The Effects of Managers Transformational Leadership Style on Employees Organizational Commitment

Derya KARA  
Department of Tourism Management Education  
Commerce and Tourism Education Faculty  
Gazi University  
Ankara, Turkey  
deryakara@gazi.edu.tr

ABSTRACT  
This study investigates the effect of managers’ transformational leadership styles on the employees’ organizational commitment in the hotel industry. The study was conducted on 443 employees in five-star hotels in Turkey. First, the correlation analysis conducted between organizational commitment and transformational leadership styles. The results showed that there is a positive, moderate level of correlation between employee organizational commitment and transformational leadership styles (idealized attributes, idealized behaviors, inspirational motivation, intellectual stimulation, individual consideration). Second, multiple linear regression was applied in order to analyze the relation between organizational commitment and managers transformational leadership style. With this analysis, employees’ organizational commitment and managers transformational leadership styles were found to be significant.

KEY WORDS  
Transformational leadership, employee, organizational commitment, hotel industry

JEL CODES  
M19, M54

1. Introduction

Labor intensive industries, like hospitality, are dependent on the performance of its employees. Management in the hospitality industry should be more alert to interpersonal dimensions and should be more democratic and participative (Masry, Kattara, & Demerdash, 2004). Hospitality operations, like any other business, have to accept the importance of leadership and integrate the needs of employees into their organization. It is through leadership and understanding of this integration that will enhance the success of a hospitality operation over the long run (Lim & Boger, 2005). Since hospitality industry has increasingly harsh environmental demands, leadership skills may help organizations to utilize the available human resources more effectively. To understand and promote effective “leadership” may be of considerable importance in coping and dealing successfully with environmental pressures. Organizations actively consider leadership approaches and use them to help educate managers on the complexities of leading people may benefit (Erkutlu, 2008). Furthermore, effective leadership in the hospitality industry is essential in achieving financial results and realizing desired performance objectives among the employees (Maier, 2011).

Leaders need to manage and motivate their employees to reach their maximum potential, to be engaged, to embrace change, and to make good technical decisions (Bennett, 2009). Clark et al (2009) reported that if frontline employees are satisfied with and committed to their jobs, they share the firm’s customer-oriented values, exhibit low levels of role stress, and deliver the highest
level of service quality (Clark, Hartline, & Jones, 2009). If one is satisfying one’s own needs at work then the workplace is likely to be seen as a desirable place to spend time; and, one who is satisfied at work will be more committed to the workplace and will have lower turnover intention.

Leadership styles have been studied by the researchers and practitioners in various theoretical contexts over the years. Although the links between leadership and organizational commitment have been examined by researchers (Avolio, Zhu, Koh & Bhatia, 2004; Bateman & Strasser, 1984; Bono & Judge, 2003; Clark, et al., 2009; Emery & Barker, 2007; Geisel, Sleegers, Leithwood & Jantzi, 2003; Leach, 2005; Limsila & Ogunlana, 2008; Lok & Crawford, 1999; Lowe & Kroeck, 1996; Mathieu & Zajac, 1990; Walumbwa & Lawler, 2003), there have been limited amounts of research conducted in the hospitality sector. Therefore, the purpose of this study is to determine the effects of transformational leadership style on employees’ organizational commitment in the hospitality sector. The contribution of the present study is twofold. First, it provides theoretical literature with respect to transformational leadership and organizational commitment. And second, because it has been done in the hospitality sector, the result of the study can provide rich information to the leaders in the hospitality sector to improve their employees’ organizational commitment.

2. Transformational Leadership Style and Organizational Commitment

Leadership is important to consider in relation to acceptance of innovations and to work attitudes, perceptions, behavior, service quality, and client outcomes (Aarons, 2006). Leadership is vitally concerned with what people are thinking and feeling and how they are to be linked to the environment of their job/task (Nicholls, 1988). Bennett (2009) reported that organizations have to be more flexible, more nimble and more adept than ever before. Leaders need to not only be involved in the day-to-day activities of their company but they must also effectively provide vision that will lead, inspire, and motivate employees. This vision will be necessary to help others embrace change, create new products, improve processes, lower costs, and be more competitive in a global economy (Bennett, 2009). In literature, many of the leaders voiced a concern for creating a clear vision for their company and stated that developing an internal environment enhances employee effectiveness, which was of primary importance (Tracey & Hinkin, 1994). Leaders were encouraged to empower their subordinates by developing them into high commitment individuals and to be team focused on quality, service, cost-effectiveness, and quantity of output of production (Bass, 1999).

Clark et al. (2009) reported that a manager’s leadership style has a tremendous influence on employees’ behavior, including their adoption of the firm’s strategic and marketing initiatives, particularly those relating to customer service (Clark, et al., 2009). A major determinant of an employee’s attitude is his/her perception of their immediate supervisor. As such, it seems reasonable to assume that some leadership styles may be more effective than others at gaining the commitment of employees (Emery & Barker, 2007). Burns (1978) was one of the first to conceptualize leadership styles as transactional and transformational characteristics (Burns, 1978). Bass (1990) labeled leadership styles as transactional and transformational and measured leadership styles by developing the Multifactor Leadership Questionnaire (MLQ) (Bass, 1990). Transactional leadership is an exchange process based on the fulfillment of contractual obligations and is typically represented as setting objectives and monitoring and controlling outcomes (Antonakis, Avolio, & Sivasubramaniam, 2003). Transformational leadership is defined as inspirational leadership aimed at motivating subordinates to achieve organizational goals while at the same time emphasizing the importance of subordinate well-being and need for fulfillment (Panopoulos, 1999). Bennett (2009) reported that transformational leadership style is one of the
first to use the phrase (Bennett, 2009). Nguni and et al (2006) reported that transformational leaders differ from transactional leaders in that they do not merely recognize the needs of followers, but also attempt to elevate those needs from lower to higher levels of development and maturity. Transformational leadership motivates followers to do more than they originally expected and often even more than they thought possible (Nguni, Sleegers&Denessen, 2006). The four components of transformational leadership are described as follows (Bass, Avolio, Jung, & Berson, 2003):

Idealized influence (attributes and behaviors). These leaders are admired, respected, and trusted and followers identify with and want to emulate their leaders. Among the things the leader does to earn credit with followers is to consider followers’ needs over his or her own needs. The leader shares risks with followers and is consistent in conduct with underlying ethics, principles, and values.

Inspirational motivation. Leaders behave in ways that motivate those around them by providing meaning and challenge to their followers’ work. Individual and team spirit is aroused; enthusiasm and optimism are displayed. The leader encourages followers to envision attractive future states, which they can ultimately envision for themselves.

Intellectual stimulation. Leaders stimulate their followers’ effort to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. There is no ridicule or public criticism of individual members’ mistakes. New ideas and creative solutions to problems are solicited from followers, who are included in the process of addressing problems and finding solutions.

Individualized consideration. Leaders pay attention to each individual’s need for achievement and growth by acting as a coach or mentor. Followers are developed to successively higher levels of potential. New learning opportunities are created along with a supportive climate in which to grow. Individual differences in terms of needs and desires are recognized.

Organizational commitment defined by Mowday et al. (1979) as a strong belief in, and acceptance of, the organization’s goals and values; willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization (Mowday, Steers&Porter, 1979). Organizational commitment has also been viewed as a dimension of organization effectiveness which contributes to increased effectiveness through work performance and reducing turnover (Loke, 2001). Casal (1996) reported that an employee’s high organizational commitment is likely to increase customer satisfaction. Highly committed employees extend their work efforts beyond job requirements and tend to have stronger customer relations (Casal, 1996).

Transformational leader’s values must be congruent with the followers, and the leader must be able to convince the followers that they know where the organization is going and to engender the commitment of the followers in getting them there (Tracey and Hinkin, 1994). Transformational leaders influence followers’ organizational commitment by encouraging followers to think critically by using novel approaches, involving followers in decision-making processes, inspiring loyalty, while recognizing and appreciating the different needs of each follower to develop his or her personal potential. Therefore, it is important that the employees’ themselves feel as if they belong to the organization, which in turn, produces more organizational commitment. (Avolio, et al., 2004). Walumbwa and Lawler (2003) found that transformational leaders are able to motivate their followers to become more involved in their work and to show higher levels of organizational commitment (Walumbwa & Lawler, 2003). Emery and Barker (2007) investigated the effect of transactional and transformational leadership styles on the
organizational commitment of customer contact personnel in banking and food store organizations. Their findings showed that employees managed under a transformational style of leadership will have a higher organizational commitment specifically, the three factors of transformational leadership (i.e. charisma, intellectual stimulation, and individual consideration) were significantly correlated with the organizational commitment of food store employees (Emery&Barker, 2007). Another study by Geijsel et al (2003) examined the effects of transformational leadership on teachers’ commitment and effort toward school reform and found that transformational leadership dimensions to affect both teachers’ commitment and extra effort (Geijsel, et al., 2003). One silent study by Limsila and Ogunlana (2008) examined the correlation of leadership styles and subordinates' organisational commitment with leadership outcomes and work performance of subordinates on construction projects and found that transformational leadership style has a positive association with work performance and organizational commitment of subordinates more than the transactional style. Transformational leaders produce higher leadership outcomes as well (Limsila&Ogunlana, 2008).

The overall model of the study with associated hypotheses is shown in Figure 1.

![Figure 1. The overall model of the research](image)

In this study, employee organizational commitment is hypothesized to be affected by dimensions of transformational leadership styles as idealized influence; inspirational motivation, intellectual stimulation, and individual consideration (see Figure.1). Following this explanation, this particular study proposes the following hypotheses:

- **H1**: Idealized influence has a positive effect on employees’ organizational commitment.
- **H2**: Inspirational motivation has a positive effect on employees’ organizational commitment.
- **H3**: Intellectual stimulation has a positive effect on employees’ organizational commitment.
H4: Individual consideration has a positive effect on employees’ organizational commitment.

3. Methodology

Data collection took place during the months of June 2010 through October 2010 from 5-star hotel employees in Turkey. Since 5-star hotels tend to have a larger number of employees, these hotels were selected to populate the sample with “enough” employees. These hotels also meet the rating requirements of five stars hotels as outlined by the Ministry of Culture and Tourism. The study used a proportional stratified random sampling based on the number of 5-star hotels and their total number of employees. Initially, based on the size of the hotel, an appropriate number of questionnaires were sent to each hotel managers to distribute the questionnaire. In total, 1200 questionnaires were distributed. The questionnaire was filled out by employees who worked in all departments of the hotels that were covered in the study. After a waiting period of 5 months, 443 usable questionnaires were generated which provided a response rate of almost % 37. This sampling scheme also met the acceptable level of sample size that was suggested for the study.

The first part of the survey comprises some statements about characteristics of employees (gender, age, marital status, monthly income level, education level, and education degree). Transformational Leadership was measured using a 20 item scale in the second part (Bass & Avolio, 2005). The scale is composed of four dimensions; Idealized influence (attributes and behaviors), inspirational motivation, intellectual stimulation, and individual consideration. The scale indicated good reliability with a Cronbach alpha of .95. In the third part, employee organizational commitment is measured using a 15 items scale developed by Mowday et al. (1979). Five-Likert scale was used with the end-points labeled with “I do not agree at all” (1) and “I agree completely” (5). Cronbach’s alpha for the complete scale was .88.

4. Results

The characteristics of respondents revealed male and female participants accounted for 72.9% and 27.1% of the sample, respectively. The respondents were mainly single (61.0%), 27–42 years old (50.6%), 47.9% had some high school degree, 65.0% earning a monthly income of 2500 Turkish Lira and less, 47.9% working in the organization and 42.4% working in the tourism sector for 1–5 years, 81.0% working full time. The distribution of work departments was rather even; 11.7% Front Office, 14.9% Food and Beverage, 20.8% Housekeeping, 10.2% Accounting, 10.4% Public Relations, 7.7% Sales and Marketing, 13.1% Human Resources and 8.6% other departments.
Table 1. The Correlation between Employee Organizational Commitment and Managers Transformational Leadership Style

<table>
<thead>
<tr>
<th>Variables</th>
<th>Organizational Commitment</th>
<th>Pearson correlation coefficient</th>
<th>p</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealized Attributes</td>
<td>R</td>
<td>,281</td>
<td>,000</td>
<td>.079</td>
</tr>
<tr>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealized Behaviors</td>
<td>R</td>
<td>,300</td>
<td>,000</td>
<td>.090</td>
</tr>
<tr>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>R</td>
<td>,243</td>
<td>,000</td>
<td>.059</td>
</tr>
<tr>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>R</td>
<td>,336</td>
<td>,000</td>
<td>.113</td>
</tr>
<tr>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Consideration</td>
<td>R</td>
<td>,283</td>
<td>,000</td>
<td>.080</td>
</tr>
<tr>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 showed that the results of the correlation analysis between employee organizational commitment and managers transformational leadership. Organizational commitment was taken as the dependent variable and transformational leadership and its sub-dimensions (idealized influence, inspirational motivation, intellectual stimulation, and individual consideration) were taken as independent variables. According to this analysis Pearson correlation coefficient (r) between organizational commitment and transformational leadership and its sub-dimensions is statistically significant (p < 0.001). There is a positive, moderate level of correlation between employee organizational commitment and idealized attributes leadership styles (r =0.281), idealized behaviors leadership styles (r=0.300), inspirational motivation leadership styles (r=0.243), intellectual stimulation leadership styles (r=0.336), individual consideration leadership styles (r=0.283), and transformational leadership styles in general (r=0.356). The determination coefficients ($R^2$) are analyzed here and it can be seen that .07 percent of the total variance in leadership styles results from idealized attributes, .09 percent results from idealized behaviors, .05 percent results from inspirational motivation, .11 percent results from intellectual stimulation, .08 percent results from individual consideration.

Table 2. The Multiple Linear Regression Analysis Regarding the Correlation between Employees Organizational Commitment and Managers Transformational Leadership Styles

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>bj</th>
<th>S (bj)</th>
<th>T</th>
<th>P</th>
<th>$R^2$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2,307</td>
<td>,145</td>
<td>15,912</td>
<td></td>
<td>,134</td>
<td>F=13.55</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P=0,000</td>
</tr>
<tr>
<td>Idealized Attributes</td>
<td>,066</td>
<td>,043</td>
<td>1,535</td>
<td>,125</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealized Behaviors</td>
<td>,054</td>
<td>,055</td>
<td>,992</td>
<td>,322</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>,016</td>
<td>,039</td>
<td>,418</td>
<td>,676</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>,150</td>
<td>,050</td>
<td>,2966</td>
<td>,003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Consideration</td>
<td>,040</td>
<td>,050</td>
<td>,808</td>
<td>,420</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Multiple linear regressions were applied in order to analyze the relation between employee organizational commitment and managers’ transformational leadership style. As a result of this analysis, employees organizational commitment and managers transformational leadership styles (idealized attributes, idealized behaviors, inspirational motivation, intellectual stimulation, and individual consideration) were found to be significant (F=13.550, p<0.001), which indicates that at least one regression coefficient, obtained from the multiple linear regression model, is different from 0, which is a clear sign of the fact that there is a correlation between the variables. According to the results, there is a correlation between the dependent variable (organizational commitment)
and the independent variables (transformational leadership styles). On the other hand, as seen in Table 2, the multiple determination coefficients ($R^2$) were found as 0.134. This result showed that 13 percent of the total variance of employee organizational commitment stems from the independent variables (transformational leadership styles).

5. Conclusions

Leadership style is important in management of change, as this is a frequent point of contact, influence, and shared meaning in organizations (Aorons, 2006). Clark et al. (2009) showed that the ideal leadership style for managing frontline hotel employees is transformational (Clark et al., 2009). In addition, Babaita et al. (2010) pointed out transformational leadership style is one of the most wanted style by the managers and employees (Babaita et al., 2010). Among the leadership styles, transformational leadership style is important and it plays an important role in contributing to the organizational commitment among employees. Tracey and Hinkin (1994) reported that since transformational leadership style is a way to advance the efficient use of human resources, as transformational leaders, hospitality managers must develop a strong sense of vision to clarify and communicate organizational objectives and create a working environment that fosters motivation, commitment, and continuous improvement. Those conditions may require extraordinary leaders who can transform their organizations to meet current and future challenges (Tracey & Hinkin, 1994).

This study investigated the effect of managers’ transformational leadership styles on the employees’ organizational commitment in the hotel industry, in Turkey. Although the study conducted in Turkey, the findings provide global and regional implications for the hospitality and tourism sector. To determine the effects of transformational leadership styles on employees' organizational commitment; Multifactor Leadership Questionnaire (MLQ) and Organizational Commitment Scale was used in this study.

According to the results of the correlation analysis between employees organizational commitment and managers transformational leadership and its sub dimensions is statistically significant ($p<0.001$). There is a positive, moderate level of correlation between employee organizational commitment and transformational leadership styles (idealized attributes, idealized behaviors, inspirational motivation, intellectual stimulation, individual consideration leadership styles). $H_1$, $H_2$, $H_3$, and $H_4$ supported. The findings support previous literature (Kirkpatrick & Locke, 1996; Howell & Hall-Merenda, 1999; Dvir et al., 2002; Walumbwa & Lawler, 2003, Avolio et al., 2004, Emery & Barker, 2007, Erkutlu, 2008, Geijsel et al., 2008, Limsila & Ogunlana, 2008) suggesting that there have been positive association between transformational leadership and organizational commitment.

Second, Multiple Linear Regression was applied in order to analyze the relation between employee organizational commitment and managers transformational leadership styles. With this analysis, employees’ organizational commitment and transformational leadership styles (idealized influence, inspirational motivation, intellectual stimulation, and individual consideration) were found to be significant ($F=13.550$, $p<0.001$), which indicates that at least one regression coefficient, obtained from the multiple linear regression model, is different from 0, which is a clear sign of the fact that there is a correlation between the variables. According to the results, there is a correlation between the dependent variable (organizational commitment) and the independent variables (transformational leadership styles). The multiple determination coefficients ($R^2$) were found as 0.134. This result showed that 13 percent of the total variance of employee organizational commitment stems from the independent variables (transformational leadership styles).
In the changing world, hospitality organizations can adopt flexibility management system to better compete and survive. If hospitality leaders understand the changing situational needs and the different leadership theories and styles, it will have a far greater advantage over their competitors in leading their organizations (Carlton, 2009).

In sum, current study was conducted to examine effects of transformational leadership styles on the employees’ organizational commitment in the hotel industry. This study can provides some guidance in improving transformational leadership styles of managers and how transformational leadership styles may influence employees organizational commitment. However, one of the limitation of the study relates to the sector. Since this study applied in hotel industry, future research can examined different types of sectors. It would be interesting in future studies to investigate.

References


