TRANSFORMATIONAL LEADERSHIP STYLE AND ORGANIZATION COMMITMENT

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ABSTRACT

This research is about transformational leadership style on organization commitment in Punjab. We collected data through questionnaire from education and banking sector of Punjab. The study includes Organization Commitment as a dependent variable and Transformational Leadership independent variable and its dimensions are Idealized Influence, Intellectual Stimulation, Inspirational Motivation and Individualized Consideration. We applied frequency, descriptive and correlation analyses. Results presents a beneficial support for the suggested hypotheses. The study find that transformational leadership style and its dimension has positive and significant relationship with organization commitment.

Keywords: Transformational, Commitment, Correlation, Punjab

INTRODUCTION

The study is aimed to examine the transformational leadership and organizational commitment in banking and education sectors of Punjab, the major province of Pakistan. This

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study is helpful for banking and education institutions to understand the leadership styles. Effective leadership style plays an essential role in every sector including educational and banking sectors through change as this frequently involves uncertainty and risks. The banking sector plays a major contribution of Pakistan economy. At the time of bad economic conditions and financial crisis of the country, banking sector produced stable result. In this study, dependent variable is organization commitment and explanatory variable is transformational leadership style and its dimensions. The transformational leadership style is obtained in terms of four dimensions (i.e. Idealized Influence, Intellectual Stimulation, Inspirational Motivation and Individualized Consideration).

Various studies of management have different effects on the success of these organization. Education and banking sectors are two important sectors, where growth and development can be enumerated by implementing suitable management styles, which are either existence or not are unknown. This research attempts to find out management for these two sectors. Here the main objective of this research is:

- To examine the relationship between organizational commitment on transformational leadership dimension.

LITERATURE REVIEW

Literature is reviewed in this article under three main areas of discussion namely: organizational commitment, leadership style, and relationships between transformational leadership and organization commitment.

Organizational Commitment

Organizational commitment means commitment between employee and organization, belief on organizational goals and putting extraordinary effort to achieve the goals (Porter, Steers, & Boulian, 1974). Mowday and Steers (1979) identified commitment-related attitudes and commitment-related behaviors. Sheldon and Mary (1971) define commitments as "being a positive evaluation of the organization and the organizations goals". According to Robbin and Sanghi (2005), "organizational commitment refers to the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization". So organization commitment can be operationalized as, employees sustain their relationship with organization and understand the vision and goals. Organization commitment is important for leaders to influence their employees and peers to support their plans and proposals to carry out with their decisions (Blickle, 2003; Mahdi & Almsafir, 2014).

Researchers have found that commitment increases creativity of people and it is a strong determinant of workers' better performance toward the achievement organizations' goals (Almsafir & Mohd, 2014; Coelho, 2011). When employees face lack of commitment then it results into high turnover and absenteeism (Durkin, 2000; Lo & Min, 2009). Organizational commitment have three dimensions that are effective commitment, continuance commitment and Normative Commitment.

Effective commitment is directly related to emotional attachment, involvement and identification in the organization. In this type of commitment employees are willing to accept the organization value and goal as found by Meyer (1991) and Smith (1993). Affective commitment is considered a more important indicator for dedication and Loyalty (Rhoades & Armeli, 2001). Continuance commitment is related to norms and value. According to employees' point of view leaving an organization is expensive (Meyer & Allen, 1991). Normative Commitment is the ordinary commitment; it is the way we raised in the world (Meyer & Allen, 1991). Organizations should be concerned about employees moderately to catch the concentration and hold good workforce (Sethi, 2012). It also says that the employee always have feeling for the organization. The behavior of leader plays an important role for employee's organization commitment. The ability of a manager to enable and motivate employees adds to the contribution towards organizations success (House & Javidan, 2004). Good leader enhance employee satisfaction, loyalty and commitment. Due to good leadership style committed employees work for the betterment of organization.

Leadership Style

A leader must have a sense of mission, be decisive, have a charismatic style and should use imaginative problem solving technique to encourage people and to create positive working environment. According to Hemphill (1957), leadership is "the behaviour of an individual when he is directing the activities of a group towards a shared goal." Leadership is "the process of influencing employees to work toward the achievement of objectives" (Hasbullah, 2008). Leadership style is based on various paradigms such as, organic, transactional, transformational and classical leadership style (Samad, 2012).

One of the major type of leadership behavior is transformational leadership. According to Robbin and Sanghi (2005), theory of leadership practices is called "Cutting edge leadership theory". Transformational leadership was introduced by "James MacGregor Burns in 1978". A transformational leader is one who is charismatic and creates a positive and valuable change in the followers. This leadership style has four factors that are: idealized influence, intellectual

stimulation, inspirational motivation and individualized consideration. Idealized influence is one of the major dimension of transformational leadership. A leader acts as a role model for the followers he led, and becomes respected, admired and trusted (Bruce, 1994). A leader is a risk takers and his/her behavior is consistent rather than arbitrary. The leaders can be trusted they cannot use the power for personal gain, and follow high standard of ethics and moral conduct.

The transformational leader has a tendency to create motivated and inspiring workers by the challenge to the people of the organization. The way of communication shows that the expectation is high and it expresses important purposes (Bass, 1990). Moreover, leaders inspire employees to enhance their result and outcome. In this leadership style all the team members require same level of enthusiasm and eagerness to make sure maximum productivity and efficiency, and so they work up to their optimal capabilities in support to each other.

Transformational leader encourages and motivates the follower through a more logically and newer way to solve problems. Leaders motivate employees and tell them to creative ways to solve problems. Transformational leaders not only stress thinking but also promote organization culture. The leaders do not criticize employees who make mistake in public. This type of leadership inspires followers to develop creativity and innovativeness.

Transformational leaders provide closer attention to the need of individual followers for achievement and growth by acting as a coach for them. Leaders not only develop the habit to listen but they also develop the way of thinking around the followers. When the followers give attention, receive confidence, their job satisfaction increases and they meet leader's expectations (Lvina, 2007). According to Pmcounseling (2014), "A leader modeling individualized consideration will spend time learning about the specific motivations, hopes and dreams of each individual"

Relationships between Transformational Leadership and Organization Commitment

Almsafir and Mohd (2014) carried out a study "the impact of transformation leadership behavior on organization commitment in plantations companies", and found a strong relationship between leadership and commitment. Fasola and Adeyemi (2013) examined the impact between transactional, transformational stale and their dimension on organization commitment in banking sector of Nigerian employees, and found that transformational leadership has positive impact on organizational commitment. Saeed and Ahmad (2013) conducted a study to find out the effect of new leadership style on organization commitment.

It was found that transformational leadership has positive and significant relationship with organization commitment and leadership.

Leadership is important for the success of an organization. Batool (2013) investigated the effect of transformational leadership on organization commitment in banking sector of Pakistan. It was found that banking sector of Pakistan follows transformational leadership style. The result shown that transformational leadership and organization commitment have positive and significant relationship.

Samad (2012) investigated the influence of innovation and transformational leadership on organizational performance; data was collected through questionnaire; sample of 150 was taken from managerial staff to know the relationship of innovation and transformational leadership; the study shows that both variables have impact on organization performance. Several Researchers such as Mirza (2012), Rehman, Shareef, and Ishaque (2012) found that leadership style enhances employee organization commitment; researchers used multifactor leadership questionnaire and data was collected from selected educational institutions of Lahore; the impact of transformational leadership style on employee commitment was 41%; it shows that transformational leadership style has positive and significant relationship with employee motivation.

Raiz and Ijaz (2011) worked on a similar topic i.e. "Impact of Transformational Leadership Style on Effective Employee Commitment"; the objective of this study was to examine the impact of transformational leadership on commitment in banking sector of Pakistan; banking employees were the target population of this study; transformational leadership style was measured through multifactor leadership questionnaires; 293 questionnaires were distributed in banks; the results show that the transformational leadership has positive and significant relationship with organization commitment. Costa (2008) investigated organization commitment and its relationship to perceived leadership style in Islamic schools of Canada; she conducted semi structured interviews and used questionnaire to collect data; multifactor leadership questionnaire of Allen and Meyer (1996) was used in this study; results revealed significant relationship between organization commitment and perceived leadership style.
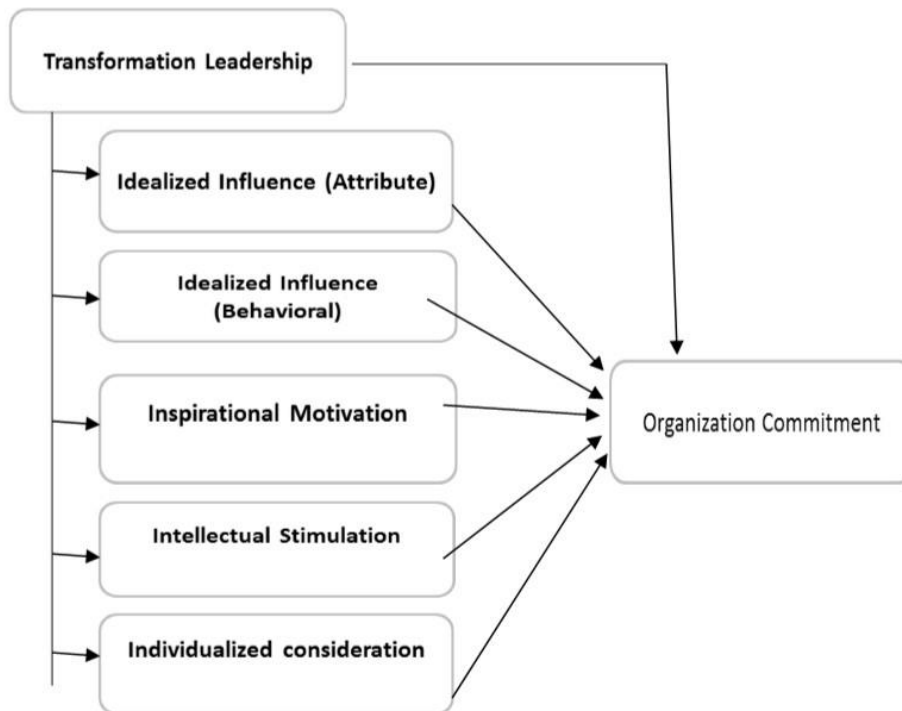
Hypothesis Development

- *H₁: There is a positive and significant relationship between "organization commitment" and "transformational leadership style"*

- *H₂: There is a positive and significant relationship between "organization commitment" and "idealized influence"*

- *H₃: There is a positive and significant relationship between "organization commitment" and "idealized influence"*

- *H₄: There is a positive and significant relationship between "organization commitment" and "inspirational motivation"*

- *H₅: There is a positive and significant relationship between "organization commitment" and "intellectual motivation"*

- *H₆: There is a positive and significant relationship between organization commitment and individual consideration*

FIGURE 1

Schematic Diagram of Hypotheses Development

RESEARCH METHODOLOGY

This study is based on descriptive field study. Researcher conducts this study to find out the relationship between transformational leadership with organization commitment among the education sector and banking sector. Time horizon technique is using cross sectional.

Population and Sampling

Purposive sampling technique is used to obtain sample. It is the type of non-probability sampling. Data are collected from two source; banking and education sector. The education

sector includes private colleges Punjab College, Superior College and Leads College; teaching and administrative staff. Banking sectors include Al-Baraka bank, UBL. This probability technique is select due to the behavior/nature of people. The banking and education sector people understanding the nature of question.

Instrument/ Data Collection Method

The transformational leadership style is measured using Multifactor leadership Questionnaire and organization commitment is measured Multifactor Commitment Questionnaire. Both questionnaire are measured the organization commitment affect transformational leadership style. The study uses self-administrative techniques that determine the transformational leadership style of the person as own assumption.

ANALYSIS AND INTERPRETATION

Table 4.1include item wise percentage and frequency for responses against the "Organization Commitment" total response were useable 138 with mean score 3.55 and Standard Deviation 0.56 concluding that Organization Commitment element is practiced.

Table 4.1

Organization Commitment

	I instill pride in other for being associated with me		I go beyond self-interest for the good of the group		I act in ways that build other respect for me		I get other to look at problems from many different angles		I get other to look at problems from many different angles	
	F	P	F	P	F	P	F	P	F	P
Strongly Disagree	4	2.9	40	29	5	3.6	5	3.6	3	2.2
Disagree	8	5.8	32	23.2	9	6.5	18	13	3	2.2
Neutral	23	16.7	22	15.9	33	23.9	43	31.2	17	12.3
Agree	62	44.9	30	21.7	61	44.2	54	39.1	60	43.5
Strongly Agree	41	29.7	14	10.1	30	21.7	18	13	55	39.9

Note. Mean = 3.55, SD = 0.56, n = 138

Table 4.2 includes item wise percentage and frequency for responses against the dimension of "Transformational Leadership Style". "Idealized Influence (Attributed)" total responses were useable 138 with mean score 3.91and Standard Deviation 1.28 concluding that "Idealized Influence (Attributed)" element is practiced.

Table 4.2

Idealized Influence (Attributed)

	I instill pride in other for being associated with me		I go beyond self-interest for the good of the group		I act in ways that build other respect for me		I get other to look at problems from many different angles	
	F	P	F	P	F	P	F	P
Strongly Disagree	5	3.6	3	2.2	3	2.2	5	3.6
Disagree	7	5.1	11	8	11	8	4	2.9
Neutral	45	32.6	27	19.6	14	10.1	32	23.2
Agree	61	44.2	61	44.2	66	47.8	63	45.7
Strongly Agree	20	14.5	36	26.1	44	31.9	33	24.6

Note. Mean = 3.91, SD = 1.28, n = 138

Table 4.3 includes item wise percentage and frequency for responses against the dimension of "Transformational Leadership Style". "Idealized Influence (Behavioral)" total responses were useable 138 with mean score 3.99 and Standard Deviation 1.25 concluding that "Idealized Influence (Behavioral)" element is practiced.

Table 4.3

Idealized Influence (Behavioral)

	I talk about my most important values and beliefs		I specify the importance of having a strong sense of purpose		I considered the moral and ethical consequences of decision		I express satisfaction when other meet expectations	
	F	P	F	P	F	P	F	P
Strongly Disagree	2	1.4	1	0.7	2	1.4	5	3.6
Disagree	11	8	8	5.8	6	4.3	8	5.8
Neutral	31	22.5	25	18.1	21	15.2	22	15.9
Agree	65	47.1	65	47.1	64	46.4	60	43.5
Strongly Agree	29	21	39	28.3	45	32.6	43	31.2

Note. Mean = 3.99, SD = 1.25, n = 138

Table 4.4 includes item wise percentage and frequency for responses against the dimension of "Transformational Leadership Style". "Inspirational Motivation" total responses were useable 138 with mean score 3.85 and Standard Deviation 0.63 concluding that "Inspirational Motivation" element is practiced.

Table 4.4

Inspirational Motivation

	I talk optimistically about the future		I talk enthusiastically about what need to be accomplished		I articulate a compelling vision of the future		I express confidence that goal will be achieved	
	F	P	F	P	F	P	F	P
Strongly Disagree	5	3.6	1	0.7	3	2.2	1	0.7
Disagree	11	8	14	10.1	7	5.1	9	6.5
Neutral	27	19.6	30	21.7	34	24.6	22	15.9
Agree	53	38.4	59	42.8	66	47.8	56	40.6
Strongly Agree	42	30.4	34	24.6	28	20.3	50	36.5

Note. (Mean = 3.85, SD = 0.63) n = 138

Table 4.5 includes item wise percentage and frequency for responses against the dimension of "Intellectual Motivation" total responses were useable 138 with mean score 3.90 and Standard Deviation 0.635 concluding that "Intellectual Motivation" element is practiced.

Table 4.5

Intellectual Motivation

	I re-examine critical assumptions to question whether they are appropriate		I seek differing perspectives when solving problems		I suggest new ways of looking at how to complete assignment		I emphasize the importance of having a collective sense of mission	
	F	P	F	P	F	P	F	P
Strongly Disagree	0	0	2	1.4	2	1.4	6	4.3
Disagree	4	2.9	10	7.2	9	6.5	9	6.5
Neutral	37	26.8	12	8.7	21	15.2	16	11.6
Agree	77	55.8	83	60.1	59	42.8	71	51.4
Strongly Agree	20	14.5	31	22.5	47	34.1	36	26.1

Note. Mean = 3.90, SD = 0.635, n = 138

Table 4.6 includes item wise percentage and frequency for responses against the dimension of "Intellectual Motivation" total responses were useable 138 with mean score 3.81 and Standard Deviation 0.67 concluding that "Intellectual Motivation" element is practiced.

Table 4.6

Individual Consideration

	I spend time teaching and couching		I treat others as individuals rather than just as a member of group		I consider an individual as having different need and abilities from the other		I help other to develop their strengths	
	F	P	F	P	F	P	F	P
Strongly Disagree	6	4.3	6	4.3	4	2.9	3	2.2
Disagree	15	10.9	23	16.7	9	6.5	4	2.9
Neutral	37	26.8	35	25.4	24	17.4	14	10.1
Agree	46	33.3	38	27.5	65	47.1	57	42
Strongly Agree	34	24.6	36	26.1	36	26.1	59	42.8

Note. Mean = 3.81, SD = 0.67, n = 13

It has been observed that there exist positive significant relationships between "Idealized Influence (Attribute)" and "Organization Commitment" ($p < 0.05$) while the relationship is week as Pearson Correlation coefficient ($R = 0.21$) so the hypothesis H2 has been accepted. Similarly there is a positive relationship between "Idealized Influence (Behavioral)" and Commitment ($p<0.05$) however the intensity of relationship is week as per Pearson Correlation coefficient ($R = 0.19$) accepting the hypothesis H3. There is a positive relationship between "Inspirational Motivation" and Commitment ($p<0.01$) however the concentration of relationship is moderate as per Pearson Correlation coefficient ($R = 0.39$) accepting the hypothesis H_4.

There is a positive relationship between "Intellectual Motivation" and Commitment ($p<0.01$) however the concentration of relationship is moderate as per Pearson Correlation coefficient ($R = 0.554$) accepting the hypothesis H5. There is a positive relationship between "Individual Consideration" and Commitment ($p<0.01$) however the concentration of relationship is moderate as per Pearson Correlation coefficient ($R = 0.37$) accepting the hypothesis H_6.

Table 4.7

Correlation Analysis

		Orga-nization commi-tment	Idealized Influence (Attribute)	Idealized Influence (Behavi-oral)	Inspir-ational Motiv-ation	Intell-ectual Moti-vation	Individual Consideration
Organization commitment	Pearson Correl-ation	1					
	Sig.(2-tailed)						
Idealized Influence (Attribute)	Pearson Correl-ation	.210*	1				
	Sig.(2-tailed)	.013					
Idealized Influence (Behavioral)	Pearson Correl-ation	.195*	.156	1			
	Sig.(2-tailed)	.022	.067				
Inspirational Motivation	Pearson Correl-ation	.397**	.238**	.360**	1		
	Sig.(2-tailed)	.000	.005	.000			
Intellectual Motivation	Pearson Correl-ation	.554**	.318**	.371**	.550**	1	
	Sig.(2-tailed)	.000	.000	.000	.000		
Individual Consideration	Pearson Correl-ation	.373**	.310**	.232**	.428**	.484**	1
	Sig.(2-tailed)	.000	.000	.006	.000	.000	

Note. Mean = 3.81, SD = 0.67, n = 13, * Correlation is significant at the 0.05 level (2-tailed), ** Correlation is significant at the 0.01 level (2-tailed)

DISCUSSIONS AND CONCLUSIONS

The results of organization commitment are more than fifty percent agree and strongly agree, that is a good sign. The role of leader is to instill pride, creating respect, building trust and confidence and working beyond self-interest for the group that makes the leader influence as "Ideal Influence (Attribute)". Majority of the people behave agree and strongly agree while leading the follower is a good sign on their part of being transformational leadership.

The values and beliefs, strange sense of purpose, moral and ethical decision and feel satisfaction when meet expectations for the group that make the leader influence as "Ideal Influence (Behavioral)". More than 70% people behave strongly agree and agree that is a good sign for leader. The majority of the people are agreeing to "Inspirational Motivation" quality of leader. The "Intellectual Motivation" behavior of leader are more appreciated, it approve the response of people. Almost 77% people like this quality of leader. Individual consideration result are also good as compared to previous dimension, but the quality of leader develop the strength to their follower is more applicable to the behavior of people. Approximately 85% people agree this statement.

Recommendations

There has been found significant and positive relation between dimensions of transformational leadership style and organization commitment. So the manager performing the leadership function should try to focus on influencing the followers, treat other as an individual rather than just a member of group and inspiring them still need more attention. The "intellectual motivation" as its intensity of relation is stronger than the other dimension of transformational leadership. Researcher think that leader follow the "Intellection Motivation" dimension.

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