

Impact of Transactional and Transformational Leadership Styles on Organizational Affective, Continuance and Normative Commitment: Empirical Evidence from the Private Sector Universities in Khyber Pakhtunkhwa (Pakistan)

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Abstract

The paper explored the effect of leadership style on the organizational commitment. The major objective was to check the role of transformational and transactional leadership styles on affective, normative and continuance commitment among the private sector universities in Peshawar. The study used questionnaire method for testing the hypotheses derived on the basis of recommended statistical models. The study used a sample of 240 faculty members from the population of the study. The findings of correlation model show that affective commitment, normative commitment and continuance commitment are having positive relationship with the transformational and transactional leadership among the faculty members of private sector universities. The results of regression model show that the transactional and transformational leadership are having significant effects on the affective, normative and continuance commitment. The study is a novel contribution to the leadership and commitment domain of private sector universities. The leadership should motivate their followers by both intrinsic and extrinsic tools so that they keep to stay in the firm.

Keywords: transactional leadership, transformational leadership, affective commitment, normative commitment, continuance commitment, private sector universities.

Introduction

The studies argued that the leadership style can be helpful in predicting the performance of the firm. The leadership style can be taken as the important part of the firm development and also in the employee performance (Bisharat et al., 2016). The studies defined the concept of transformational leadership as the firm leader work with the team to recognize the needs, involving in making the vision, providing platform to follow by the team members (Bushra et al., 2011). The concept of transformational leadership has been increased for the research point of view and the researchers are not showing interest in examining the

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transformational leadership around the world. Majority of the studies have argued that the transformational leadership can have positive relationship with the employee performance.

The concept of Corporate Social Responsibility (CSR) can be described as “the firm’s continuance commitment to show its ethical behavior and take its part towards the economic development but balance should be maintained to provide quality of life to the families and employees and also to the communities but society as on large part (Manzoor et al., 2019). The connection between the association and its workers, organization commitment, isn't just one of the significant ideas as far as the board and conduct sciences; it is additionally key to considers with respect to individual and organization execution (Swales, 2002). As indicated by this definition, organization responsibility comprises of three parts: (1) having total faith in the goals and estimations of the association, (2) putting forth all attempts important to help the association and (3) wanting to proceed with that association. It is likewise underscored that it is a procedure (Ozge et al., 2018).

The continuance commitment according to studies is playing a significant role for the employees as this can be helpful in getting the potential of the employees and is also significant in leading towards the organization objectives. the leadership always try to implement the most effective leadership style especially when it is helpful in managing the needs of employees both related to personal and official needs which can be helpful in getting employees satisfaction and organization commitment. In the today’s modern management concept, the firms in the global markets are now considering the importance of management and also adopting the necessary changes occur in the top management especially in the case when they are facing the most critical and competitive time in the market. Top management is helpful especially in the case when the firm is facing constraints from the market, government and other working groups, the experience of top management can be helpful in finding the most accurate solution on the right time when the firm is in need (Samad, 2005).

After evaluating the previous studies and examined their findings on the transformational leadership and organization commitment in the different parts of the world, the studies i.e. Naz et al., (2013); Sahar, (2018) and Erben (2007) who got positive relationship of leadership and organization commitment but there are some conditions applied i.e. rich working environment, support from the supervisor etc. different studies on leaderships have been examined i.e. servant leadership i.e. Drury (2004) and Barnes (2011); ethical leadership i.e. Ugurlu (2011) and Kim and Brymer (2011) and transformational leadership Yang (2012), Avolio et al., (2004) and found that the It has been argued that all the firms are dealing

with individuals for executing different kinds of activities in the different departments. The major objective of the activities is to get the work done in efficient and effective manner, so this is important that the management should provide most positive and relax environment to the employees so that they can work and the organization objective can be achieved. But one can give more effort only when the leader motivates him to do so, this argued that the leadership inspiration can be the effective tool to get satisfaction and higher organization commitment (Rini et al., 2018). Some of the factors i.e. high dedication, competent employees are showing the good performance of the firm and also it can help the firm to get their target efficiently (Asrid et al., 2018). Leadership is the factor which can be find vital for the success of the firm by motivating the talented employees and show them their behavior as an example to follow them in order to get higher satisfaction and success in the firm. McNeese Smith, 1991; Parrish, 2001). Majority of studies evaluated have been conducted in the multiple sector but no specific studies have been viewed in the higher educational institutes in Pakistan who have evaluated the transformational leadership and three types of commitments. In this view, this study is intended to assess the relationship between leadership styles and organizational commitment of university level teaching faculty in Khyber Pakhtunkhwa.

Objectives

- To investigate the effects of transactional leadership styles on organizational Affective, Continuance and Normative Commitment.
- To investigate the effects of transformational leadership styles on organizational Affective, Continuance and Normative Commitment.

Literature Review

By evaluating the concept of leadership from Bass (1990), who argued that it is the self-declaration that depicts transformational leadership. Leadership are effective at impacting employees since supporter have "trust, adoration, faithfulness and regard" for the leadership who is showing the transformational behavior; and on account of the features of the last stated, devotees are happy to work more enthusiastically for the achievements of goals (Geib and Swenson, 2013).

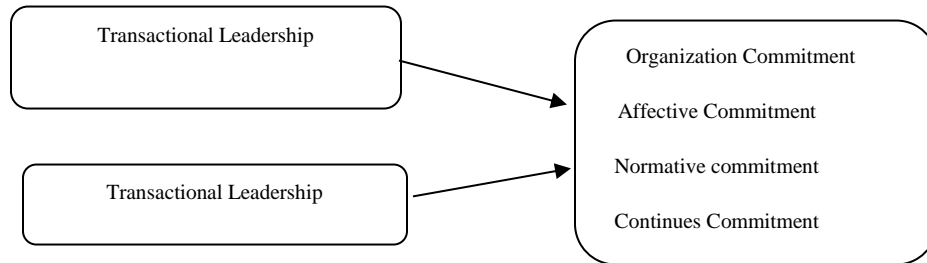
Rini et al., (2018) have evaluated the concept of transformational leadership with relation to the job satisfaction. the study has adopted the descriptive method of analysis. The study has used the employees working in the KPP or Tax service office in the study scope and also argued that by sampling method the study was limited to 89 sample size. Questionnaire methodology has been used for data collection and used the employees.

The study has used the Path Analysis for the estimation of study objectives. The results show that the transformational leadership is showing positive relationship with the organization and having significant effect on the job satisfaction while the transactional leadership are showing significant effect on the job satisfaction while have insignificant effects on the organization commitment.

Manzoor et al., (2019), Leadership style is a significant feature that influences the upgrade of organization exhibition and worker's activity execution, and what destinations seek after, which likewise build benefit for their representative's financial commitment to society. The aftereffects of the investigation recommend that transformational authority decidedly and totally predicts work execution. Especially, the examination finds that CSR fundamentally intervene the impact of transformational administration on work execution. Based on these discoveries, it tends to be elucidated that transformational administration, work exhibitions, and CSR are significant components of an association. These components can improve organization execution. Hypothetical ramifications of the ongoing investigation are talked about, and offer bearings for future research in the zone.

Ozge et al., (2019), The impact of administration on organization responsibility was inspected in this meta-examination study. A sum of 420 research contemplates were gathered because of the audit movement, out of which 202 were remembered for the meta-investigation. The 202 research examines were arranged to acquire an example bunch size of 63,753 subjects. The examination aftereffects of the irregular impact model indicated that initiative has a medium-level constructive outcome on organization commitment. Of the arbitrators recognized, for example, test gathering/area, sort of distribution, administration style/approach, year of production and kind of responsibility, it was discovered that solitary sort of production was a mediator variable.

In the modern firms, the Transformational leadership has been applied by only those firms who are considering the employees as the factor to get higher level of satisfaction. the idea behind this is that the Transformational leadership is the creative and inspiration from the leader to motivate their employees to work beyond their capacities and get organization benefits. Different studies have been conducted on the Transformational leadership with different dimensions i.e. Transformational leadership and employee satisfaction has been examined by Lamiaa et al., (2016); Laura et al., (2018) and Marion et al., (2017). The Transformational leadership is the most effective which can be use by the employees to get more attention from the management by showing positive performance.



Hypothesis

- H1a: Transactional leadership has significant effect on organizational affective commitment.
- H1b: Transactional leadership has positive relationship with continuance commitment.
- H1c: Transactional leadership has positive relationship with normative commitment.
- H2a: Transformational leadership has positive relationship affective commitment.
- H2b: Transformational leadership has positive relationship continuance commitment.
- H2a: Transformational leadership has positive relationship normative commitment.

Research Methodology

The present study was conducted in the education sector of Pakistan. The nature of study was pure quantitative. The study used questionnaire method from the literature and then the hypotheses derived were testing on the basis of recommended statistical models.

The population taken for the study consists of all the employees of teaching cadre in the private sector universities of Khyber Pakhtunkhwa province of Pakistan. The employees selected will comprise of lecturers, assistant professors, associate professors and professors. There are 1560 faculty members working in the private sector universities and they were the study population.

The cluster sampling technique was used in the study. Each private sector university in Khyber Pakhtunkhwa was taken as a cluster and then from the group of clusters, a simple random sample was taken. The inter-group homogeneity was assumed as all members within each

cluster will be employees of teaching cadre and of similar grades. This is intended to better reflect the sample as representative of the population so that the findings of the study may be generalized to the entire population. The study has used the sample calculation table as mentioned in the study of Krejcie and Morgan (1970), the study has taken a sample of 240 sample faculty members from the population of the study.

Table 1: Sample size

University	Total Faculty	Sample
Abasyn University	175	27
Qurtuba University	291	45
Sarhad University	224	34
Fast University	267	41
City University	228	35
Cecos University	171	26
Iqra National	204	31
Total	1560	240

Measurement & Instrumentation

The variables were quantitative in nature and the data of the selected variables were collected by closed ended questionnaire. The questionnaire was semi structured and was based on five-point Likert scale.

A structured questionnaire based on Allen & Meyer (1990) three component model was administered to the teaching cadre employees in private sector universities of Khyber Pakhtunkhwa. The commitment measures in the questionnaire included scales related to affective, continuance and normative commitment. The relevant leadership styles considered for the study was transformational leadership and, transactional leadership and their respective measures were developed on the basis of work of Den Hartog, Van Muijen & Koopman (1997). The transactional leadership scales included dimensions related to Contingent reward, Active Management by exception and Passive Management by exception whereas the transformational leadership encompass Charisma/Idealized Influence, Inspiration, Intellectual stimulation and Individual Consideration.

The collected data was analyzed to ascertain the degree of relationship between the variables of the study and accordingly the testability of the given hypotheses. The employees' responses were properly coded. The SPSS was used to analyze data. Spearman product moment correlation was used to measure the strength of relationship

between leadership styles and organizational affective, continuance and normative commitment.

Analysis & Findings

Table 2: Reliability Statistics

S. No	Variable	Cronbach Alpha
1	Transactional Leadership	.908
2	Transformational Leadership	.891
3	Affective Commitment	.872
4	Continuance Commitment	.797
5	Normative Commitment	.887

The table showed the findings of reliability statistics which has been used in the study to check the internal validity of the variables included in the questionnaire. The study has used Cronbach alpha to check the internal validity of the items transformed into single variable. The studies have argued that the standard value of Cronbach alpha for the validity is .70 and the value must be higher than .70. The values of Cronbach alpha are more than .70 which showed that the variables taken in the study are reliable.

Correlation Analysis

Table 3: Pearson Correlation Matrix

	TL	TRS	AFF	CC	NRC
TL Pearson Correlation	1				
TRS Pearson Correlation	.856**	1			
AFF Pearson Correlation	.847**	.703**	1		
CC Pearson Correlation	.839**	.915**	.703**	1	
NRC Pearson Correlation	.835**	.802**	.806**	.722**	1

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

The table above is the result of Pearson Correlation model which has been taken in the study to check the relationship among the variables of the study. The objective of selecting the Pearson Correlation is that, the model can be helpful in estimating the two-directional relationship along with the strength of relationship.

The findings mentioned in the table showed that the transactional and transformational leadership are 85 percent related with each other and this relationship was found positive and significant. The relationship between transaction leadership and affective commitment is found 84 percent and positive. The p-value of the relationship is less than the standard value and confirms the significant relationship. Transaction

leadership and continuance commitment are 83 percent related with other and found a positive and significant relationship among these two variables. The relationship between the transactional and normative commitment is 83 percent and positive. The concept of transformational leadership has been increased for the research point of view and the researchers are not showing interest in examining the transformational leadership around the world. Majority of the studies have argued that the transformational leadership can have positive relationship with the employee performance. The studies argued that the leadership can affect the firm performance in two ways: 1) it has direct effect on the firm performance as per the study of Koechet et al., (2012) argued that the transformational leadership can affect the firm success and failure and this effect be seen group and team basis. The second effect is the indirect effect which means that the transformational leadership ca has influence but through CSR. It has been argued that all the firms are dealing with individuals for executing different kinds of activities in the different departments.

Table 4: Regression Leadership and Organization Commitment

Variable	AC	NC	CC
	Coef (t)	Coef (t)	Coef (t)
Constant	-.44 (-2.7)**	-.64(-3.9)**	.498 (6.1)**
TR leadership	.91 (13.7)**	.55(8.4)**	.210 (4.3)**
TRN leadership	-.08 (-1.2)	.32(5.0)**	.735 (5.0)**
R-square	0.84	0.72	0.84
F-value	303.9	313.4	666.7
P-value	0.00	0.00	0.00

The findings suggested transactional and transformational leadership and affective commitment are 84 percent related with each other as suggested by the value of R. The findings suggested that transactional and transformational leadership have 71 percent effects on the affective commitment and this variance can be seen in the value of R-square i.e. .719. The f-value was used to check the statistical significance and concluded the higher value than 4 which recommends the statistically significant model.

The continuance commitment according to studies is playing a significant role for the employees as this can be helpful in getting the potential of the employees and is also significant in leading towards the organization objectives. the leadership always try to implement the most

effective leadership style especially when it is helpful in managing the needs of employees both related to personal and official needs which can be helpful in getting employees satisfaction and organization commitment. An examination led by Subramaniam and Mia (2001) additionally demonstrates that administrators who take an interest in spending basic leadership will in general have an elevated level of organization commitment.

The findings suggested that transactional and transformational leadership have 84 percent effects on the continuance commitment and this variance can be seen in the value of R-square i.e. .849. The transformational leadership advocates others to embrace the revolutionize procedure and along these actions shows the achievements of the alert on change. To place it pointedly, the accomplishment of the transformational leadership is characterized by their capacity to offer others something that goes past personal circumstance: they give other "a motivating crucial vision and give them a character" (Geib and Swenson, 2013). Researchers build additional qualifications in initiative styles by expounding on a segment of Bass' classification. Chu et al. (2009), explain the idea of alluring initiative. This is a worth-based behavior that punctual passionate bonds among leadership and adherents.

The findings suggested that transactional and transformational leadership have 72 percent effects on the normative commitment and this variance can be seen in the value of R-square i.e. .726. The effective officials are always dynamic with their kin by rousing, fulfilling and rectifying them and by supplanting them, on the off chance that they fail, thereby, making open doors for other people. To put it plainly, leadership with helpful inspiration conduct make vision, establish correspondence and oversee testing laborers by empowering, working with them and giving them autonomy. Because of these reasons and troubles looked in actualizing this hypothesis, specialists have liked to follow the Meyer & Allen's (1984) way to deal with further investigations in the area of organization responsibility. Despite the fact that Meyer and Allen's hypothesis was favored as a reason for future research, it missed the mark in clarifying the fragile complexities and connections between the various elements of OC.

Conclusion

The study has been found limited to the education sector and the sample were taken as the faculty members of the universities. In future, there should be a study conducted by taking all the styles of leadership and compare the findings of different styles to evaluate the difference and significant implementation of leadership style. Another concept of taking

mediation factors to check the role of leadership in organization commitment. Some suggested factor i.e. motivation, organization culture etc. and their mediation can be evaluated in the relationship of leadership and organization commitment. The existing work has been conducted by taking the quantitative techniques but there is a need to check the phenomena using the qualitative methodology as well i.e. using the interview analysis by collecting the data from the faculty members. This study aided the relevant literature on organizational behavior and may have the managerial implications for various management levels to effectively understand and deal with employees' level of organizational commitment. Furthermore, it will help managers to align their behavior as leaders with the employees' behavior to productively use their abilities for the betterment of the organization. Therefore, this study will be a significant endeavor for all the stakeholders.

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