Investigation the Relationship between New Leadership Style (Transformational and Transactional) with Organizational Commitment Dimensions (Affective, Continuous and Normative) in Iranian Higher Education Institutions

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ABSTRACT: The purpose of this paper is to investigate the relationship between new leadership style such as transformational and transactional leadership with organizational commitment such as affective, continuous and normative in Iranian higher education institutions. Statistical population consisted of male and female faculty members of District 2 of Islamic Azad University including confirmed official, official, contractual and probationary ones. According to purpose of study and composition of research population, a volume-based random-classified sampling was conducted and sample size was considered as 261 based on Krejcie and Morgan table; totally, 300 questionnaires were distributed to faculty members, that 265 questionnaires were used for the final analysis, which the results from analysis of them based on multiple linear regression show that there is a positive significant relationship between the transformational leadership and organizational commitment dimensions (affective, continuous and normative). Furthermore, transactional has also been found positive significant relationship with all dimensions of organizational commitment except organizational normative commitment. This study find out that leadership is crucial factor of enhancing the organizational commitment primary in higher education context.


Keyword: Higher Education Institutions, Organizational Commitment Dimensions, Transactional Leadership, Transformational Leadership.

INTRODUCTION

Leadership has generally been considered by various academicians and practitioners as the top most crucial topic in organizational (Riaz et al., 2011). Its importance stems out from the fact that the organization’s success hinges on the quality of the leaders style. These leaders hold the key role in decision making that lays down the company’s goals and the processes by which these goals are achieved. In line with, organizational commitment is one of the significant constant organizational problems faced by managers (Pynagivil et al., 2012; Messmer, 2000; Marmaya et al., 2011). In response to that, many forward-thinking organizations are striving to create a positive organizational climate in order to keep those good employees through various human resource management initiatives (Chew and Chan, 2008). Even though, there is a great deal was done to investigate the linkage between leadership styles and organizational commitment, but relatively lack of research has been conducted in the current research focus. Furthermore, it is important in higher education for the academic staff to know what aspects play important roles or have big impacts in boosting the commitment of the employees. In addition, the past twenty years, transformational leadership has been studied extensively by leadership researchers and has been found positively associated with a widely of organizational outcomes such as job satisfaction, organizational commitment (Emery and Barker, 2007; Avolio et al., 2004; Avolio et al., 2009). Emery and Barker (2007) stated that no organization in today's competitive world can perform at peak levels unless each employee is committed to the organization's objectives and works as an effective team member. Thus, many factors have to be undertaken by the organization such as the leadership style which is the crucial factor. Although the results did indicate a positive relationship; the study could not provide clear relationship between the transformational leader and organizational commitment (Emery and Barker, 2007). Public sector in organization
in Iran is the face the same of lack of organizational commitment with other organizational internationally (Ahmad and Gelaian, 2001). Due to the several factors such as leadership style, job satisfaction, there is lack of organizational commitment among the academic staff in the Iran universities. Furthermore, the experienced academic staff leaving from their universities to work in universities overseas or for other industries in Iran is considered as one of the main threats. Therefore, since there is a lack of study on the relationship between leadership styles and organizational commitment in higher education particularly in Iran academic staff setting, this study was carried out and responds to the call. The concepts of leadership as expounded by Bass (1985) and organizational commitment stressed on by Mowday et al. (1982) have been important areas of research for decades. Nevertheless, the roles of leadership and organizational commitment have always been ambiguous, currently various expert such as Riaz et al. (2011), Pyngavil et al. (2012) and Krishnan (2009) demonstrated that regardless of the increasing number of research on leadership phenomena, there is still a lot of ground to cover and needs further major development.

THEORETICAL FRAMEWORK FOR RESEARCH

Transformational Leadership

Burns (1978) defined transformational leadership as transforming between the leaders in performance and outlook. The leader and follower interaction is known as the transformational influence process and it is also referred to as transformational leadership (Avolio and Bass, 2002). Transformational leaders delegate assignments as opportunities for growth (Conger et al., 2000; Bono and Judge, 2004; Erkutlu, 2008). Past studies have constantly reported that transformational leadership is more effective, productive, innovative and satisfying to followers, as both parties work towards the good of an organization propelled by shared visions and values as well as mutual trust and respect (Emery and Barker, 2007; Avolio et al., 2004; Walumbwa et al., 2005). Transformational leaders treat followers as individuals and would spend time coaching them in order to develop their capabilities and subsequently create meaningful exchanges between them (Lee, 2005). This implies that transformational leaders believed in sharing of formalized power and more often practice the use of personal power. In addition to that, transformational leadership generates more of a learning culture than other types of leadership styles where the transformational leaders focus on new norms, creative behaviors and better values (Mannheim and Halamish, 2008). Bass and Avolio (1993) indicated that transformational leadership can be categories in several dimensions such as: (1) idealized influence (attributed), (2) idealized influence (behavioral), (3) inspirational motivation – leader energizes followers with optimism and vision; (4) intellectual stimulation; and (5) individualized consideration.

- **Idealized Influence**: Idealized influence is charismatic part of transformational leadership in which the leader becomes a role model who is admired respected and emulated by followers (Avolio and Bass, 2002). They also indicated that transformational leaders are ready to take and share the risks with followers and indicated that transformational leaders show charisma by articulating a reasonable vision and a sense of purpose that can be shared. Transformational leaders inspire subordinates through example, stimulate them intellectually, and give rise to individual concern and make them feel happy with the organization.

- **Inspirational Motivation**: Inspirational motivation is motivates and inspires the subordinates, by putting in place practices to create attractive vision statements, moving up the follower goals and inspiring their interest and optimism (Avolio and Bass, 2004). In other words, the employee is fully satisfied, and feels an obligation toward the organization and is willing to do anything in order to achieve the organization goal. Bass (1990) defined it as a source of inspiration for those leaders who set ambitious targets as a way to get followers to succeed. Transformational leaders inspire and motivate others to "provide direction and challenge to their followers work" (Avolio and Bass, 2002). Therefore, the transformational leaders pay attention to the concerns and needs of developing subordinates, to help them study the problems through different viewpoints, and are able to inspire and excite achievement.

- **Intellectual Stimulation**: Intellectual stimulation leader’s help followers learn to recognize and respond to the variety of needs, problems and motivations (Bass and Avolio, 1993), which that increase the confidence level and responsibility of the subordinates. Avolio and Bass (2002) stated that transformational leaders stimulate their followers' efforts "to be innovative and creative in calling into question the assumptions, refraining problems, and approach situations in a new way". Transformational leaders ask their subordinates for ideas and innovative solutions to problems, and include followers in problem solving (Stone et al., 2004).

- **Individualized Consideration**: Individualized consideration is deal with followers based on
individual needs of followers for the achievement and growth, and it recognizes and demonstrates the acceptance of the followers of individual differences in terms of the needs and desires (Stone et al., 2004). The practicing this behavior would able to realign the subordinate values and standards, to promote both personal and organizational changes, and help them to overcome their early adopters’ performance expectations.

**Transactional Leadership**

In this leadership style behaviors is based on sought to motivate followers by appealing to their self-interests (Burns, 1978). These leaders motivate subordinates to achieve expected levels of performance by helping them to recognize task responsibilities, identify goals and develop confidence about meeting desired performance levels (Bass, 1990). Bass and Avolio (1994)) transactional leaders employ three factors: (1) contingent reward; (2) management-by-exception active; and (3) management-by exception passive. Transactional leadership involves contingent reinforcement where followers are motivated by their leaders’ promises, rewards and praises. It may take the form of employees being rewarded accordingly and the leader will clarify to the followers through direction or participation (Erkutlu, 2008). Conversely, this style of leadership may take the form of passive leadership, especially when the leader practices passive management-by-exception by waiting for issues or problems to surface before taking corrective measure (Northouse, 2001).

- **Contingent Reward:** Contingent reward is based on economic and emotional exchanges, by clarifying role requirements, and rewarding and parsing desired outcomes. In contingent rewards, the leader provides followers with material and psychological rewards contingent on the fulfillment of contractual obligations. Bass (1985) emphasized that by providing contingent rewards, a transactional leader might inspire a reasonable degree of involvement, loyalty, commitment and performance from subordinates. This characteristic can be implemented as a reward or increase in pay, or praise that occur when the subordinate performs at acceptable levels. When they have not performed in an acceptable level, they would get negative consequences: for example, withholding bounce, or pay decrease.

- **Management by Exception Active:** Management by exception active is based on system for actively monitoring errors and gaps in performance and tasks; it is a corrective action (Bass and Avolio, 1990). Therefore, it is a negative transaction, because the leader monitors deviations from norms and provides corrective actions.

- **Management by Exception Passive:** Management by exception passive is similar with active but in this regard, the leader just waits until deviations occur before intervening. This means the leaders pay attention more to the subordinate when corrective actions are important. Therefore, there are no preventive actions or attempts by the leader to monitor or influence performance (Bass and Avolio, 1990).

**Organizational Commitment**

Organizational Commitment is a crucial concept when it comes to management and behavioral sciences. Organizational commitment stems from the human relations movement in the early to mid-20th century. During that time, the notion was presented focused upon feelings and behaviors of employees towards the organization they work in (Baruch, 1998). Employees who are committed are expected to be loyal to the organization, and they are expected to feel the importance of its values goals and mission. Porter et al. (1974) declared that commitment could be classified into three factors: (1) a strong belief and acceptance of the organization’s goals and values, (2) a willingness to exert considerable effort on behalf of the organization, and (3) a definite desire to keep organizational membership. Continuously, Mowday et al. (1979) indicated that organizational commitment is an affective attachment to an organization through shared values, a desire to belong to an organization, and willingness to exert effort on its behalf and it was also defined in terms of the strengths of an individual’s identification and involvement in a particular organization. Consequently, Meyer et al. (1990) have expounded the organizational commitment concept and they stated that it can be categories into two components such as attitudinal (affective) and behavioral (continance). The concept of commitment was extended in term of desire, need, and duty to remain in the organization. They also added normative commitment as new dimensions. However, organizational commitment can be categorized to three components as follows: (1) affective commitment, (2) continuance commitment, (3) normative commitment. In details, affective commitment was said to refer to an "employee's emotional attachment to, identification with, and involvement in the organization." In other words, an employee has a good commitment to the organization because it is what he/she desires. They said that continuance commitment was an "awareness of the costs associated with leaving the organization." This type of commitment is maintained because it meets a need. Finally, normative commitment, exists when there is a "feeling of obligation to continue
employment. In other words, employees feel they should stay with the organization.

- **Affective Commitment**: Affective commitment was defined as an emotional attachment to an organization by Mowday et al. (1982). They also recommended four characteristics of affective commitment: a personal characteristic, the structural characteristics, related jobs and characteristic work experiences.

- **Continuance Commitment**: Continuance commitment is an individual's sense of duty to stay with a particular organization (Meyer et al., 1990) and it refers to an awareness of the costs associated with leaving the organization. Meyer and Allen (1991) indicated that continuance commitment represents an employee's recognition of the cost associated with leaving an organization. This means employees need to get the benefits of remaining with the organization against the cost of moving to another company and starting over. Therefore, commitment is a consequence of stimulations or exchanges between an individual and an organization.

- **Normative Commitment**: Normative commitment is an individual’s feeling of duty to remain with a particular organization (Meyer and Allen, 1991). Furthermore; it is the feeling of obligation toward the organization. Allen and Meyer (1996) state that normative commitment can be increased from a sense of unfulfilled obligation to reciprocate unusually good treatment by the employer. They also indicated that, employees with a high level of normative commitment feel that they ought to remain with the organization”. Therefore, Meyer and Allen's three-component model will be utilized in this study because it measures the three types of organizational commitment.

**RESEARCH HYPOTHESIS**

Leadership is a process of interaction between leaders and subordinates where a leader attempts to influence the behavior of his or her subordinates to accomplish organizational goals (Yukl and Lepsinger, 2005). In other words, leadership is described as the selection of bases of influence (Krause, 2004). Shore and Coyle Shapiro (2003) stated that individual similarities or differences might influence the extent to which people respond favorably to organizational efforts to establish social exchange relationships. This implies that reciprocation deserves more attention as potential antecedents to the development of leadership in the future, since social exchange relationships are likely to have more positive consequences for employees and organizations. Past literature had indicated clear links between certain kinds of leadership, and subordinated attitudes to work and their wellbeing at work (Alimo-Metcalfe et al., 2008). However, what has so far been elusive has been evidence of a direct relationship between transformational and transactional leadership styles and employees’ organizational commitment. It is believed that leadership style is playing an important role of enhancing the organizational commitment. The research framework was construct based on the Bass (1985) model and Avolio and Bass (2004) and three component model of organizational commitment developed by Meyer and Allen (1997).

**Transformational Leadership and Organizational Commitment**

There is considerable research now available suggesting that transformational leadership is positively associated with organizational commitment in a variety of organizational settings and cultures (Avolio et al., 2004; Walumbwa et al., 2005; Bono and Judge, 2003; Dumdum et al., 2002; Chen, 2004; Top et al., 2012). Furthermore, Riaz et al. (2011) found that there was a significant relationship between leadership styles transactional and transformational- and organizational commitment of the employees. Similarly with some studies such as Marmaya et al. (2011), Charles and Emery (2007) and Lo et al. (2009), they agreed that the ability of leaders to properly use transformational behaviors had been a major determinant of organizational commitment. Due to widely agreement that transformational leadership can affect the organizational commitment, but majority of them have recommended for further investigation especially in different culture and research context. Therefore, based on that argument we propose the following:

**H1.** There is a positive significant relationship between transformational leadership with affective organizational commitment in Iranian higher education institutions.

**H2.** There is a positive significant relationship between transformational leadership with continuance organizational commitment in Iranian higher education institutions.

**H3.** There is a positive significant relationship between transformational leadership with normative organizational commitment in Iranian higher education institutions.

**Transactional Leadership and Organizational Commitment**

Burns (1978) who pioneered the study of transactional leadership, indicated that transactional
leaders are those who sought to motivate followers by appealing to their self-interests. These leaders motivate subordinates to achieve expected levels of performance by helping them to recognize task responsibilities, identify goals and develop confidence about meeting desired performance levels (Bass, 1990). Conversely, this style of leadership may take the form of passive style, especially when the leader practices passive managing-by-exception by waiting for issues or problems to surface before taking corrective measures (Burns, 1978; Northouse, 2001). Transactional leaders set goals, articulate explicit agreements regarding what the leader expects from organizational members and how they will be rewarded for their efforts and commitment, and provide constructive feedback to keep every person on task (Paul et al., 2002). Thus, previous studies found that transactional leadership is positively related to organizational commitment such as (Marmaya et al., 2011; Chen, 2004; LO et al., 2009). Due to uncertainty and disagreement in what aspect the transactional leadership style can affect the subordinate, we propose the following hypothesis:

**H4.** There is a positive significant relationship between transactional leadership with affective organizational commitment in Iranian higher education institutions.

**H5.** There is a positive significant relationship between transactional leadership with continuance organizational commitment in Iranian higher education institutions.

**H6.** There is a positive significant relationship between transactional leadership with normative organizational commitment in Iranian higher education institutions.

Therefore, based on the hypothesis, figure 1 is a conceptual model to this study.

Fig. 1: The conceptual model for research

![Conceptual Model](image)

**METHODOLOGY**

This section illustrates the measurement of the variables which conduct in this study, three variables which as following: firstly, organizational commitment was measured using the organizational commitment’s three component model (Meyer and Allen, 1991; Meyer and Allen, 1997) namely affective, normative and continuance, with 24 items. Secondly, transformational leadership was measured using 20 items from Avolio and Bass (2004) Multifactor Leadership Questionnaire (MLQ). Thirdly, transactional leadership was measured using 12 items from Avolio and Bass (2004) which is also commonly used to measure transactional leadership with five point Likert scale was conducted.

Statistical population consisted of male and female faculty members of District 2 of Islamic Azad University including confirmed official, official, contractual and probationary ones. According to purpose...
of study and composition of research population, a volume-based random-classified sampling was conducted and sample size was considered as 261 based on Krejcie and Morgan table; totally, 300 questionnaires were distributed to faculty members, that 265 questionnaires were used for the final analysis.

Finally, Description and correlation was conducted in this study as well testing the hypothesis using the multiple regressions.

RESULTS AND DISCUSSIONS

Table 1 showed that the result of descriptive statistics, cronbach’s alpha reliabilities and correlations for the variables. The mean range for all variables in positive side and mostly agree at range 3.327 - 3.531. The reliabilities finding showed the range for all variable 0.541 - 0.863 which that exceeded recommended value 0.5 suggested by Hair et al. (2010). The results indicated that there was a significant correlation between all construct; the range of the correlation among the constructs 0.377 - 0.635 that also met requirement.

**Table1. Means, Standard Deviations, Reliability Coefficients, and Correlations**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D.</th>
<th>Cronbach's Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Organizational Commitment</td>
<td>3.349</td>
<td>0.509</td>
<td>.541</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td>3.467</td>
<td>0.597</td>
<td>.620</td>
<td>.494**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normative Organizational Commitment</td>
<td>3.531</td>
<td>0.616</td>
<td>.640</td>
<td>.407**</td>
<td>.601**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>3.464</td>
<td>0.498</td>
<td>.863</td>
<td>.389**</td>
<td>.635**</td>
<td>.610**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>3.327</td>
<td>0.604</td>
<td>.774</td>
<td>.517**</td>
<td>.519**</td>
<td>.377**</td>
<td>.432**</td>
<td>1</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**

**Hypotheses Testing**

The multiple regression analysis determines which variables (independent variables) explain variability in the outcome, how much variability in the dependent variables is explained by the independent variable(s), and which variables are significant (over other variables) in explaining the variability of the dependent variable. Multiple regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable.

**Table2. Summary of Multiple Regression Analysis**

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>R²</th>
<th>F</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
<th>Beta</th>
<th>Sig</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational Leadership</td>
<td>Affective Organizational Commitment</td>
<td>.301</td>
<td>21.961</td>
<td>.42958</td>
<td>1.927</td>
<td>.204</td>
<td>.028</td>
<td>Supported</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>Continuance Commitment</td>
<td>.477</td>
<td>46.547</td>
<td>.43591</td>
<td>1.749</td>
<td>.505</td>
<td>.000</td>
<td>Supported</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>Normative Organizational Commitment</td>
<td>.388</td>
<td>32.328</td>
<td>.48622</td>
<td>1.888</td>
<td>.549</td>
<td>.000</td>
<td>Supported</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>Transactional Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.140</td>
<td>.106</td>
<td>Rejected</td>
</tr>
</tbody>
</table>
Based on table 2, showed that all independent variable transformational and transactional leadership were positively related with organizational commitment dimension namely affective, continuous, normative, at significant level .000 with expectation with one relation. The finding showed that all hypothesis was confirmed only one which were rejected between the transactional leadership and normative commitment. The R² pretty good and the independent variable were explained the variance in the dependent variable in range .391 - .477. The leadership style can explain about 30% on the organizational affective commitment. While, it explained about 47% on organizational continuous commitment. Furthermore, the leadership style explains about 34% on organizational normative commitment. The finding showed there is no multicollinearity or other barrier assumptions among the variable and the Durbin-Watson met the requirement in optimal position.

Discussions

The finding of this study is added valuable to the existing literature related. Transformational leadership was significantly related to all aspect or dimensions of organizational commitment namely affective, continuous, and normative. In the same way of token, the current finding in line with previous studies such as (Riaz et al., 2011; Pyngavil et al., 2012; Marmaya et al., 2011; Krishnan, 2009; Top et al., 2012; LO et al., 2009). It can be showed that transformational leadership is very curial factor of enhancing the organizational commitment in the Iran setting. The employees in Iran setting also can be influence by the behavior of the transformational leadership which that can be cleared the more the leader showed transformational charisma the more he or she can enhance and to be admired from the subordinate. Transactional leadership is more based on the exchange approach between him and the follower, thus this study was found significantly related with organizational commitment dimensions expect the normative commitment which found that transactional is not significant related to. The result is quite surprising and it can be figure out that transactional leadership is not good predicator of normative commitment same as transformational leadership. In addition, transformational leadership in this case showed it is more powerful. However, this result is begin found it by previous studies such as Marmaya et al. (2011), LO et al. (2009) and Chen (2004).

Conclusions

Organizations are always expending efforts in order to improve the efficacy and performance. Thus, creating the need to comprehend the factors that may either directly or indirectly affect the individual’s behavior in organizations. The current linkage the existing gape between organizational commitment and leadership style. Both subjects played a major role in successes of organizations. The outcome indicates that both transformational and transactional leadership have great impact on organizational commitment. In the same with other study limitations inherent any work: firstly, the research focuses on the higher education aspect and ignoring other context. Secondly, the sample size was too small which consider as the main limitation; future research should employ a much larger sample size. Thirdly, a cross sectional strategy was employed when doing the survey distribution; future studies could look into and employ a longitudinal strategy to enable for further findings. The researcher also recommends a few approaches to be undertaken to enhance organizational commitment in general and in Iranian context particularly such as look other factor can enhance organizational commitment for example job satisfaction, motivation, security, and engagement. Moreover, further study looking at the antecedents and consequences of organizational commitment. Even thought there are a huge number of studies in leadership style and organizational commitment but the image still not clears yet. Producing high commitment and performance among the subordinates may require a great leader. Thus, future study strongly recommends examining the level of leadership competency and effectiveness and its effect in Iranian organization outcome.

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