

# International Journal of Advance Research in Computer Science and Management Studies

Research Article / Survey Paper / Case Study

Available online at: [www.ijarcsms.com](http://www.ijarcsms.com)

## *Leadership Styles: Imperative to Salubrious Organizational Commitment*

**Prachi Goyal<sup>1</sup>**

Research Scholar,

Institute of Management Studies and Research,

M.D.U. Rohtak,

Assistant Professor (Commerce),

Government P.G. College, Sector-1, Panchkula, India.

**Prof. Satyawan Baroda<sup>2</sup>**

Professor,

Institute of Management Studies and Research,

M. D. U. Rohtak, India.

*Abstract: Leadership is now a feature theme in the matrix of corporate settings and dynamic polity. In the immediate corporate domain, the leadership complication is responsible for the rise and fall of the establishments. It serves as a dual-focused approach that encircles individual and group, as a whole. It now works as a compass for organization commitment which shells out direction and dimension of organization. An institution cannot be built without leadership. It provides resources, processes, tools, methods, and vision, requisite for the strong foundation of employee engagement. The greatest obstacle to organizational commitment is the selection of the right style of leadership. The organizations get confused over and over again in alternatives of transformational and transactional leadership. The former can be understood as a long-term outcome and the latter as short-term output. This situation in the organization and, in other various human terrains has attracted attention over the past few years. This paper attempts to study the significance of different leadership styles and organizational commitment in an organization. Many studies had been done to examine the impact of leadership style on organization commitment in an organization. Almost nominal studies are performed about formal institutes in India. This knowledge gap is very crucial and decisive to the welfare of the right-thinking of people. Specifically, I will gauge the influence with two instruments; Transformational and Transactional styles of leadership. The paper will conclude with the emphasis on the right choice of leadership style influencing the positive association between employee commitments in formal institutes in India.*

*Keywords: Organizational commitment, Leadership, Transformational leadership, Transactional leadership.*

### I. INTRODUCTION

From early 1800 to the late nineteenth century put "The Great Man" concept in the center. The notion was that leader was born not made. The leader is mystically assumed to have a certain set of inherent qualities and characteristics which qualify as a leader. The leader is pictured to have courage, inspiration, and heroism which is unmatched by an average person to nail the goal. The flaws in "The Great Man Theory" begin to grow with the advancement in psychological research and development.

In early 1900, the question forms on what constructs a leader? What is the content which proves them to organization's successful leader? The first modern theory "Trait theories of leadership" emphasizes empirical research to present a clear leadership development. (Shriberg and Shriberg, 2011). It produces that leadership is the sum of individual personalities i.e. extraversion, intelligence, and courage. The era change the lane of thought because it was found that there are only a few traits that distinguish leaders from followers and create a space for other elements which influence leadership.

In 1950 some questions arise from the former development of leadership. Why every leader is not effective in leading? Why not all people possess the required traits to become a leader? “Behavioral theories” focus on the action and behavior of a leader. It brought the societal concept, it suggests leaders are made not born. It suggests that any individual can become a leader by teaching and training. This new concept made a sharp turn from previous approaches.

Now it was clear that learning ability, knowledge, and experience can develop leadership skills in an individual to prove to be a leader. In this time different leadership styles were also found. In **1977, Hersey and Blanchard** argued that rather a ‘one size fits all’ approach there is a requirement of leadership shaped by situation, required context of leadership, team competence, and nature of the task.

In the 1990s the turn of the century took place and took the active stage from leader to develop the potential of the followers to achieve the desired goal. This leadership style called “Transformational leadership” focuses on motivation, positive change, drive, support, and polishing individual core values and collective identity to obtain maximum potential of them. The uncertainty of today’s challenges transforming the followers is sustainable for an institution.

At present time it is practiced that ability of leadership can be developed in any individual and can be passed to others. The circle of leadership is continuing to expand as new and advanced research, knowledge and concepts grow. Presented by organizations like Google, Intel, Facebook, and TATA have to staff at the heart of an organization. These elements are altering dimensions of organization productivity and performance in the present era.

It is very difficult to put predictions about its future perspective, but a data-driven leadership approach can be the best guess. It still requires taxing work in the next decade and beyond it. There is a lack of studies that integrate both methods to study i.e. qualitative and quantitative. Future research work should be more than the construction of theory and relationships. There is a need for content-dependent developments in further leadership theories. The leader-follower interaction still demands new work to understand the process and dynamic elements involved in it.

**Robert J Vance 2006** states, employees who are engaged in their work and committed to their organizations give companies crucial advantages-including higher productivity, lower employee turnover, and low level of absenteeism. One of the main hurdles is the right kind of employees and the right kind of mix of employees that is created over time. Lack of strategic thinking on recruitment policies to align with the requirements of the organization – as a social milieu and as an economic entity may also create a mismatch between the organization and its employees (**Allen and Seinko, 1997**).

The competitive globalization has made to nurture beyond employee engagement and motivation. The organization is also changing its structure. Past few years, the organization has changed lanes and focused on employee engagement and development at their utmost priority. Now organizations are giving more importance to an employee and their advancement in skills (**Heger, 2007**). Employee engagement influences various organization outputs productivity and employee turnover. Now, institutions must focus on advancing levels of employee engagement which will produce employee initiative, innovation, and proactive. Engagement refers to an “individual’s involvement and satisfaction with as well as enthusiasm for work” (**Harter, Schmidt, & Hayes, 2002, p. 269**). The engagement follows when employees identify what to expect, must-have resources to complete their work, participation, and feeling of belongings to the organization. Although engaged employees have consistently been shown to be more productive, profitable, safer, healthier, and less likely to leave their employer (**Fleming & Asplund, 2007; Wagner & Harter, 2006**). Leaders are the drivers of ambiance and culture formation in an institution. **Northouse (2004)** leadership is a process, whereby one individual influences a group of individuals to achieve a common goal. The direct correlation between leadership and employee engagement provides positive energy to the effectiveness of an organization. Leadership plays a vital role in employee engagement. Talent management can escalate engagement, which remains a skill that human resource professionals are encouraging leaders at all levels. Knowledge of employee engagement determinants will prevent an organization to have disengaged workers.

The hurdles in gaining employee engagement stem from several sources. One of the most important is an organizational focus. According to **Breukelen 1996**, organizational focus on achieving short-term performance goals at the expense of long-term employee development, and low investment in building shared vision and community. It can be concluded from the above statement that transactional and transformational are heavy elements when we discuss employee engagement.

The contemporary literature divides leadership into two styles: transformational and transactional styles. To motivate employee commitment former use intangible rewards which result in outcome i.e. personal growth, self-esteem & professional values, the latter use tangible rewards i.e. money, status, etc. To maximize employee productivity, both styles are necessary (Avolio & Bass, 1999). The reason behind selecting these two styles of leadership for measuring organization commitment is transactional leadership uses extrinsic rewards whose effectiveness may be short-term; once the extrinsic desires are met, the same level of intensive is no longer effective. Transformational leadership, in contrast, may enhance commitment in long term by boosting intrinsic reward i.e. enhancing trust and sense of self belonging to the organization (**Bass 1985**).

The concrete truth which cannot be altered is that leadership impacts organizations and people. From an organizational perspective, the leader relates to their followers and followers relate to their work. There are two ways to stimulate followers by only two ways. Stimulate them with material rewards i.e. transactional leadership. Inspiring the employee to perform for a cause beyond themselves i.e. transformational leadership. Bass (1999) categorized a leader as being either transactional or transformational. He produces the hypothesis that transformational leaders display a greater performance of leadership as they appeal to the spirit of individuals and can motivate them to move beyond self-interest to reach goals for the greater good of the organization (Bass, 1999). Formulating clear objectives is the first step of the ladder to motivate employees to aim towards the goal. Transformational leadership makes employees feel confident about the path ahead which helps in the sustainable engagement of employees to sum up the success of an organization. More engagement of employees will result in a higher level of professionalism, more productivity, and improved performance. The relationship between employee engagement and leadership is now proved to be crucial for a healthy organization.

When leadership and employee engagement collide it may sometimes be due to role stress- Role space conflicts, Role set conflicts, and Role efficacy. Therefore the triumph of an institution is composed of a cohesive, intertwined, and overlapping fusion of these two terms.

Organizational commitment is important for organizational effectiveness in that it enhances employees' desire to remain in an organization (Koach & Steers, 1976), improves their performance (Mowday, Porter, & Dubin, 1974), and stimulates their utmost efforts to accomplish the organization's goals (Meyer, Paunonan, Gellatly, Goffin, & Jackson, 1989; Schaubroeck & Ganster, 1991).

## II. OBJECTIVES

1. To elucidate the association between leadership styles in an institutional context
2. To fathom the significance of leadership on employees' commitment and organizational performance.

## III. LEADERSHIP

Leadership rested in three possible sources of authority: charismatic authority reflected personal characteristics; traditional authority, which referred to compliance with norms and forms of conduct; and legal authority, which resulted from the functional, duty of office. **Stodgill (1974)** concluded that there are almost as many definitions of leadership as there are persons who have attempted to define the concept.

### Transactional leadership

Transactional leadership, commencing from defining the relationship between superiors and subordinates as a social exchange, motivated followers primarily through conditional rewards. These rewards were the results of reaching established goals and task accomplishment.

Bass defined the transactional leader pursues a cost-benefit, economic exchange to meet subordinate's current material and psychic needs in return for contracted services rendered by the subordinate (**Bass, 1990**).

**Bass (1990)** indicated that the transactional leader accomplished the attainment of mutual goals and contributed to the adequacy of his or her subordinates' performance in five steps:

1. Involved the clarification of what was expected from the subordinates including the objective of their performances.
2. The supervisor explains what the employees were to do to meet the expectations set forth.
3. The explanation of how the performance would be evaluated.
4. The supervisor would provide feedback to the employees regarding whether the objectives had been met.
5. Finally, the supervisor would allocate rewards based on the attainment of the objectives.

### Transformational Leadership

It provides deeper aspects of leadership than previous theories, for example, contingency theory. The situational leader acts according to the situation and maturity level of the subordinate, having a short-run effect, whereas the transformational leader influences the subordinate's deeper needs and has long-run effects. Transformational leaders care about their followers and understand the impact of their actions on the group, seeking the development of followers who are motivated by high-internal values and consequently more attached to the leader's mission (**Avolio & Yammarino, 2002**).

It is an expansion of transactional leadership, does not place major emphasis on exchanges or rewards within the system. Instead, transformational leadership challenges followers to disregard self-interests and encourages the pursuit of institutional goals, interests of the group, and moves followers gradually from concerns for exchange to concerns for achievement and growth (**Bass & Avolio, 1994**).

## IV. ORGANIZATIONAL COMMITMENT

Employee commitment can be defined as the degree of identification and involvement that individuals have with their organization's mission, values, and goals. It can also be called a multidimensional construct that includes affective, normative, and continuity-like commitments.

### Dimensions of Employee Commitment

Among the proponents of the attitudinal approach, researchers have taken the initiative to introduce employee commitment as a multidimensional concept that has various factors associated with the consequences and implications of human resource management (Meyer and Allen, 1997). Meyer and his colleagues (Allen and Meyer, 1990; Meyer and Allen, 1991; Meyer and Allen 1997; Meyer and Herscovitch, 2001) have been at the forefront of the multidimensional approach. The three-component model of organizational commitment incorporates affective, continuance, and normative areas the three dimensions of organizational commitment.

Employee Organisational Commitment, Meyer and Allen (1991) present these three approaches & define their three-dimensional constructs as an affective, continuance, and normative commitment.

Allen and Meyer (1997) define affective commitment as the employee's emotional attachment to, identification with, and involvement in the organization. The continuance component is defined as a commitment that is based on the cost of an employee associated with leaving the organization. On the other side, a normative component is defined as the employee's feelings of obligation and sense of loyalty with an organization and serving the best of their potential.

### **Affective Commitment**

Allen and Meyer (1990) refer to Affective commitment to the employee's emotional attachment to, identification with, and involvement in, the organization based on positive feelings or emotions towards the organization. Affective commitment involves three aspects: (1) the formation of an emotional attachment to an organization, (2) identification, (3) and the desire to maintain organizational membership. Anecdotes for affective commitment include perceived job characteristics where work is autonomous, task significance, task identity, skill variety, and supervisory feedback & organizational dependability, means to the extent to make the employees feel that the organization can be counted after their interests, and perceived participatory management that means to extend up to the employees feel they can influence decisions on the work environment and other issues concerning to them.

Allen and Mayer (1990) argue that an individual can develop emotional engagement only when he or she will be able to identify the goals of an organization and will also be alert and ready to help the organization to achieve those goals. They further explain that identification with an organization takes place when the employees' values are congruent with organizational values and the employee can internalize the values and goals of an organization. With this, there is a psychological identification and pride of association with an organization.

As Jaros et al. (1993) suggests, the most widely discussed commitment is psychosocial attachment to an employee organization. This may be because affective commitment is associated with desirable organizational outcomes. Meyer and Herscovitch (2001) reported **that** effective commitment has been found to correlate with a wide range of outcomes such as turnover, absenteeism, job performance, and organizational citizenship behavior.

### **Continuance Commitment**

The next dimension of employee commitment is continuance commitment (Allen and Meyer, 1990) which is based on Becker's (1960) side-bet theory. The theory clarifies that as an individual remains in the employment of an organization for a long duration; they accumulate an investment, which becomes costly to lose the longer the individual is attached to the organization. These investments include time, jobs, effort, organizational-specific skills, etc. that may not be transferable or high costs of leaving the organization that prevents them from seeking alternative employment, work friendliness, and political deals.

Continuance Commitment Continuance refers to commitment based on the costs that employee associates with leaving the organization (due to the high cost of leaving). Potential antecedents of continuance commitment include age, tenure, career satisfaction, and intention to leave. Both age and tenure may serve as future speakers of commitment to continuity, mainly due to their roles as surrogate measures of investment in the organization (Mayer and Allen, 1997). Tenure can be indicative of non-transferable investments that mean close working relationships with colleagues, retirement investments, career investments, and skills unique to the particular organization. Age may also be negatively related to the number of alternative job opportunities available. Career satisfaction provides a large number of direct measures of career-related investments, which could be at risk if an individual leaves an organization. In general, whatever employees perceive as a sunk cost, resulting from leaving an organization, are the antecedents of continuance commitment.

Romzek (1990) clarifies this type of attachment as a transactional attachment. He argues that employees calculate their investment in an organization based on what they have invested in an organization and what they stand to gain if they remain with the organization, for example, one individual cannot elect to replace employees because of the time and money spent in an

organization retirement plan. Such an employee would feel that he/she stands to lose too much if he/she was to leave the organization. Commitment to continuity develops due to fear of losing investment as well as perceived lack of options in individuals.

**Allen and Meyer (1990) and Meyer and Allen (1991)** argued that such an individual commitment to the organization would be based on his/her perceptions of employment options outside the organization. This occurs when an employee starts to believe that his/her skills are not marketable or that he/she does not have the skill required to complete the positions in the field. Such an employee feels tied to the organization. People who work in an environment where the skills and training they get are very industry-specific can develop such commitment. As a result, the employee feels committed to the organization due to monetary, social, psychological, and other costs to leave the organization. Unlike affective commitment, which involves emotional attachment, continuance commitment reflects the suggestion of the costs of leaving versus the benefits of continuing the services. affective

### **Normative Commitment**

The third dimension in the category of employee commitment in an organization is a normative commitment which refers to an employee's feeling of obligation to be with the organization where it is based on the employee having internalized the values and goals of the organization. The potential antecedent for normative commitment includes co-worker commitment including affective and normative dimensions, as well as commitment behaviors, organizational industry-specific, affective organizational dependability, and participatory management. Co-worker commitment is expected to provide normative signals that influence the development of idealistic commitment (**Commerias and Fournier, 2002**). Organizational dependence and perceived participatory management still anticipate a sense of mutual obligation for the organization today.

This view of employee commitment has been overlooked by researchers because relatively few studies have explicitly addressed authentic commitment.

Randall and Cote (1990) Allen and Meyer (1990) and Reilly, Chatman, Caldwell (1991) are some who have attempted to clarify differences in normative commitment from other commitments to employee organizational commitment. Randall and Cote regarded normative commitment in terms of the moral obligation an employee develops after the organization has invested in him/her. They argue that when an employee starts to feel that the organization has spent either too much time or money in training & developing the personality & skills, such an employee feels an obligation to stay with the organization. For example, an employee whose organization paid its tuition fee while he/she developing education might believe that he or she can reimburse the organization by continuing to work for it. In general normative commitment, it is most likely when an individual finds it difficult to reciprocate the organization's investment. The concept of employee commitment and the concept of employee commitment has been conceptualized and measured in irregular ways by many researchers. Many researchers on the topic of employee commitment have used different variables as potential antecedents of commitment and have also assigned these variables to categories. (Mowday et al., 1982).

Steers (1977) proposed a dichotomy in which he believes & explains antecedents and outcomes of organizational commitment. The logic associated with antecedents was heavily constructed in earlier research. Steer's view was that the antecedents of commitment were the three categories of personal characteristics, role-related characteristics, and work experiences. Mowday et al. (1982), in their review of empirical studies conducted on the topic of organizational commitment, found that most of the studies of this nature were correlated.

## **V. FINDING AND DISCUSSION**

The effect of this two leadership behavior on organizational and employees engagement was found to be varying. While transformational leadership has a higher positive effect on job satisfaction, organizational commitment, and performance of employees, transactional leadership was found to have a positive effect on employee outcome to a lesser degree (output).

Further, it was found that most of the component behaviors of transformational leadership have a positive effect on employee outcome only the account behavior of the employee. Transactional leadership has a profound effect on them. These distinctions are not universally common. It may differ from context to context depending on the dominant and structural factors operating therefore, it needs to be tested in a different context to derive more refined conclusions.

## VI. CONCLUSION

It is the recognition of the relationship between leadership styles i.e. transformational and transactional that most impacts the manner in basic terms of the employee commitment. The investigation of leadership approaches in historical, contemporary, and future lays down three deductions. Firstly, It is a multilevel and pervasive function. Secondly, the Study of leadership style and approaches are not complete without multilevel and multilayer studies. The understanding of leadership is not noted. This is an endless scholarly quest.

## References

1. Avolio, B. J. (2002). Transformational and Charismatic Leadership: The Road Ahead. Netherlands: JAI.
2. Allen, P. & Seinko, S. (1997). A comparison of contingent and core workers' perceptions of their jobs' characteristics and motivational properties. S.A.M. Advanced Management Journal, Summer 1997, 62 (3): 4-12.
3. Bass, B.A., 1985, Leadership and performance beyond expectation. New York: Free press.
4. Baylr. O. O et. Al. (2015). The effects of leadership on organizational commitment. Springer International Publishing Switzerland. Research Gate
5. Bernard M. Bass,(1990) From transactional to transformational leadership: Learning to share the vision, Organizational Dynamics, Volume 18, Issue 3, Pages 19-31. (a)
6. Bernard M. Bass,(1990) From transactional to transformational leadership: Learning to share the vision, Organizational Dynamics, Volume 18, Issue 3, Pages 19-31. (b)
7. Bruce J. AvoHo\* and Bernard M. Bass (1Journalumal of Occupational and Organisational Psychology, 72, 441-46
8. Breukelen, J.W.M. Van (1996). Organizational commitment in perspective. Gedrag en Organisatie, 9:145-166.
9. Chowdhury, R.G. (2014)). A study on the impact of leadership styles on employee motivation and commitment: An empirical study of selected organisations in corporate sector. Dept. of Business Management, Padmashree Dr. D. Y. Patil University Navi Mumbai
10. Fleming, J. H., & Asplund, J. (2007). Human sigma. New York: Gallup Press.
11. Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction employee engagement, and business outcomes: A meta-analysis. Journal of Applied Psychology, 87, 268-279
12. Hersey, P., & Blanchard, K. H. (1977). Management of organizational behavior: utilizing human resources. 3d ed. Englewood Cliffs, N.J.: Prentice-Hall
13. Herold., D. M and steven, D. C. (2008). The effects of transformation and change leadership on employees Commitment to a change: a multilevel study. Journal of Applied Psychology. Vol. 93, No.2, 346-357
14. <http://www.leadingtoday.org/weleadinlearning/> Heger, B. K. (2007). Linking the employee value proposition (EVP) to employee engagement and business outcomes: Preliminary findings for a linkage research pilot study. Organizational Development Journal, 25, 121-133.
15. J.W.M. Van (1996) employee engagement and commitment A guide to understanding, measuring and increasing engagement in your organization
16. MACEY, W.H., and SCHNEIDER, B. (2008), The Meaning of Employee Engagement. Industrial and Organizational Psychology, 1: 3-30. <https://doi.org/10.1111/j.1754-9434.2007.0002.x>.
17. Meyer JP, Allen NJ, Commitment in the workplace: Theory, research, and application. Thousand Oaks, CA; Sage; 1997. (a)
18. Meyer JP, Allen NJ, Commitment in the workplace: Theory, research, and application. Thousand Oaks, CA; Sage; 1997. (b)
19. Meyer JP, Allen NJ, Commitment in the workplace: Theory, research, and application. Thousand Oaks, CA; Sage; 1997. ©
20. Nidadhavolu, A (2018), Impact of leadership styles on employee job satisfaction and organizational Commitment- A study in the construction sector in India. Thesis, Western Kentucky University
21. Shriberg, Arthur, Shriberg, David L.. (2011). Practicing Leadership: Principles and Applications (4th Ed). Hoboken, New Jersey: John Wiley & Sons.
22. Stogdill, R. M. (1974). Handbook of leadership: A survey of theory and research. Free Press.
23. Wiza., M. and N. Hlangirande. H (2014). The impact of leadership styles on employee organisational commitment in higher learning intuitions. Mediterranean Journal of Social Sciences, Vol. 5 No. 4 ISSN 2039-934.