The Measurement of the Effectiveness of Leadership Styles for Organizational Commitment in Pakistan

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Abstract

This paper examines the relationship between transformational and transactional leadership and organizational commitment. Survey method was used for the purpose of collecting data from academic staff working in public sector Tertiary Institutions in Pakistan. Total 200 questionnaires were collected. After the process of data analysis, the results revealed both transformational leadership styles and transactional leadership style have significant effect on organizational commitment. However, PLS modelling outcome showed that the transformational leadership style was more influencing factor on organizational commitment than transactional leadership. Besides that, conclusions were drawn and recommendations were highlighted.

Keywords: transformational leadership, transactional leadership style and organizational commitment

1. Introduction

Educational leadership studies have grown as academician play imperative role in the development of education (York-Barr & Duke, 2004). Nowadays, in the global competitive emergent environment, the role of leadership gets strategic importance for all organization (Sheri-Lynne, Leskiw, & Parbudyal 2007). In every organization, leadership is considered as a significant part of organization, which assists the organization to get competitive advantage and improve their employee skills.

In addition, Education and Training Policy Division (2008) highlighted that effective leadership is necessary to improve the proficiency of educational institutions. Similarly, in Pakistan, educational leadership is essential to boost and bring vitality to institutional atmosphere. The role of educational leaders is very important to encourage professional progress and bring efficiency in the public Tertiary Institutions.

Numerous researchers such as Yulk, (2002) and Sharifah (2012) explained general assumption on leadership styles and how it influence on organizational commitment. According to Yulk (2002) leadership is the capability of individual to support and guide their employees, in order to achieve organizational goals and objectives. For educational leaders, formulating a clear and appropriate vision that can invigorate academic staff and motivate students is a key task to success. While according to Sharifah (2012) an effective and dynamic leadership can influence the level of academic staff commitment towards their organizational performance.

In every public Tertiary Institution, the head of department is expediter between the organization and followers. Thus, to establish strong relationship between academic staff and institutions the role of top management is very important. The previous literature indicated that academic staff commitment and leadership are dominant factors in the public Tertiary Institutions effectiveness (Day, 2000; Fullan, 2002; Louis, 1998).

In the current study, researchers investigate two important leadership styles (i.e., transformational and transactional leadership styles) which effect organizational commitment in public Tertiary Institutions in Pakistan. There is very limited research conducted on leadership (e.g. transactional and transformational leadership styles) and their impact on organizational commitment in education sector in Khyber Phuktunkwa Pakistan (Abbas & Yaqoob, 2009). In addition, there is insufficient research conducted in the field of public Tertiary Institutions. Therefore, there is need to study transformational and transactional leadership styles in public Tertiary Institutions.
2. Literature Review

2.1 Organizational Commitments

Organizational commitment is the willingness of workforces to accept the organizational goals and values with an organization, to put more energy for the success of organizational goals (Bateman & Strasser, 1984). Organizational commitment refers to employee attachment with the organization (Meyer & Allen, 1991). Similarly, according to Bakhshi, Kumar and Rani (2009) and Meyer & Allen (1991) organizational commitment comprises of three dimensions: (i.e., affective commitment, continence commitment and normative commitment).

According to Omar, Anuar, Majid & Johari, (2012) the importance of the organizational commitment is increasing because of its outcome, decreasing employee’s absenteeism and enhancing the employees’ performance. According to Yurchisin, Park and O’Brien (2010) employees who are more committed perform better and stay longer with the organization. Numerous researchers have been studied organizational commitment in different areas on examining the relationship of employee motivation and employee commitment.

Like, Jonathan, Darroux, and Massele (2013) investigated the relationship between the job satisfaction and organizational commitment in the context of secondary school teacher in Tanzania. The outcome showed significant relationship between job satisfaction and organizational commitment ($r = .605$, n = 103, $p<0.05$). Likewise, Sendogdu, Kocabacak, and Guven (2013) probed the relationship between the human resources practices (HRM) and organizational commitment in context of (Konya) Turkey. The result revealed that there is significant relationship between HRM practices and organizational commitment. The social exchange theory also explained that when employee received good support and satisfy from their organization, similarly, they give feedback to be committed to the organization (Kopp, 2013).

Based on the literature review, few researches have been done in the sector of public tertiary institutions especially in Asia context. Therefore, more research is needed to study organizational commitment in context of Asia, especially in the sector of public tertiary institutions in Pakistan.

2.2 Transformational Leadership Style

The first factor which related to academic staff commitment in public Tertiary Institutions is transformational leadership style. Avolio, Zhu, Koh and Bhatia (2004) describe that transformational leaders are those who stimulate employees to go beyond and perform better. According to Burns (1978) that transformational leadership style brings significant change in the organization by convincing and motivating their employees. Moreover, this style of leaders persuades and encourages their employees in the workplace; it helps in enhancing the spirit and enthusiasm among the team and increases employee commitment toward organization.

Similarly, Bommer (2004) highlighted that transformational leadership style is more supportive, open and flexible functional change in the organization. Likewise, Emery and Barker (2007) enlightened that transformational leadership style has the capability to enhance the employee commitment level. Equally, Erben and Guneser (2008) the result revealed that employee commitment level has increased by implementing transformational leadership style.

Likewise, Lai, Luen, Chai and Ling (2014) probed the relationship between school teacher commitment and principle leadership styles in Perak, Malaysia. The result found that the relationship between commitment and transformational leadership style is significant. Another recent research by Shin (2013) also investigated the association between organizational outcome, organizational commitment and leadership style in fire department. The findings showed that both styles of leadership (i.e., transformational and transactional leadership) have significant relationship with organizational commitment.

However, disagreement arises as Epitropaki and Martin (2005) and Wu (2009) discussed that transactional leadership is more effective than transformational leadership style to achieve organizational goals and enhance employee commitment. Similarly, Marmaya et al. (2011) also argued that the relationship between employee commitment and transactional leadership is more significant than transformational leadership style.

Based on review of literature most of the studies have been done in the context of western and developed countries, and most of the studies have been done in fire department, banking sector and manufacturing sector. Inadequate studies have been conducted in context of Asia, especially in public tertiary Institutions including Pakistan. Hence, further study need to probe the association between commitment and leadership styles for better understanding in public Tertiary Institutions in Pakistan. Therefore, this study hypothesized as follow.

H1: There is significant relationship between transformational leadership style and organizational commitment.
2.3 Transactional Leadership Style

The second factor related to academic staff commitment in public Tertiary Institutions is transactional leadership style. This style of leadership is famous as managerial leadership, which focused to encourage their employees through punishments and rewards. This style of leadership guides and motivates their employees to accomplish their task (Burns, 1978). According to Bass (1990) transactional leadership style is transaction between leaders and employees.

However, Rotemberg and Saloner (1993) highlighted that no leadership styles have priority on each other and not fix it may be transactional leadership style or it may be transformational leadership style, its depend on the subordinates that in which style they like to perform better.

Similarly, another study by Yavirach (2012) examined the impact of leadership style on organizational commitment and job satisfaction. The result showed that transactional leadership style has significant relationship with organizational commitment and job satisfaction. In the same way, Madanipour (2013) probed the effect of attachment style on the relationship between leadership style and organizational commitment. The finding (r = .28, p< .01) showed that the relationship between leadership style and organizational commitment is significant.

Moreover, Cemalgle, Sezgin and Kiling (2012) probed the relationship between the school teacher commitment and school principals in Ankara. The finding showed that transactional leadership style (i.e., school teachers) has significant relationship with organizational commitment (i.e., school teachers). On the contrary, Waumbwa and Lawler (2003) stressed that transformational leadership style is more effective on organizational commitment than transactional leadership. Likewise, Chiun Lo, Ramayah and Min (2009) highlighted that both style of leadership, transformational and transactional have effect on organizational commitment. However, transactional leadership style helps in some positions but less effective than transformational leadership style.

Literature review shown that there is variation in findings because the researches have been conducted in various sectors in different context. Most of the researches have been done on the telecom sector, manufacturing and banking sectors. Scanty research has been conducted on leadership in public Tertiary Institutions in Pakistan (Saeed, Hashmi, Lodhi, Ahmad, Arshad, & Ahmad, 2013). So, leadership style needs to study further in public Tertiary Institutions in Pakistan. Therefore, this study hypothesized as follow.

H2: There is significant relationship between transactional leadership style and organizational commitment.

Social exchange theory (Blau, 1964) has been used as the underpinning theory in this study. The concept of social exchange is based on the norm of reciprocity (Gouldner, 1960).

Ngodo, (2008) supporting with social exchange theory, if employee received support from their leadership, similarly, employees give reply to be committed to the organization.

![Figure 1. Research framework](image)

3. Method

3.1 Procedure and Participants

Total 350 survey questionnaires were circulated, as recommend by Krejcie & Morgan, (1970) the minimum number of sample should be 346 for the total population of 3544. Therefore, 350 survey questionnaires were circulated by using stratified random sampling among the academician in public KPK HEIs in Pakistan. The study measured transactional leadership and transformational leadership styles and organizational commitment. However, only 200 survey questionnaires were received. Hence, the survey yielded a response rate of 57%, which is considered adequate for further analysis (Sekaran, 2003). 83% of the respondents were males and mostly 69% were lecturers, 26.5% and 3% were assistant professors and associated professors and only 1.5% was professors. 74% hold M.Phil/Ms degree, while 23% hold Master degree and 3% hold doctorate degree. 67% of the respondents
were married and 33% are single.

3.2 Measurement

Organizational commitment—is operationalized as academic staffs willingly accept university values and goals. Organizational commitment was measured with 17 items used by Allen and Meyer, (1997). Transactional leadership style—defined that transactional leader as an exchange between subordinates and leaders. Transactional leadership style was measured with 12 items by Bass and Avolio (1998). Transformational leadership style—transformational leadership can be explained as “looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower” Burns (1978). Transformational leadership style was measured with 20 items by Bass and Avolio (1998).

4. Results

4.1 Convergent Validity

In this present study Smart PLS version 2.0 was used to analyze the data. In this present study Smart PLS version 2.0 was used to analyze the data. Table 1 below shows that loadings >0.7; CR >0.7 and AVE >0.5, thus the measures have sufficient convergent validity. The researcher has checked the AVE and factor loadings for each item and all items were exceeding then 0.5 as recommended by (Hair, Black, Babin, & Anderson, 2010). While, Table 1 showed the composite reliability value ranged from 0.79 to 0.96 which showed the construct indicators indicated the latent construct, which exceeded 0.7 values as suggested by (Hair et al., 2010).

Table 1. Results of measurement model

<table>
<thead>
<tr>
<th>CONSTRUCT</th>
<th>ITEM</th>
<th>LOADING</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational commitment</td>
<td>OC10_1</td>
<td>0.7811</td>
<td>0.9602</td>
<td>0.5902</td>
</tr>
<tr>
<td></td>
<td>OC11_1</td>
<td>0.8318</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC12_1</td>
<td>0.8323</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC13_1</td>
<td>0.7601</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC14_1</td>
<td>0.8202</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC15_1</td>
<td>0.9151</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC16_1</td>
<td>0.8972</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC17_1</td>
<td>0.8973</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC1_1</td>
<td>0.6610</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC2_1</td>
<td>0.7095</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC3_1</td>
<td>0.6631</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC4_1</td>
<td>0.6055</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC5_1</td>
<td>0.7875</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>OC6_1</td>
<td>0.7836</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC7_1</td>
<td>0.6716</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC8_1</td>
<td>0.6271</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC9_1</td>
<td>0.7183</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transformational Leadership Style</td>
<td>TF1</td>
<td>0.6367</td>
<td>0.9212</td>
<td>0.5190</td>
</tr>
<tr>
<td></td>
<td>TF14</td>
<td>0.7408</td>
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<td>TF15</td>
<td>0.7756</td>
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<tr>
<td></td>
<td>TF16</td>
<td>0.7878</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>TF18</td>
<td>0.6743</td>
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<td></td>
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<tr>
<td></td>
<td>TF4</td>
<td>0.5415</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>TF5</td>
<td>0.8424</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>TF6</td>
<td>0.8307</td>
<td></td>
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<td></td>
<td>TF7</td>
<td>0.6944</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TF8</td>
<td>0.7206</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TF9</td>
<td>0.6194</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactional Leadership Style</td>
<td>TS22</td>
<td>0.8169</td>
<td>0.7936</td>
<td>0.5722</td>
</tr>
<tr>
<td></td>
<td>TS24</td>
<td>0.8793</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TS26</td>
<td>0.5254</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: TF2, TF3, TF10, TF11, TF12, TF13, TF17, TF19, TF20, TS21, TS23, TS25, TS27, TS28, TS29, TS30, TS31, TS32 were deleted because of low factor loadings (less than 0.5).
4.2 Discriminant Validity

The discriminant validity refers to the degree to which items differentiate among constructs or measure distinct concept (Duarte & Raposo, 2010). The average variance shared between each construct and its measures should exceed the variance shared between the construct and other constructs (Fornell & Larcker, 1981). See Table 2, below.

Table 2. Discriminant validity of construct

<table>
<thead>
<tr>
<th>Construct</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Commitment</td>
<td>0.7683</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transformational Leader Style</td>
<td>0.3860</td>
<td>0.7204</td>
<td></td>
</tr>
<tr>
<td>Transactional Leadership Style</td>
<td>0.2468</td>
<td>-0.4643</td>
<td>0.7564</td>
</tr>
</tbody>
</table>

Table 2 above indicated the correlation for each construct is less than the square root of the AVE suggesting adequate discriminant validity of the construct (Hair et al, 2010).

4.3 Structural Model

The results in structural model are presented in Table 3 and Figure 2.

Table 3. Path coefficients and hypothesis testing

| Hypothesis | Relationship                                      | Beta value | Standard Error (STERR) | T Statistics (|O/STERR|) Decision |
|------------|--------------------------------------------------|------------|------------------------|----------------|--------------|
| H1         | Transformational leader style -> Organizational Commitment | 0.6381     | 0.058690               | 10.8737       | Supported    |
| H2         | Transactional Leadership style -> Organizational Commitment | 0.5431     | 0.083176               | 6.5297        | Supported    |

** p<0.01

Figure 2. Results of the structural model analysis
The relationship between organizational commitment and transformational leadership style is positive as shown in Table 3. Which suggests that the $\beta=0.6381$, t-value=10.874 and p-value<0.01. It is also evident from the results that the relationship between transactional leadership style and organizational commitment is positive $\beta=0.5431$, t-value=6.539 and p-value<0.01. The $R^2$ value for organizational commitment is 0.38 which suggests that the transformational leadership style and transactional leadership style explain 36 percent variance in it.

5. Discussions

The main aim of this study was to probe the relationship between the transactional leadership style, transformational leadership style and organizational commitment among the academic staff of public Tertiary Institutions in Pakistan. The results showed that the relation between transformational leadership style and organizational commitment is significant. This finding is consistent with results of previous research (Bommer, Rubin, & Baldwin, 2004; Cemaloglu, Sezgin, & Kiling, 2012).

This indicates that transformational leader identifies the requirements of their staff and support and guide them to perform together to achieve required performance and he/she helps to enhance commitment level of their employees. This result is also supported by social exchange theory, which implies when there is strong leader member exchange (LMX) relationship between managers and employees, it enhances the employee commitment and motivation (Ning, Jian, & Crant, 2010). Thus, leaders need to appreciate their subordinates’ performance and give them support, this helps to increase the organizational commitment level of their employees.

Likewise, the findings also revealed that the relationship between transactional leadership style and organizational commitment is significant. The finding is also supported by the previous research results (Madanipour, 2013; Yavirach, 2012). This implies that transactional leadership is an instrument that motivates staff by appealing to their self-regard, which play imperative role in the enhancing employee commitment. SET also support the finding, that this style of leadership is an exchange among leaders and employees, where each person gets something from each other and committed toward organization (Cray, Inglis, & Freeman 2007). It shows that when employees receive support from their organization and have strong relationship with their supervisors, it helps employees to stay longer with the organization.

Moreover, in the present study it is also found that transformational leadership style is more effective than transactional, $\beta=0.6381$, t-value=10.874 and p-value<0.01. It is also evident from the finding that the relationship between transactional leadership style and organizational commitment is positive, but less effective than transformational leadership style on organizational commitment public Tertiary Institutions in Pakistan, $\beta=0.5431$, t-value=6.539 and p-value<0.01. This outcome is also consistence with previous studies such as Cemaloglu, Sezgin and Kiling (2012). Moreover, one of the possible reasons might be that academic staff in the public tertiary institutions is knowledgeable and exposed to the qualities and benefits of transformational leadership.

5.1 Implications

This study has theoretical as well as practical implications. Theoretically, this study has provided some empirical evidences on the association between transactional leadership style, transformational leadership style and organizational commitment. The results of this study have also contributed to the literature related to organizational commitment. In terms of practical contribution, the research results validated the concept that both leadership styles are of utmost importance in enhancing organizational commitment among employees in public Tertiary Institutions in Pakistan.

On the basis of the above findings and discussion, there are few implications for policy makers and human resource managers of public Tertiary Institutions in Pakistan as they are responsible for attracting and retaining capable academicians for their institutions. First, the significant relationship between transformational leadership style and organizational commitment suggests that transformational leadership style is vital resource in increasing the organizational commitment. The management of public Tertiary Institutions needs to ensure that there is effective leadership system among academic staff, it helps to enhance the employee commitment level and keep them employed in the organization for longer period of time.

Secondly, transactional leadership style is also found to have significant relationship with organizational commitment. Therefore, HR departments in public Tertiary Institutions in Pakistan need to take this result into consideration in order to help employees to work smoothly and perform better, which enhances the employee commitment level. It is the vital role of educational leadership to nurture professional growth and bring effective leadership to bear in the public Tertiary Institutions.

5.2 Limitations and Suggestions for Future Research

The present study has certain limitations that need to be highlighted. Firstly, only full time and contractual
academic staff was considered as sample. So, further research can be carried out to examine organizational commitment of non-academician. Secondly, data was collected only from Khyber Pakhtunkhwa (KPK) province. Therefore, future research can be conducted in other province in Pakistan. Thirdly, further investigation is also suggested to be carried out in other sectors such as manufacturing and services. Fourthly, this study is cross-sectional in nature; consequently, future studies may also be conducted using longitudinal approach. And finally, the current study employed only two factors (i.e., transformational and transactional leadership styles) in relation to organizational commitment. Thus, other factors which may also influence organizational commitment can be studied. This is because organizational commitment is recognized to many factors, such as promotional opportunities, job embeddedness and employee relation etcetera.

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