

Transformational Leadership and Follower's Organizational Commitment: A Literature Review

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Abstract

The human resource development literature highlights that properly implemented transformational leadership style may have a significant impact on the organizational commitment. Employees' commitment towards their organization is a crucial aspect in ensuring the success of the organizations because only highly committed employees are willing to contribute their extra effort to achieve organization's vision and goals effectively and efficiently. Thus, it is significant to identify the determinants of employees' organizational commitment. The purpose of this study was to investigate the relationship of perceived transformational leadership behavior and organizational commitment on the basis of previous researches and studies. According to the literature, continuous and desirable achievement of organizational objectives can be ensured when employees are committed to their organizations in which they are working because these employees are not only committed to the organization but also are addicted to the goals of the organization. Because the leaders are an important link between an organization and its employees leadership plays an important role in determining the commitment level of employees. The empirical evidences in the literature show leadership as a crucial factor in the commitment level of employees.

Keywords: Transformational Leadership, Organizational Commitment, Affective Commitment, Continuance Commitment, Normative Commitment

Introduction

Various researchers have found the positive relationship between affective organizational commitment and several other desirable organizational outcomes such as organizational citizenship behavior, absenteeism, and organizational effectiveness (Cohen, 2003; Katz and Kahn, 1978; Allen and Meyer, 1990). Further studies have also confirmed organizational commitment as a predictor of intent of employees to stay with the organization. Studies conducted in different kind of organizations advocate the positive relationship between behavior of the leader and the construct of organizational commitment (e.g. Bass and Riggio, 2006; Bycio et al., 1995; Pillai et al., 1999). Transformational leadership may be defined as the behavior of the leader through which he/she inspires and motivates his followers to perform at the level which is beyond expectation and this seems to be like organizational commitment (Bass and Riggio, 2006; Bycio et al., 1995).

According to Bass and Riggio (2006, pp. 32-33), the extraordinary commitment that transformational leaders evoke in their followers may underlie their excellent performance. The concept of organizational commitment can be described by at three factors: a feeling of trust in and acceptance of the organizational goals and values; a strong desire to invest considerable efforts on behalf of the organization; and a willingness to remain with the organization in future (Mowday, Steers & Porter, 1982). From an individual point of view, an individual's interaction with his job may be explained as job commitment, where a person develops pride in performing a work which has been allotted to him/her. Transformational leadership may lead to enhanced level of organizational commitment, if the leader executes properly all the processes of this latest approach of leadership i.e. intellectual stimulation, individualized consideration, inspirational motivation, and idealized influence.

Transformational Leadership

Transformational leadership is generally regarded as a leadership approach in those organizations which are facing renewal and transformation needs. The transforming leaders seek to develop the organizational climate in such a manner which is conducive for innovation and creativity by promoting difference opinion on a particular matter. According to the existing literature there is a positive relationship between transformational leadership and other organizational outcomes for example, transformational leadership positively impacts employees' subjective performance and organizational profit (Rowald and Heinitz, 2007). James MacGregor Burns (1978) initially introduced the concept of transformational leadership and later Bass (1985) further elaborated this notion and proposed a full-range-of-leadership model. In his model Bass argued that there are eight dimensions of leadership out of which four are of transformational leadership, three of transactional and lastly there is one non-leadership style i.e. laissez faire.

According to the model the four dimensions/behavior of transformational leadership are idealized influence, inspirational motivation, individualized consideration and intellectual stimulation. By following the behavior of idealized influence, the leaders provide a sense of collective mission, gain respect by following the shared values of the organization and instills a pride in the follower in being associated with him and with the organization. The behavior of inspirational motivation is exhibited by a leader who not only communicates a compelling vision to his followers but also establish challenging goals and shows trust in employees that they will

achieve the goal. An intellectually stimulating leader encourages his followers to be innovative and creative by challenging the old established beliefs and assumptions and framing old problems in new ways. An individually considering leader treats each employee individually rather than just a member of group, the leader assesses the needs of each individual follower and provide him coaching and mentoring accordingly.

Organizational Commitment

Organizational commitment can be defined as the relative strength of an individual's identification with a particular organization and involvement in the goals of that organization. Meyer and Allen (1990) defined organizational commitment as a construct which is composed of three components: Affective Commitment (AC), Continuance Commitment (CC), and Normative Commitment (NC). Affective commitment can be described as employees' strong association with the organizational objectives and values. Since it demonstrates the emotional commitment of the employee towards the organization, affectively committed employees are more likely to stay in the organization. Employees who are high on this dimension of commitment continue to work with the organization not just because they need to work in the organization but because they like to work in that organization.

Continuance commitment highlights a financial aspect of the construct of organizational commitment. It describes the commitment in terms of investment size that an has made in the organization meaning that continuance commitment indicates the realization of an employee about the costs in that he/she would have to bear in case of leaving the job. Normative commitment describes feeling of responsibility to stay with the organization on part of employees. Employees' who are high on this dimension of commitment take some actions to achieve organizational objectives not because either their immediate supervisor instructs them or because of any organizational compulsion but the employees consider those action as their moral and ethical responsibility.

Transformational Leadership and Followers' Organizational Commitment

Organizational commitment is defined as 'the relative strength of an individual's identification with and involvement in a particular organization' (Mowday, Porter, & Steers, 1982, p. 27). According to previous researches various personal factors like work experiences and other organizational factors predict organizational commitment (Allen & Meyer, 1990, 1996; Meyer & Allen, 1997). Among those many personal and organizational factors, leadership is considered as a key determinant of organizational commitment (Mowday et al., 1982). In particular, there is considerable research now available advocating the positive relationship between transformational leadership and organizational commitment in various organizational settings and cultures (Bono & Judge, 2003; Walumbwa & Lawler, 2003). A study conducted by Shamir and colleagues indicated transformational leadership is effective in impacting the followers' commitment towards their organization by encouraging higher levels of intrinsic value associated with goal accomplishment, intensifying the linkage between subordinates' efforts and goal achievement (Shamir, House, & Arthur, 1993).

Transforming leaders enhances their followers' level of commitment by encouraging them to think upon the conventional problems in newer ways, promoting the participation of the followers in the decision making processes, while acknowledging and recognizing the different needs of each employee to grow to his or her fullest personal potential (Bass & Avolio, 1994). Further in their study Walumbwa & Lawler (2003) suggested that by inspiring followers to search for novel methods for traditional challenges and tasks and identifying with followers' individual developmental needs, these leaders become successful to motivate their subordinates to get more indulge in their work which further results in higher level of organizational commitment. The direct positive relationship between higher organizational commitment of employees and their leaders willingness to involve them in the decision making process was also confirmed through other researches also (Jermier & Berkes, 1979; Rhodes & Steers, 1981)

Conclusion

From the above discussion it can be suggested that transformational leadership can be used as a predictor of employees' organizational commitment. The higher level of commitment can also raise satisfaction level of the employees working in the organization. It can be suggested that the transformational leadership approach can be adopted in an organization where there is a strong willingness in the organizational constituents to move forward or when the organizational members show dissatisfaction with the present state of affairs of the organization so that novelty can be brought. Managers in the organization should take the responsibility of increasing the commitment level of employees because it has been proved through various studies that the success of an organization depends upon the behavior of the leaders in the organization. They are only the managers with distinct style of leadership who ensure the extraordinary and excellent performance of any institution. Therefore managers should raise commitment level of the employees by adopting the transformational leadership attitudes and behavior so that a highly committed workforce which is willing to perform extraordinarily for the organization can be produced. At the same time leaders/managers should also do as assessment in the decreased level of commitment of employees so that root cause can be find out and immediate action can be taken.

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