Effect of Transformational Leadership on Employee Organizational Commitment: Moderating Role of Emotional Intelligence

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Authors' contributions

This work was carried out in collaboration between all authors. Author IS conducted the study, search for literature and wrote first draft of the manuscript. Author MK managed modeling specification and analysis of the manuscript. Author AU helped in technical writing and editing of the manuscript. Authors SI, PI, SB and AA incorporate the literature citation and references of the manuscript. All authors read and approved the final manuscript.

Original Research Article

ABSTRACT

This study examines the relevance of different approaches related to non-pecuniary factors by distinguishing positive from negative work attitudes (e.g., effort and shirking). Using survey data, we quantify the relative importance of several human resource management practices. Results show that the social esteem approach, including pride and shame, is more prevalent than the social

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preference approach, including reciprocity and fairness, with respect to effort. However, the latter approach is as important as the former approach with respect to shirking. These results are robust, irrespective of gender. Distinguishing the context of work incentives, either effort or shirking, is crucially important when discussing the effects of non-pecuniary factors.

Keywords: Transformational leadership; emotional intelligence and organizational commitment.

1. INTRODUCTION

Modern organizations face with new challenges requiring them to adopt effective decisions in order to resolve complicated issues. Such decisions are usually adopted in the top of organization. On this level, leaders and directors enjoy power and control for influencing objectives of organization. Every organization needs effective leaders who fulfill organizational productivity by increasing follower's job satisfaction, performance and commitments. The potential consequences relating to influence and efficiency of leadership behavior will affect organizational objectives. These objectives may include: increasing morale, occupational satisfaction, organizational commitments; or decreasing absence, delays or dislocation and transfers of personnel [1].

Transformational leadership is the capability of boss to have an impact on the ideology, ideas, and actions of people to achieve objectives of the organization [2] and positive association between TNL and the degree of motivation and desire to achieve goals [3,4,5]. A change in the organization can occurs and transformational leadership can have influence on it by making a clear vision, getting this vision accepted and to make a strong link between his vision and the follower's interest [6]. In the history of organizational behavior some leadership theories focus that both for manager as well as for leaders emotional and social intelligence are more important because if there is rational and behavioral complexity and flexibility is present then it is considered as important characteristics for leaders [7].

Many emerging topic such as psychological, educational, and management researchers and consultants regard emotional intelligence (EI) is one of the main research study. Most of the multinational organizations have strong focus on the emotional intelligence training courses. Therefore to improve their management skill, organization sent their employee to various training conducted by management consultant. Various thoughts and study revealed that emotional intelligence has a key role in the employee physical and mental health as well as employee's career achievements [8]. Leadership contributes a central role in human development and it referred to the procedure to push an organization towards achieving goals and objectives. Many past research studies have showed interest in transformational and transactional leadership styles. Transformational leadership played a vital role in created vision and ideas and bring opportunities for the advancing of organization [9].

Emotional intelligence, as originally conceptualized by involves the ability to perceive accurately, appraise and express emotion; the capability to judge thoughts when and to understand emotional knowledge and emotions and the talent to regulate emotions to encourage emotional growth and intellectual growth [10].

Recent researcher have emphasized that market is a place of continuous growth and evolution. Customer's demand increased which create space for research and development as a result innovation in the products. A company's success depends upon well trained and qualified employee. Many research studies results reveal that organizations have a competitive advantage over employees [11].

Transformational leadership not only engages in transformational behavior but also displays transactional leadership, consistently took part in motivation and work engagement among employee and subordinates. As a result of these influences create conducive work environment which coincides with favorable work attitudes in employees, such as job satisfaction and organizational commitment. Due to these developments in motivation and attitudes, organization mission and objective shows visible change in performance [12].

The objectives of this study are to investigate the relationship between transformational leadership styles of with employee commitment in cellular service sector of Pakistan. Research finding will also check the moderating role of Emotional

Intelligence on the association between transformational leadership (TNL).

2. REVIEW OF LITERATURE

According to [13] Transformational leadership is a values-laden influence process whereby leaders elicit superior follower performance through the alignment of work values. Transformational leadership was positively associated with follower stakeholder corporate social responsibility (CSR) values and negatively related to follower shareholder CSR values. [14] transformational leadership as an antecedent to their positive psychological capital—a higher-order construct that represents an individual's motivational propensity and perseverance toward goals. Positive psychological capital, in turn, has in-role performance and organizational citizenship behavior as consequences. [15] The effect of transformational leadership characteristics and empowerment on service quality the relationship between empowerment and selected transformational leadership characteristics (i.e. intellectual stimulation and individualized consideration) is positively and significantly correlated with service quality. Empowerment does act as a full mediating variable in the leadership model of the organization under study. Moreover, the influence of characteristics of leadership on job performance is indirectly affected by empowerment.

[16] found that followers and leaders worked at different locations, visionary leadership was positively related to work attitudes, provided that promotion focus was sufficiently high or prevention focus was sufficiently low. Furthermore, when followers and leaders worked in the same location, personal recognition was positively associated with work engagement, especially if prevention focus or performance goal orientation was high. [17] suggested that effectiveness is enhanced in inter professional teams when transformational leaders engender dynamics that are characterized by inter professional motivation and openness to diversity. Further, we suggest that this moderating role is such that conditions of high negative affect enhance the mediating role of inter professional motivation, while low negative affect strengthens the mediating role of openness to diversity.

[18] explore that manager who is expanding their business at global level is the main concern for sustaining emotionally intelligent knowledge workers of strategic human resource management (SHRM). In addition describe that nurturing the team learning behavior among the diverse workforce of global business organizations to develop learning organizations. It provides new avenues for the promotion of team learning in the organization. [19] found that importance of studying emotional intelligence in students is imperative since it indicates other competencies such as communication and interpersonal relations. Majority of students were quite low in terms of emotional intelligence. Moreover, revealed that emotional intelligence is the grassroots of all intelligence dimensions.

[20] state that measurement model for job satisfaction was a valid reliable model. In testing structural relationships, the results showed that leadership practices directly affect job satisfaction and indirectly affect it through organizational commitment. [21] argue for opposite relations of the two leadership constructs on the affective organizational commitment climate. Leadership research suggests that collective-focused leadership climate and differentiated individual-focused leadership might simultaneously, yet oppositely, affect collective outcomes. Subsequently theorize that contingent-reward leadership climate moderates these opposing relationships, making our study the first in this field to investigate moderators. [22] investigates the mediating role of EI on the relationship between OCB and transformational leadership (TNL). Furthermore describe that Managers' emotional intelligence (EI), organizational citizenship behavior (OCB) and leadership styles play an imperative role in the organizational success.

[23] revealed that the relation between leaders' individualized consideration and idealized influence (attributed) and perceived strain is moderated by affective organizational commitment. In addition, the relationships between transformational leadership and perceived strain were examined on the level of dimensions with two independent samples. Moreover, moderating processes were addressed. As expected, we found specific relations for the different leadership dimensions with perceived strain. Particularly, individualized consideration and idealized influence (attributed) appeared to be the most important predictors, whereas inspirational motivation and idealized

influence (behavior) did not explain incremental variance in strain.

According [24] Leadership influences internal public relations by building the linkage between transformational leadership, the use of communication channels, symmetrical communication, and employee satisfaction. Furthermore, it examines the effectiveness of various internal communication channels. Leaders' use of face-to face channels is positively associated with employee satisfaction. Employees mostly prefer emails to receive information from the organization regarding new decisions, policies, events, or changes, followed by general employee meetings and interpersonal communication with managers.

[25] states that the relationship between transformational leadership behavior and organizational citizenship behavior, as a result transformational leadership has a major role. It was find that indirect relationship between leadership and employee behavior and emphasize the relevance of public service values when analyzing leadership behavior in public sector organizations. [26] argues that leaders and leadership becomes virtualized through the mass media and proposes the Virtual Leader Construct (VLC) – a non-human image of a leader who is purposefully created by an organization. It is argued that VLCs can and do perform potent transformation leadership

functions for organizations – functions that are further enabled the more they are virtualized.

3. METHODOLOGY

3.1 Sample and Data Collection

This study was carried out in Peshawar region. Telecom industry was selected as a field of the study. The main organizations of this industry are ufone, mobilink, warid, zong and telenorin this specific area. Due to time and budget constrained this study was limited to only Peshawar region. A total of (N=100) employees were taken as a sample size of the study. A well-structured and comprehensive questionnaire was developed to collect the data from the respondent. The questionnaire was pre-tested so that rectifies the errors. The primary data was taken randomly from the different level of managers in their respective offices. This data was punched in to the computer for the analysis of the study.

3.2 Theoretical Framework

The relationship between dependent variable (Organizational commitment) and independent variable (Transformational Leadership)and the effect of the moderator variables illustrated in the schematic diagram as follows:
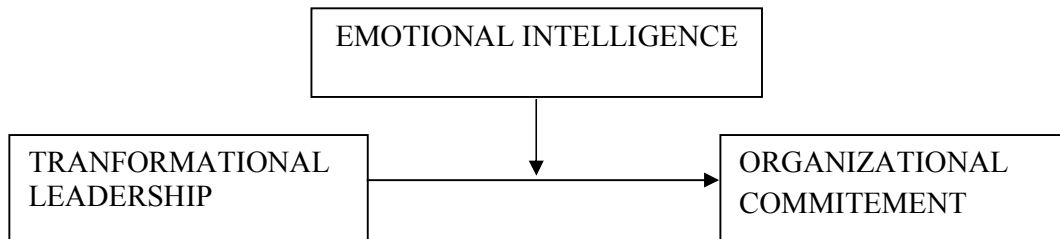
3.3 Modeling Specification

The following empirical regression models were used:

$$Y(Orgcom) = \beta 0 + \beta 1 TNF + \varepsilon$$

$$Y(Orgcom) = \beta 0 + (\beta 1 TNF * \beta 2 EI) + \varepsilon$$

3.4 Hypothesis

- o H1: There is a positive effect of transformational leadership on organizational commitment.
- o H2: Emotional intelligence is positively moderate the relationship between transformational leadership and organizational commitment.

4. RESULTS AND DISCUSSIONS

Table 1 presents the results of the reliability analysis of the study. Alpha values demonstrate that either result is reliable or unreliable. Alpha value for transformational leadership was calculated 0.86 showing reliable value. Similarly, Alpha values for emotional commitment was obtained 0.62 showing also reliable result. Moreover, alpha value of the organizational commitment was found 0.65 having reliable value.

The personal impact of an individual change is an initiative function of or based on the relationship of transformational leadership and followers commitment. The result shows that transformational leadership is strongly significantly related with follower's commitment. For leaders who were not viewed as transformational, good change-management practices were found to be associated with higher levels of change commitment. To test mediation effect of organization commitment, followed by the procedure outlined by [27] specifically multi-level mediation testing procedures recommended by [28,29] for mediation testing. According to these researchers four terms analysis needed to be met to support full mediation. First, there will be significant relationship between an independent variable and dependent variable, second, there will be significant relationship between an independent variable and mediator variable, and the third condition is there will be significant relationship between mediator and dependent variable. Finally, the relationship between independent variable and dependent variable must be disappear when mediator variables is introduced into the regression equation predicting dependent then will be a complete mediation. If the coefficient between leadership styles and job performance after introducing organization commitment into the regression equation remained significant but is reduced, there was evidence for partial mediation.

Results of the regression analysis (Table 2) showing a significance relationship between TNL and OC. R^2 value was calculated as 0.513 estimated that positive relationship between TNL and OC. R^2 value for OC and EI was obtained 0.42 showing appositive relationship between these two variables. The coefficient β quantifies that change of dependent variables with respect to independent variables either positively or negatively. Organizational commitment (OC) will increase 0.513 units with one unit increase of transformational leadership and Organizational commitment (OC) will increase 0.42 with one unit increase in emotional intelligence (EI). R^2 value of transformational leadership calculated was 0.263, which shows that 26.3% variation in OC has been explained by variation in transformational leadership. The value of R^2 of emotional intelligence (EI) was obtained 0.183, which shows that 18.3% variation in Organizational commitment (OC has been explained by variation in emotional intelligence.

Table 1. Reliability analysis of the study

Variable Name	Alpha Value	Reliable/Unreliable
Transformational Leadership	0.86	Reliable
Emotional Intelligence	0.62	Reliable
Organizational commitment	0.65	Reliable

Table 2. Regression analysis of the study

	Organizational commitment				
Transformational leadership	β	R^2	T	F	P
	0.513	0.263	5.90	35.01	0.000
Interaction	β	R^2	T	F	P
	0.428	0.183	4.69	22.06	0.000

Correlation in Table 3 indicated that transformational leadership correlated positive to job organizational commitment (r = 0.513, p <0.05) and positive related to emotional intelligence(r = 0.205 p < 0.001). Hypothesis 1 was supported. Emotional intelligence also significantly correlated to organizational commitment (r = 0.103, p < 0.001). Then, Gender significantly correlated with transformational leadership (r = 0.159, p < 0.05).Correlation in Table 3 showed that Gender correlated positively with organization commitment (r = 0.011, p < 0.001). Furthermore, management level positively correlated with transformational leadership (r = 0.019, p < 0.001), also positively correlated with Emotional intelligence (r = 0.074, p < 0.001), as well significantly correlated with organization commitment (r = 0.306, p < 0.001). At the same time age positively correlated with transformational leadership (r = 0.058, p < 0.001), also positively correlated with Emotional

intelligence (r = 0.218, p < 0.001) and significantly correlated with organization commitment (r = 0.197, p< 0.001). Hypothesis 2 was supported. These results are in line with the prior studies [30].

If organizations encourage the implementation of leadership programs and friendly policies they will be successful in reducing the turnover because leadership can be helpful in attracting new employees and improve the attitude and behaviour of employees and help in increasing their commitment to organization [31]. Therefore it is concluded from the above discussion that inside in the organization decent leader style present as a result degree of satisfaction and level of commitment of an employees will be increase toward the organization. In other words transformation leadership affect the employee organizational commitment.

Table 3. Correlations among gender, age, management level, transformational leadership, emotional intelligence, organization commitment and interaction (N=100)

		Gender	Age	Mgtlvl	Mean TNL	Mean EI	Mean OC	Interaction
Gender	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	100						
Age	Pearson Correlation	.250(*)	1					
	Sig. (2-tailed)	.012						
	N	100	100					
Mgtlvl	Pearson Correlation	-.268(**)	.017	1				
	Sig. (2-tailed)	.007	.869					
	N	100	100	100				
Mean TNL	Pearson Correlation	.159	.058	.019	1			
	Sig. (2-tailed)	.115	.568	.848				
	N	100	100	100	100			
Mean EI	Pearson Correlation	.149	.218(*)	.074	.205(*)	1		
	Sig. (2-tailed)	.138	.029	.466	.040			
	N	100	100	100	100	100		
Mean OC	Pearson Correlation	.011	.197(*)	-.079	.513(**)	.103(*)	1	
	Sig. (2-tailed)	.916	.049	.434	.000	.309		
	N	100	100	100	100	100	100	
Interaction	Pearson Correlation	.190	.168	.055	.818(**)	.726(**)	.428(**)	1
	Sig. (2-tailed)	.059	.095	.586	.000	.000	.000	
	N	100	100	100	100	100	100	100

* Correlation is significant at the 0.05 level (2-tailed);
** Correlation is significant at the 0.01 level (2-tailed)

The results of leadership are found consistent with the results of the research conducted across the globe. It is found from the research of the study that the factors associated with different leadership styles bring variation in the degrees of employee commitment to the organization. Transformational leadership style is positively associated with employee satisfaction as well as their loyalty and commitment with the organization. The findings of this study offer suggestions for improvement of employee commitment through leadership style.

5. CONCLUSION

In conclusion, cellular companies' key staff member/employee which they want to retain as valuable assets for organisation are suggested to apply the techniques to foster more leadership relating to transformations of their employees as well as their organization. The research provides guidelines for the organizations that how transformational leadership offer conducive environment to sustain and motivate the employee job commitment and level of satisfaction. Employee level of satisfaction directly associated with commitment and loyalty towards organisation. Those employees who are satisfied from the organization they considered are the important assets of an organization and organization want to retain those employees's on long term and want to spend cost of training and development.It is suggested that consideration should be given to the development of leadership in the organization setting in order to ensure that this relevant style should match the situation. Furthermore, Transformational leader should emphasize more on guiding the employees in their work activities rather than directing them. Finally, a supportive management is required to balance leadership with management in minimizing the conflict between manager and leader. Top management should realize the importance of leadership in getting the work done through employees and to maintain them with current organization.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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