



THE ROLE OF TRANSFORMATIONAL LEADERSHIP IN ORGANIZATIONAL COMMITMENT

Priyanka Jain

Research scholar, Amity University Noida

Dr. Taranjeet Duggal

Amity University Noida

Abstract

One of the most important factors influencing commitment of the employees is the behavior exhibited by transformational leaders. It is argued that transformational leaders foster positive employee commitment through their characteristics. Committed employees play a major role in creating the competitive advantage for an organization. In this sense, the purpose of this study is to analyze the role of transformational leadership in eliciting employee's organizational commitment. As this paper is descriptive, analysis of this paper is totally dependent upon the secondary data like research journal, articles and different websites. The findings of paper could aid the leaders in enhancing the commitment of the employees.

Keywords; transformational leadership, organizational commitment,

1. INTRODUCTION

Every organization is working hard to attain long lasting success. Success of an organization depends upon many factor, among them HR is considered as an important contributor. HR plays a major role in creating a competitive advantage for an organization, thus it is not only important to get the best of talent but retaining it is also equally important. Different factors are investigated and studied for enhancing this variable however; behavior displayed by leaders plays a very important role. Every organization needs effective leaders who fulfill organizational efficiency by increasing follower's job satisfaction, performance and commitments. It's



extremely imperative to understand the connection between transformational leadership and organizational commitment so that such behavior could be used for enhancing the organizational commitment of the employees. The findings of the study provide evidence that transformational leadership is at the core of organizational commitment. This study suggests that transformational leaders are better able to enhance the organizational commitment of the employees.

Transformational leadership

Over the past 20 years, transformational leadership has generated a great deal of research attention. The concept of transformational leadership is first introduced by James Mc Gregor Burns in 1978. The work of Burns (1978) was further extended by Bernard M. Bass (1985). Bass (1985) based his theory of transformational leadership on Burn's (1978) conceptualization, with several moderation or elaborations. Unlike Burns, Bass argued that Transformational and Transactional leadership, while at the opposite ends of the leadership continuum, maintained that the two can be complementary and that all leaders display both leadership styles though to different degrees.

In leadership literature four dimensions of transformational leader are defined: (1) idealized influence; (2) inspirational motivation; (3) intellectual stimulation; and (4) individualized consideration.

Idealized influence or charisma is the first element which involves demonstrating behavior such as serving as a role model, setting high standards of moral values, communicating the importance of a collective sense of vision and sacrificing for the benefit of the group. The leaders who possess these qualities are respected, admired and trusted by everyone. The followers of such leaders feel proud for being associated with him/her.

Inspirational motivation the second element involves leaders' ability to motivate followers so that they are able to perform beyond the expectation. This characteristic involves the leader's ability to communicate clearly the shared vision so that the workers gets inspire to achieve



important organizational strategic goals. They excite and challenge their followers so that they are able to accomplish great things.

Intellectual stimulation the third element displays behaviors that increase awareness of problems and challenge followers assumptions to generate more creative solutions to problems. Such leaders create a culture of active thinking and thus encouraging innovation. They reframe problems to find new solutions.

Individualized consideration the fourth element involves leader's capability to treat each follower individually by giving them the personal attention. Such leaders are compassionate, responsive and appreciative to the employees' needs and they thus celebrate individual achievements.

2. ORGANIZATIONAL COMMITMENT

Organizational commitment is one of the most frequently studied concepts in organizational psychology and organizational behavior. Organizational commitment is the psychological link between an employee and his organization that makes it less likely that the employee will voluntarily leave the organization (Allen & Meyer, 1996). No doubt, the organizational commitment has become the one of the most research topic in this globalized era. This construct is an important issue in today's highly competitive business environment as the organization need committed employees to survive in such a globalized scenario. Numerous definitions of organizational commitment have been proposed (e.g., Meyer & Allen, 1997; Morrow, 1983; Mowday, Porter, & Steers, 1982; O'Reilly & Chatman, 1986), but the common theme of all the definitions is that organizational commitment is the emotional bond or attachment between the offered so far, the most commonly used definition of organizational commitment is proposed by Mowday, Steers, and Porter (1979). They defined organizational commitment as, "the relative strength of an individual's identification with and involvement in a particular organization.

Meyer and Allen (1997) have found that organizational commitment consists of affective, continuance, and normative commitment. Affective commitment- it refers to the employee's who demonstrate emotional attachment to, identification with and involvement in the



organization. Continuance commitment is that commitment in which employees are continually working for organization because they cannot bear the cost to leave the organization. Normative commitment occurs when an employee feel a sense of obligation towards his organization

3. LITERATURE REVIEW

Many studies have been conducted to establish the link between transformational leadership and organizational commitment. A number of theoretical arguments can be considered to analyze the relationship between transformational leadership and organizational commitment.

Simon (1994) conducted a study on 228 employees in three different US organizations to examine the effect of transformational leadership on organizational commitment. The study found that the ability of leaders to use transformational behaviors (i.e. intellectual stimulation, individualized consideration, idealized influence) has been a major determinant of Organizational commitment.

Bycio.et al., (1995) explored the relationship between transformational leadership and organizational commitment. The study was conducted on the sample size of 1376 nurses in some US health organizations. The study found a positive relationship between transformational leadership and organizational commitment.

Rowden (1999) conducted a study to measure the relationship between the six leadership behaviors identified by Conger and Kanunogo and two organizational commitment components identified by Porter and Smith. The sample of total 245 respondents participated in the study. The result indicated that leaders' sensitivity to members need is related to Organizational commitment. He stated that it is unlikely that someone would be committed to an organization where its leader was not attuned to his or her needs.

Bono&judge (2003) conducted a study on 247 leaders and 954 followers of these leaders to find out the association of transformational leadership with various variables related to their followers (self-concordance, follower job satisfaction, and follower job performance).Apart from various other conclusions, the study found a positive relationship between transformational leadership and organizational commitment.



Emery & Baker (2007) conducted an exploratory study to examine the effect of transactional and transformational leadership on the Organizational commitment and job satisfaction of customer contact personnel in banking and food store organizations. The researchers assessed 77 branch managers from three regional banking organizations and 47 store managers from one national food chain using Multifactor Leadership questionnaire (MLQ) and 15-item instrument by porter et.al(1974) to measure leadership and organizational commitment respectively. The study found that three factors of transformational leadership i.e. charisma, intellectual stimulation and individual consideration were significantly correlated with the organizational commitment

Kim & Kim (2014) propose and empirically tested a research model in the context of corporate spilt-off. The model was to test the differing effects of integration strategy and transformational leadership on affective organizational commitment. The result of this study showed that inspirational motivation and individualized consideration were statistically relevant to explain affective commitment. Furthermore, the study showed that the other two dimensions of TL i.e. charisma and intellectual stimulation were not statistically related to affective commitment.

Fasola O.S., Adeyemi, M.S., Olowe , F.T (2013) examined and investigated the relationship between transformational , transactional leadership style and their dimensions on the organizational commitment using multifactor leadership questionnaire (MLQ) and organizational commitment questionnaire (OCQ). The findings of the study showed a positive relationship between Transformational, transactional Leadership and organizational commitment. In addition to this it was found that the impact of transactional leadership styles on the commitment of banking employees in Nigeria is more effective than the transformational style. Based on the findings it was recommended that managers should positively reward employees with praise and recognition to make them perform beyond expectations. The study also laid emphasis on using negative reward approach to improve the below expected performance.

Shurbagi (2014) investigated the relationship between transformational leadership and organizational commitment among 227 employees of national oil corporation, Libya. Transformational leadership was assessed by using multifactor leadership questionnaire (MLQ)



consisting of five dimensions: intellectual stimulation, Idealized influence (behavior), idealized influence (attributed), inspirational motivation and individualized consideration. Organizational commitment was assessed by using three components organizational commitment questionnaire (TCOCQ) of Allen and Meyer (1990). The result revealed a strong and positive relationship between transformational leadership and organizational commitment. The highest correlation among all the dimensions of transformational leadership and organizational commitment was found between idealized influence and normative commitment whereas the weakest was between intellectual stimulation and affective commitment. The study also found that leaders of national oil corporation follows transformational leadership style to manage their organization and affective component was found to be the dominant component of organizational commitment.

Yunus, N.H & Ibrahim, W.N (2015) conducted a study to identify the relationship between transformational leadership and organizational commitment. The further aim of the study was to examine whether leader –member exchange moderates the relationship between transformational leadership and organizational commitment. The data was collected from the sample of 122 employees of small medium enterprise (SME) companies at Shah Alam. Among all the dimensions of transformational leadership, only individual consideration was found to have significant relationship with affective commitment. The result further revealed that LMX does moderate the relationship between transformational leadership and organizational commitment.

Njoroge, D & Gachunga, H (2015) conducted an empirical study on 343 respondents of technical institution, Kenya to determine the effect of transformational leadership style on organizational commitment as moderated by employee participation. The result revealed that transformational leadership is a significant predictor of affective, continuance and normative commitment. The further analysis of the study showed that idealized influence, individualized consideration and intellectual stimulation had a significant individual effect on all the three components of organizational commitment. However, inspirational motivation had a significant effect on affective and normative commitment but not continuance commitment. The findings were different when the variables were regressed jointly. Idealized influence was found to have a significant effect on affective commitment only. While inspirational motivation significantly



predicted affective, continuance and normative commitment. The result also revealed that employee participation did not moderate the relationship between transformational leadership and affective commitment, continuance and normative commitment.

Feizi,M., Ebrahimi,E & Beheshti,N (2014) examines the predictive relationship between transformational leadership style and organizational commitment of Gerni's secondary school teachers in academic year 2011-2012. Four-hundred secondary school teachers were assessed on various dimensions of transformational leadership and organizational commitment. The result of regression analysis indicated that three components of transformational leadership, namely idealized influence, individual considerations, and intellectual stimulation were considered as predictor variables in organizational commitment. Among all the components of transformational leadership, idealized influence had the greatest effect on organizational commitment of teachers.

Mathotaarachchi, K.P (2013) investigates the impact of transformational and transactional leadership behaviors on employees' trust and their organizational commitment for non teaching staff of the Sri Lankan Universities. The study findings indicated that there is a positive impact of leadership of bosses' on employees' trust. Transformational leadership behaviors explained the greatest amount of correlations in normative commitment, compared with the affective commitment while no relationship with continuance commitment. The results for transactional leadership variables revealed the weaker relationships with the different types of organizational commitment. Among all the variables of transformational and transactional leadership Individual Consideration, idealized influence (attributed), Management-by-exception (passive) was the best predictors of employees' organizational commitment.

Wiza,M & Hianganipal,N (2014) demonstrated the impact of leadership style on teacher's organizational commitment. The study revealed a positive relationship between transformational leadership and organizational commitment. In particular, the results of this research indicate a positive and significant relationship of transformational leadership style with affective and continuance commitment but no significant relationship was found between transformational leadership style and normative commitment while transactional leadership was found to be



significantly related to normative commitment. The findings were similar to the research conducted by Hayward, Goss and Tolmay (2004). Similarly Bupinjnienø and Škudienø (2008) in their study also confirms that transformational leadership has a positive relationship with affective and continuance commitment but different for that of normative commitment.

These studies have manifested transformational leadership to be a significant predictor of organizational commitment (Bono & Judge 2003; Rowden 1999; Emery & Baker 2007). In sum, it appears that traits involving the idealized influence, individualized consideration, inspirational motivation and intellectual stimulation are worth studying in the context of organizational commitment as such leaders have distinct and exclusive characteristics, enormous power of influence, grand vision and outstanding human and conceptual skills.

4. FINDINGS OF THE STUDY

The review of literature shows that there is a positive relation between EI and organizational commitment. Transformational leaders care about their followers well being and they even appreciate their contribution. Such behavior of transformational leaders elicits affective commitment by fulfilling socio-emotional needs as need for esteem, approval and affiliation. (Stinglhamber & Vandenberghe 2003). Leaders who depict transformational behavior are better able to enhance the commitment of the employees. Transformational leaders share the collective conscious of their organization. They understand what actions to take to evoke change, spur innovation, and make decisions that will create growth. These characteristics induce a sense of commitment in the employees of the organization. The findings of this study can be used as a guideline by the management to upgrade the effectiveness of leadership styles in their organization.

5. CONCLUSION

The study recommends that the management in organization must focus on leaders' behavior for improving employees' organizational commitment. Transformational leaders are able to display



good interpersonal relations which in turn influence the employee's commitment. To enhance the organizational commitment of the employees, leaders' needs to depict the characteristic of idealized influence and must give personal consideration to their employees. The study concludes that transformational leadership style is more appropriate in inducing organizational commitment. Hence, the study recommends that organization must adopt transformational leadership style to enhance the organizational commitment of their employees.

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