

EFFECT OF LEADERSHIP STYLE ON ORGANIZATIONAL COMMITMENT

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Mowday, Steers, and Porter (1979)

Affective Commitment

- Attachment between employees and their organizations that employees decide to do more than what is required of them.
- When employees only do what is in the job description or what they have to do, they are simply complying with an order. Meanwhile when employees decide to do more than what is required of them, they are volunteering their affective commitment to the organization.
- Affective commitment is the positive emotional and psychological commitment an employee has for the organization that results into dedication to organization's values and goals. Such employee feels part of the organization, experiences a sense of belonging, and stays committed to the goals of the organization.

Other types of commitment: Fear of Loss (Continuance Commitment) and Sense of Obligation to Stay (Normative Commitment) (Meyer & Allen, 1991)

We will focus on the Affection for Your Job (Affective Commitment)

Mowday, R.T., Steers, R.M., & Porter, L.M. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, 14, 224-247. Retrieved from www.journals.elsevier.com/journal-of-vocational-behavior

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■ Agenda

- Introduction to the Research Methodology
- Theoretical Background
 - Leadership Theories
 - Organizational Commitment
- Data Collection and Analysis
- Study Results
 - Demographic Results
- Conclusions
- Implications and Actionable Recommendations to Leaders/Managers

Introduction

Quantitative Correlational Research Study

- Quantitative research is used to observe relationship between two or more variables e.g. Leadership Styles and Employee Organization Commitment
- Researcher develops a set of Hypotheses corresponding to each Research Questions.
- Based on the data analysis and correlational coefficient, the hypotheses are either rejected or retained.
- Correlational Coefficient or a Regression Coefficient, a number between +1 and -1, are used to determine strength and direction of the relation.

Hypotheses and Research Questions

Following Null and Alternative hypotheses provided bases for evaluation of Research Question RQ1

Hypothesis 1:

- H_{1_0} : There is no significant relationship between the leadership style of the senior managers and organizational commitment of the middle managers in a communication company in Atlanta, Georgia, USA.
- H_{1_A} : There is a significant relationship between the leadership style of the senior managers and organizational commitment of the middle managers in a communication company in Atlanta, Georgia, USA.

Research Question RQ1:

What is the relationship between the leadership style of the senior managers and organizational commitment of the middle managers in a communications company in Atlanta, Georgia, USA?

Hypotheses and Research Questions

Following Null and Alternative hypotheses provided bases for the evaluation of Research Question RQ2.

Hypothesis 2:

- H_{2_0} : No demographic variables, individually or combined, significantly moderate the relationship between leadership style of the senior managers and organizational commitment of the middle managers in a communications company in Atlanta, Georgia, USA.
- H_{2_A} : One or more demographic variables significantly moderate the relationship between leadership style of the senior managers and organizational commitment of the middle managers in a communications company in Atlanta, Georgia, USA

Research Question RQ2:

Which demographic variable or a combination thereof moderate the relationship between leadership style of the senior managers and organizational commitment of the middle managers in a communications company in Atlanta Georgia, USA?

Demographic Variables, such as the Gender, Age, Level of education, Years with current company, and Years with current manager.

Delimitations of the Study

Features that researcher imposed to control and limit the scope and define the boundaries of the study

- Specific communications company, a company in Atlanta, Georgia chosen, not every company in the communications industry.
- Study limited to middle managers with minimum of six months with the company.

Population and Sample Size

- Dr. Aina surveyed 166 (95% confidence level, +/- 5% confidence interval) from a total population of 300 middle managers in a communications company in Atlanta, Georgia.
 - A +/- 5 Confidence Interval means if we pick 50% of the total population as our sample size, between 45% (50-5) and 55% (50+5) of the population would provide same answer.
 - 95% Confidence Level means the researcher can be certain that 45% -55% surveyed population will provide the same answer.
 - Raosoft sample size calculator (Raosoft Inc., 2004) was used to calculate Sample size.
 - Middle managers provided data on their job satisfaction and the perceived leadership style of their senior managers.

Full-Range Leadership Theory

Bass' (1995) Full-Range Leadership Theory: Transformational, Transactional, Laissez-Faire.

- Transformational Leadership Style
 - Individual Consideration: The managers see employees as unique individuals. Assign tasks, communicate, and provide support.
 - Intellectual Stimulation: Encourage expression of ideas, view problems from many viewpoints, kindle creativity.
 - Inspirational Motivation: Create awareness of the vision, the path to achieve the vision, and provides continuous encouragement to the employees to achieve the vision.
 - Idealized Influence: Demonstrates high ethical behaviors, sets good examples, builds respect, creates social and emotional connections.

Bass, B. M., & Avolio, B. J. (1997). *Full range leadership development: Manual for the Multifactor Leadership Questionnaire*. Palo Alto, CA: MindGarden.

Full-Range Leadership Theory

Continued

- Transactional Leadership Style: Establish terms and procedures, use positive reinforcement to reward expected performance and a negative reinforcement for poor performance.
 - Active Management-by-Exception: Monitor the employees, watch for deviation from set standard and take corrective action to prevent mistakes.
 - Passive Management-by-exception: Intervene only when the performance is not up to expectation and uses managerial roles to punish the employee.
- Laissez-Faire Leadership:
 - Offer little or no guidance to group members, evade responsibility, avoid involvement in conflict resolution, do not interact with employee. The employee often lacks directions.
 - Hands off approach.

Bass, B. M., & Avolio, B. J. (1995). *Full range leadership development: Manual for the Multifactor Leadership Questionnaire*. Palo Alto, CA: MindGarden.

Data Collection

Questionnaires / Survey Instruments

- Multifactor Leadership Questionnaire (MLQ) Form 5X-Short Rater Form from Bass and Avolio (2005) published by Mind Garden Inc.
- Organizational commitment questionnaire (OCQ) by Mowday, Steers, and Porter (1979)
- Demographic Questionnaire

Bass, B., & Avolio, B. (1995). *Multifactor leadership questionnaire for research*. Redwood City, CA: Mind Garden.

Mowday, R.T., Steers, R.M., & Porter, L.M. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, 14, 224-247. Retrieved from www.journals.elsevier.com/journal-of-vocational-behavior

Data analysis

Statistical Techniques

Statistical Package for Social Sciences (SPSS): to collate and analyze data

- **Descriptive Statistics:** to present information that describes the data
- **Pearson Correlation Coefficient:** to investigate the relationships between the variables
- **The Analysis of Variance (ANOVA):** to understand the demographic distribution of the participants and to analyze the sub-groups of the participants
- **Multiple Regression Analysis:** to predict and analyze the relationship between multiple variables

Data Analysis

Table 1

Frequency Counts for the Demographic Variables (N = 166)

Variable	Category	<i>n</i>	%
Gender	Female	68	41.0
	Male	98	59.0
Age	18-30	33	19.9
	31-43	101	60.8
	44-56	32	19.3
Highest education	High School Diploma	3	1.8
	College/Associate degree	7	4.2
	Bachelor's degree	63	38.0
	Master's degree	92	55.4
	Post-Master's studies	1	0.6
Years with current company	6 months-4 years	67	40.4
	5-10 years	78	47.0
	11-15 years	21	12.7
Years with current manager	6 months -2 years	95	57.2
	3-6 years	58	34.9
	7-10 years	12	7.2
	11-14 years	1	0.6

Data Analysis

Table 2

Pearson Correlations for Demographic Variables with and Organizational Commitment (N = 166)

Variable	Organizational Commitment	
	<i>r</i>	<i>p</i>
Laissez-faire Leadership	-.38	****
Transformational Leadership	.44	****
Transactional Leadership	-.04	
Gender ^a	-.08	
Age category	-.30	****
Highest education	-.18	*
Years with current company	-.07	
Years with current manager	-.01	

Note: *p* = *p*-value represents strength of the Null Hypothesis.

p-value <.01 signifies a strong reason to reject and >.05 would indicate insufficient reason to reject the Null Hypothesis. *p*-value between .01 and .05 would indicate adequate evidence against the Null Hypothesis (Neuman, 2003).

It is set at 0.05 to establish 95% confidence that results are as a result of relationship and not a chance occurrence.

p* < .05. *p* < .005. ** *p* < .001.

^a Gender: 1 = *Female* 2 = *Male*.

N = sample size, *r* = correlation Coefficient, *r* can take a value between -1.0 and + 1.0.

Data Analysis

Table 3

Relationship between Leadership Style and Organizational Commitment (N = 166)

	<i>B</i>	<i>SE</i>	β	<i>p</i>
Laissez-faire Leadership	-0.33	0.04	-.50	.001
Transformational Leadership	0.88	0.09	.62	.001
Transactional Leadership	-0.1	0.08	-.1	.11

Note. Full ANOVA Model: $F(3, 162) = 45.90, p = .001$. $R^2 = .459$ *B* = unstandardized regression coefficients, *SE* = standard error, β = population values of regression coefficients, *p* = probability, *F* = degree of freedom, R^2 = coefficient of determination.

Inspection of the table revealed organizational commitment to be higher for respondents who had managers who exhibited: (a) less laissez-faire leadership ($\beta = -.50, p = .001$); and (b) more transformational leadership ($\beta = .62, p = .001$). The extent that the manager exhibited transactional leadership was not related to organizational commitment ($\beta = -.10, p = .11$). The combination of the findings revealed there is a relationship between the leadership style of the senior managers and organizational commitment of the middle managers in the communications company. Transformational leadership was a strong predictor of organizational commitment and related positively to job satisfaction in the communications company. The result of the research study provided support to reject the null hypothesis and retain the alternative hypothesis.

Data Analysis

Table 4
Predicting Organizational Commitment Based on Demographics and Leadership Style (N = 166)

Variable	<i>B</i>	<i>SE</i>	β	<i>p</i>
Gender	-0.04	0.08	-.03	.61
Age category	- 0.22	0.06	-.22	.001
Highest education	-0.09	0.06	-.08	.16
Years with current company	-0.02	0.08	-.02	.81
Years with current manager	0.03	0.09	.03	.74
Laissez-faire Leadership	-0.33	0.05	-.48	.001
Transformational Leadership	0.81	0.10	.57	.001
Transactional Leadership	-0.07	0.08	-.06	.36

Note. Full ANOVA Model: $F(8, 157) = 20.93, p = .001. R^2 = .516.$

Gender: 1 = *Female* 2 = *Male*. *B* = unstandardized regression coefficients, *SE* = standard error, β = population values of regression coefficients, *p* = probability, *F* = degree of freedom, R^2 = coefficient of determination.

Table 4 displays the results of the overall ANOVA model predicting organizational commitment based on the five demographic variables and the leadership styles. The overall ANOVA model was significant ($p = .001$) and accounted for 51.6% of the variance in organizational commitment. Inspection of the table found organizational commitment to be higher for younger respondents ($\beta = -.22, p = .001$) and for those who had managers who exhibited less laissez-faire leadership ($\beta = -.48, p = .001$) and more transformational leadership ($\beta = .57, p = .001$). This combination of findings provided support to reject the null hypothesis and retain the alternative hypothesis.

Results

- A significant relationship existed between leadership style of the senior managers and organizational commitment of the middle managers.
- Organizational commitment higher with: less laissez-faire leadership, less transactional leadership, more transformational leadership.
- Transformational leadership, a strong predictor of organizational commitment and related positively to organizational commitment.

Null Hypothesis Rejected

- $H1_0$: There is no significant relationship between the leadership style of the senior managers and organizational commitment of the middle managers in a communication company in Atlanta, Georgia, USA.

Alternative Hypothesis Accepted

- $H1_A$: There is a significant relationship between the leadership style of the senior managers and organizational commitment of the middle managers in a communication company in Atlanta, Georgia, USA.

Demographic Results

Demographic variables moderated the leadership style and organizational commitment of the middle managers.

Null Hypothesis Rejected

- H_{2_0} : No demographic variables, individually or combined, significantly moderate the relationship between leadership style of the senior managers and organizational commitment of the middle in a communications company in Atlanta, Georgia, USA.

Alternative Hypothesis Retained

- H_{2_A} : One or more demographic variables significantly moderate the relationship between leadership style of the senior managers and organizational commitment of the middle managers in a communications company in Atlanta, Georgia, USA.

Limitations of the Study

Limitations are factors beyond the control of the researcher.

- The effect of leadership style on employee's organizational commitment was established but the relationships do not designate causation.
- The accuracy of the result depends on the understanding of the survey questions by the respondents.
- Some respondents may not comprehend the intent of the study fully and may have provided inaccurate or wrong responses.
- Negative emotions or negative predisposition of respondents may have affected the answering of questionnaires.

Conclusion

- Organizational commitment was found to be higher with transformational leaders, but less with laissez-faire and transactional leaders.
- Demographic variables moderated the leadership style and organizational commitment of the middle managers.

Implications of the Study

- Different leadership styles and behaviors have different effect on employees.
- Perks and money could attract and retain employees, but some skillful employees may require more than financial rewards and benefits.
- Creation of favorable and healthy environment is important.
 - Promoting spirit of teamwork and cooperation.
 - Recognition of employee achievements.
 - Giving constructive feedback.
 - Encouragement for further achievement.

Recommendations for Actions for Leaders / Senior Managers

- Periodic Leaders Self-Assessment/Leadership assessment tools is important.
- Leadership training and development programs through workshops, seminars, and retreats, might be useful to enhance leadership effectiveness.
- Be future leaders: Future leaders lead by examples, display the right leadership practices, and have adequate plan to retain skillful employees.
- Effective Management of Diversity is important. Diversity in the workplace can lead to productivity and creativity.

THANK YOU
FOR YOUR KIND
ATTENTION.

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Theoretical Background

- Bass' (1995) Full-Range Leadership Theory: Transformational, Transactional, Laissez-Faire.
- Mowday, Steers, and Porter (1979) Affective Commitment.