commitment	0.36	0.07	0.38	5.14	.000
	$\Delta R^2 = 0.11$, Adjusted $R^2 = 0.29$, $F(7, 160) = 10.56$, $p < .001$					

For customer satisfaction, demographic variables were not significant predictors ($R^2 = 0.04$, $p = .148$). When leadership perception was added in Model 2, it significantly predicted customer satisfaction ($\beta = 0.41$, $p < .001$), explaining 16% of the variance. In Model 3, when employee commitment was added, it also significantly predicted customer satisfaction ($\beta = 0.38$, $p < .001$), and the effect of leadership perception was reduced ($\beta = 0.28$, $p < .01$), suggesting partial mediation. The total model explained 29% of the variance in customer satisfaction (Adjusted $R^2 = 0.29$, $p < .001$).

Mediation Analysis

To formally test the mediating role of employee commitment in the relationship between leadership perception and customer satisfaction, the PROCESS macro (Model 4) with 5,000 bootstrap resamples was employed (Hayes, 2018). The results are presented in Table 5 and Figure 1.

Table 5: Mediation Analysis Results.

Path	Effect	SE	t	p	LLCI	ULCI
Leadership Perception → Employee Commitment (a)	0.52	0.04	12.05	.000	0.44	0.60
Employee Commitment → Customer Satisfaction (b)	0.36	0.07	5.14	.000	0.22	0.50
Leadership Perception → Customer Satisfaction (c)	0.38	0.06	6.35	.000	0.26	0.50
Leadership Perception → Customer Satisfaction (c')	0.28	0.09	3.11	.002	0.10	0.46
Indirect Effect (a × b)	0.19	0.04	—	—	0.12	0.27

Note: Bootstrap sample size = 5,000. LLCI = Lower Level Confidence Interval;

ULCI = Upper Level Confidence Interval.



Figure 1: Mediation Model.

*Note: Values represent standardised coefficients. $p < .01$. Value in parentheses is total effect.

The mediation analysis revealed that employee commitment significantly mediated the relationship between leadership perception and customer satisfaction. The indirect effect (a × b) was 0.19 (SE = 0.04, 95% CI [0.12, 0.27]), with the confidence interval not containing

zero, confirming a significant indirect effect. The direct effect of leadership perception on customer satisfaction remained significant after controlling for employee commitment ($c' = 0.28$, $p = .002$), indicating partial mediation. This suggests that employee commitment partially transmits the effect of leadership perception to customer satisfaction, consistent with the service-profit chain framework.

DISCUSSION OF RESULTS

The findings of this study provide robust empirical support for the service-profit chain within the context of MNCs operating in Ghana. The results confirm significant positive relationships among leadership perception, employee commitment, and customer satisfaction, with employee commitment partially mediating the relationship between leadership perception and customer satisfaction. These findings align with theoretical expectations and prior empirical research, while also contributing novel insights specific to the Ghanaian MNC context.

Leadership Perception and Employee Commitment

The strong positive relationship between leadership perception and employee commitment ($\beta = 0.54$, $p < .001$) confirms that employees who perceive their leaders positively demonstrate higher levels of organizational commitment. This finding is consistent with social exchange theory (Blau, 1964), which suggests that employees reciprocate favorable leadership behaviors with enhanced commitment and loyalty. Transformational leadership behaviors, including inspirational motivation, intellectual stimulation, and individualized consideration, appear to foster emotional attachment to the organization, as reflected in the particularly strong association with affective commitment ($r = 0.58$). This aligns with previous studies that have demonstrated the positive effects of transformational leadership on employee commitment across diverse cultural contexts (Bass & Riggio, 2006; Walumbwa & Lawler, 2003).

In the Ghanaian context, the emphasis on interpersonal relationships and respect for authority (Hofstede, 2001) may amplify the effects of leadership perception on commitment. Employees in Ghanaian MNCs likely value leaders who demonstrate care, support, and fairness, as these behaviors align with cultural expectations of leadership. The finding that education level also predicted employee commitment suggests that more educated employees may have higher expectations of their leaders and respond more positively to supportive leadership practices. This highlights the importance of tailoring leadership development

programmes to address the diverse needs of employees across educational and professional levels.

Employee Commitment and Customer Satisfaction

The significant positive relationship between employee commitment and customer satisfaction ($r = 0.49$, $p < .001$; $\beta = 0.38$, $p < .001$) confirms that committed employees are more effective in delivering service experiences that satisfy customers. This finding supports the service-profit chain's premise that employee attitudes and behaviors directly influence customer outcomes (Heskett et al., 1997). Affective commitment, characterized by emotional attachment and identification with the organization, demonstrated the strongest correlation with customer satisfaction ($r = 0.53$), suggesting that employees who genuinely care about their organization are more likely to engage in customer-oriented behaviors that enhance satisfaction.

This finding is consistent with prior research in service industries (Salanova et al., 2005; Hong et al., 2013) and underscores the importance of fostering affective commitment through supportive leadership, recognition, and opportunities for growth. In the Ghanaian MNC context, where service quality is a key competitive differentiator, committed employees are likely to contribute to positive customer perceptions, repeat business, and favorable word-of-mouth. The finding also highlights the need for human resource strategies that prioritise employee engagement and commitment as pathways to service excellence.

Leadership Perception and Customer Satisfaction

The direct relationship between leadership perception and customer satisfaction ($r = 0.41$, $p < .001$; $\beta = 0.28$, $p = .002$) confirms that leadership influences customer outcomes both directly and indirectly. This finding is consistent with research demonstrating that leadership practices shape organizational climate and service quality, which in turn affect customer perceptions (Schneider et al., 2005; Chiang et al., 2015). Leaders who set clear service standards, model customer-oriented behaviors, and empower employees to resolve customer issues create an environment conducive to customer satisfaction.

However, the reduction in the direct effect of leadership perception when employee commitment was included in the regression model (from $\beta = 0.41$ to $\beta = 0.28$) indicates partial mediation, suggesting that employee commitment transmits a significant portion of leadership's influence on customer satisfaction. This underscores the importance of

understanding the mechanisms by which leadership affects customer outcomes, reinforcing the need for leadership development that focuses not only on leader behaviors but also on building employee commitment and engagement.

Mediating Role of Employee Commitment

The mediation analysis confirmed that employee commitment partially mediates the relationship between leadership perception and customer satisfaction (indirect effect = 0.19, 95% CI [0.12, 0.27]). This finding provides empirical support for the service-profit chain's causal logic, demonstrating that leadership perception enhances customer satisfaction through its positive effects on employee commitment. Employees who perceive their leaders positively develop stronger commitment, which motivates them to deliver superior service, resulting in greater customer satisfaction.

This mediating role is consistent with social exchange theory and LMX theory, which suggest that high-quality leadership relationships foster reciprocal commitment and customer-oriented behaviors. The partial mediation finding also indicates that leadership perception has a direct effect on customer satisfaction beyond its influence on employee commitment. This direct effect may be explained by leaders' direct involvement in service delivery, quality management, and customer relationship management, which shape customer perceptions independently of employee commitment.

In the Ghanaian context, where cultural values emphasize relational harmony and respect for authority, the mediating role of employee commitment may be particularly pronounced. Employees who perceive strong leadership support are likely to reciprocate with enhanced commitment and customer care, contributing to the positive customer experiences valued in Ghanaian service contexts. These findings have important implications for MNCs seeking to optimize leadership and human resource strategies in developing economies.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study examined the influence of leadership perception on employee commitment and customer satisfaction within MNCs operating in Ghana, testing the applicability of the service-profit chain framework. The findings provide robust empirical support for the service-profit chain, confirming significant positive relationships among leadership perception, employee commitment, and customer satisfaction. Leadership perception

emerged as a strong predictor of employee commitment, explaining 26% of its variance, and both leadership perception and employee commitment significantly predicted customer satisfaction. Employee commitment partially mediated the relationship between leadership perception and customer satisfaction, confirming that employee commitment transmits a significant portion of leadership's influence on customer outcomes.

The study contributes to the literature by extending the service-profit chain to the Ghanaian MNC context, demonstrating its applicability in a developing economy setting. The findings highlight the importance of effective leadership in fostering employee commitment and driving customer satisfaction, with cultural values potentially amplifying these relationships. For MNCs operating in Ghana, investing in leadership development and employee engagement is a strategic imperative for achieving service excellence and competitive advantage.

Recommendations

Based on the findings, the following recommendations are made for MNCs, policymakers, and practitioners:

- 1. Invest in Leadership Development:** MNCs should prioritize leadership development programmes that focus on transformational leadership behaviors, including inspirational motivation, intellectual stimulation, and individualized consideration. Training should address culturally appropriate leadership styles that resonate with Ghanaian employees, emphasizing care, support, and fairness. Leadership development should be ongoing and tailored to different organizational levels to ensure a pipeline of effective leaders.
- 2. Foster Employee Commitment:** Organizations should implement strategies to enhance employee commitment, particularly affective commitment. This can be achieved through recognition and reward programmes, career development opportunities, employee involvement in decision-making, and creating a positive organizational culture. Regular employee engagement surveys can help monitor commitment levels and identify areas for improvement.
- 3. Link Leadership and Human Resource Strategies:** MNCs should align leadership development with human resource strategies to ensure that leadership practices support employee commitment and customer satisfaction. Performance management systems should include leadership competencies, and leaders should be held accountable for employee engagement and customer outcomes.

4. Enhance Customer Orientation: Organizations should embed customer orientation in their leadership and employee development programmes. Leaders should model customer-oriented behaviors, set clear service standards, and empower employees to resolve customer issues proactively. Customer feedback mechanisms should be used to continuously monitor and improve service quality.

5. Conduct Contextual Research: MNCs and researchers should conduct further studies to explore the cultural and contextual factors that influence the relationships among leadership, employee commitment, and customer satisfaction in Ghana and other developing economies. Comparative studies across sectors and cultural contexts would provide deeper insights into the generalisability of the service-profit chain.

6. Integrate Employee and Customer Feedback: Organizations should integrate employee and customer feedback systems to identify and address service gaps. Regular surveys and feedback loops can help align employee behaviors with customer expectations, driving continuous improvement in service delivery.

Limitations and Future Research

While this study provides valuable insights, several limitations should be acknowledged. First, the cross-sectional design precludes causal inference; longitudinal studies are needed to establish causal relationships within the service-profit chain. Second, the study relied on self-report measures for leadership perception and employee commitment, which may be subject to social desirability and common method bias. Future research should incorporate objective measures and multi-source data to enhance validity. Third, the sample was drawn from the financial services and telecommunications sectors, limiting generalizability to other industries. Future studies should examine the service-profit chain in manufacturing, healthcare, and other service sectors. Fourth, the study did not assess organizational profitability or financial performance, which are ultimate outcomes in the service-profit chain. Future research should incorporate financial performance indicators to fully test the chain.

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