Full Length Research Paper

Employees' perceptions of Malaysian managers' leadership styles and organizational commitment

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Using Bass' (1990) framework of transactional and transformational leadership, this research investigated the employees' perceptions of the prevalent leadership style among Malaysian managers and its impact on organizational commitment. The Malaysian society with its social complexity has much to offer to the understanding of culture's effect on leadership style and organizational commitment. Data were collected in a survey on a sample of 40 respondents chosen among employees working in cargo companies. Results showed that leadership tends to be more transformational than transactional. Evidence supporting a positive relation between transformational and transactional leadership and organizational commitment has been found.

Key words: Transformational leadership style, transactional leadership style, organizational commitment.

INTRODUCTION

Malaysia is one of the countries in Asia practicing Islamic value in the community. Malaysia's population can be divided into three major ethnic groups: Malay, Chinese and Indian. Malay holds the biggest number in the population with many practicing Islamic value in their life. A number of scholars (Ali, 1992, 2004; Robertson, 2002; Tayeb, 1997) have highlighted the immense impact of Islamic values, work ethics, and principles on human resources management in Islamic countries (Budhwar and Fadzil, 2000; Rosen, 2002). Sabri (2005) comparative approach to study the leadership styles of Jordanian managers in the International Air Transport Association (IATA) revealed that IATA managers preferred transformational rather than transactional leadership styles in Jordan.

Organizational commitment is, in a general sense, the employee's psychological attachment to the organization or can mean something pledged by an organization as opposed to its members. Affective commitment refers to employees' perceptions of their emotional attachment to or identification with their organization", (Williams, 2004). This study developed a framework and a set of propo-sitions for analyzing leadership styles in the company as well as their impact on organizational commitment and conducted a field investigation on a panel of 40 employees from the organization located in Malaysia. This study therefore, adds a new dimension to the body of literature that will help researchers' efforts to under-stand the relationship between leadership style and organizational commitment especially in Malaysia.

As this research takes place in the South African con-text, it contributes to the bank of findings relating to the development of organizational commitment (Nyengane, 2007). Specifically, the following research questions were addressed: To what extent is the manager's leadership style perceived to be either more transformational or more transactional? What is the impact of the perceived leadership styles on organizational commitment?

Leaders are the ones who set the tone of the organization, define its values and norms, and create and maintain a persona of what the organization is like (David

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and Ricky, 2006). In general, leaders have a powerful source of influence on employees' work behaviors (Yukl, 2002). The leader sets the tone for his or her followers through his or her own visible behavior that communicates assumptions and values to others as well as through informal messages (Lewine, 1995)

Transformational leadership

According to Burns (1978), the leadership process can occur in one of the two ways, either transformational or transactional. The transformational leadership concept was originally proposed by Burns (1978, cited by Bass, 1995) from descriptive research on political leaders, and then expanded by Bass (1985, 1990). However, Bass (1985) was the first to apply transformational leadership theory to business organizations. The theory of transformational leadership simultaneously involves leader traits, power, behavior, and situational variables (Yukl, 1989). Thus, transformational leadership theory is viewed as a hybrid approach as it gathers elements from these major approaches (Yukl, 1998). Transformational leadership is defined in terms of the leader's effect on followers: followers feel trust, admiration, loyalty, and respect toward the leader, and they are motivated to do more than they originally are expected to do (Yukl, 1998). Thus, transformational leaders set more challenging expectations and typically achieve higher performances (Avolio and Bass, 1994).

Kuhnert and Lewis (1987) stated that transformational leadership "Originates in the personal values and beliefs of leaders, not in an exchange of commodities between leaders and subordinates". Followers trust transformational leaders because such leaders always show concern for the organization and followers. Such leaders encourage followers to seek new ways to approach their jobs resulting from inspirational motivation and intellecttual stimulation (Bass, 1985). Thus, such leaders are able to generate greater creativity, productivity, and effort, exceeding expectations. The transformational leader provides followers with a cause around which they can rally (Bass, 1995). Transformational leaders encourage followers to participate in educational programs to promote and develop skills to achieve exceptional performance (Avolio, Einstein and Waldman, 1999). Bass (1998) has identified four components of transformational leadership:

1. Idealized influence: Leaders behave as role models for their followers; they become admired, respected, and trusted. The leader's behavior is consistent, rather than arbitrary, and the leader shares in any risks taken. The leader demonstrates high standards of ethical and moral conduct and avoids using power for personal gain (Avolio and Bass 1994).
2. Inspirational motivation: Transformational leaders are inspiring and motivating the eyes of their subordinates by providing meaning and challenge to their followers' work. They are able to energize employees' responses (Avolio and Bass, 1994; Bass, Spangler and Yammarino, 1993).
3. Intellectual Stimulation: An intellectually stimulating leader arouses in subordinates an awareness of problems, recognition of their own beliefs and values, and an awareness of their own thoughts and imagination (Bass, Spangler and Yammarino, 1993). They promote intelligence, rationality, and careful problem solving (Bass, 1990). The result is that followers are encouraged to try new approaches; their ideas are not criticized when they differ from the leader's ideas (Avolio and Bass, 1994).
4. Individualized consideration: The leader with individualized consideration will give personal attention, treat each employee individually, and coach and advise each employee (Bass, 1990). Such leaders provide continuous follow-up and feedback, and, perhaps more importantly, link an employee's current needs to the organization's mission, and elevate those needs when it is appointed to do so (Avolio and Bass, 1989; Bass, 1985, 1990).

Amstrong (2001) however, summarizes the characteristics of transformational leadership as follows: emphasizes ethical behavior, develops leadership among team members, shares a vision and goals, improves performance through charismatic leadership, leads by example, and uses encouragement and praise effectively.

Transactional leadership

Bass (1995) referred to transactional leadership as an exchange relationship between leader and follower. Transactional leadership theory is grounded in the social learning and social exchange theories, which recognize the reciprocal nature of leadership (Deluga, 1990). It is based on the realization that leadership does not necessarily reside in the person or situation, but resides in the social interaction between the leader and the follower (Van Seters and Fields, 1989).

Bass (1995) and Bass and Avolio (1997) described transactional leadership in terms of two characteristics: the use of contingent rewards and management by exception. They described contingent reward as the reward that the leader will bestow on the subordinate once the latter has achieved goals that were agreed to. Contingent reward is therefore, the exchange of rewards for meeting agreed-on objectives. By making and fulfilling promises of recognition, pay increases and advancement for employees who perform well, the transactional leader is able to get things done.

Bass (1995) therefore, argues that by providing contingent rewards, a transactional leader might inspire a reasonable degree of involvement, loyalty, commitment and performance from subordinates. Transactional leaders may also rely on active management by exception

which occurs when the leader monitors followers to ensure mistakes are not made, but otherwise, allows the status quo to exist without being addressed (Bass and Avolio, 1995). In passive management by exception, the leader intervenes only when things go wrong. In general, one can conclude that transactional leadership is an exchange relationship that involves the reward of effort, productivity and loyalty.

Commitment

Organizational commitment has typically been viewed as the relative strength of an individual's identification with the involvement in an organization as well as his or her willingness to exert effort and remain in the organization. Commitment as outcome has been related to leadership (Walumbwa, Orwa, Wang, and Lawler, 2005).

Affective commitment

This study focus on affective commitment which is defined as the employee's positive emotional attachment to the organization. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This employee commits to the organization because he/she "wants to". In developing this concept, Meyer and Allen drew largely on Mowday, Porter, and Steers's (1982) concept of commitment, which in turn drew on earlier work by Kanter (1968).

According to Nyengane, (2007) although the relationship is not strong, there is a positive relationship between the transformational leadership behaviours and commitment. This suggests that, leadership behaviours which involve building trust, inspiring a shared vision, encouraging creativity and emphasizing development is somewhat positively related to employee commitment. For affective commitment, the study suggests that these leadership behaviours are positively related to how employees feel about wanting to stay with the company. Therefore, using transformational leadership style will encourage employees to commit highly with their work.

Another findings by Viator and Ralph (2001) is transformational leadership is directly and positively associated with role clarity, job satisfaction and affective organizational commitment, and indirectly associated with job performance, across all three functional areas. The study serves as a baseline, demonstrating transformational leadership is more likely to occur in public accounting functions that are less standard-intensive. Therefore, it is strong that transformational leadership will give a direct impact to the employee's commitment.

The significance of mechanisms used by transformational leaders to influence the followers towards motivation and organizational commitment is addressed. The

mechanisms like psychological empowerment and structural distance analyzed the researched by Avolio, Bruce, Zhu, Weichun, Koh, William, Bhatia and Puja (2004). Therefore, this leadership styles should be implemented in every organization so that this will make the organization success. Stated findings suggest that transformational and transactional leadership behaviors do play important roles in determining levels of affective commitment, continuance commitment and normative commitment. The following hypotheses were proposed:

H_1: Managers' leadership tends to be more transformational than transactional.
H_{2a}: Transformational leadership is positively related to organizational affective commitment.
H_{2b}: Transactional leadership is positively related to organizational affective commitment.

METHODOLOGY

Concepts measurement

Bass' (1985) work constitutes the methodological basis for developing the statements of the instrument used to measure transactional and transformational leadership from an employee perception. In accordance with Vera and Crossman (2004), current study used an 18-item questionnaire with a Likert scale for measuring the perception of leadership style. In order to measure the employees' affective commitment level, organizational commitment questionnaire (OCQ) developed by Meyer and Allen (1997) is used. (for example I feel like part of the family at this organization, This organization has a great deal of personal meaning for me). To test the instrument's reliability, Cronbach's coefficient alpha (Cronbach, 1990) on a sample of 40 respondents is used. All four constructs show a high or acceptable level of reliability: transformational leadership (0.86), transactional leadership (0.75) and organizational commitment (0.82).

Sample

Data were collected using convenience sampling from Malaysia Airlines cargo employees with 40 respondents which is consists of 20 female and 20 male. Table 1 provides an overview of the descriptive statistics of the respondents' answers on transformational, transactional and organizational affective commitment constructs. The results support H_1. Respondents perceived leadership style as more transformational (M = 3.61) than transactional (M = 3.58).

Table 2 shows a significant correlation between leadership style and organizational commitment. The correlations (Table 2) support H_{2a} and H_{2b} that proposed a positive relation between transformational and transactional leadership towards organizational commitment. The findings, therefore, show evidence for transformational leadership being positively related to behavioral outcomes (Walumbwa et al., 2005).

Table 1. Descriptive statistics (N =40)

Construct	Min.	Max.	M	SD
Transformational	1.75	5.00	3.61	0.89
Transactional	1.55	5.00	3.58	0.85
Organizational affective commitment	2.4	5.00	4.10	0.74

Table 2. Pearson correlation matrix between leadership styles and affective commitment.

Variable	Statistic	Affective commitment
Transformational Leadership	Pearson Correlation	0.411**
	Sig. (2-tailed)	0.008
	N	40
Transactional Leadership	Pearson Correlation	0.446**
	Sig. (2-tailed)	0.004
	N	40

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

Conclusion

By adopting Bass' (1985) framework of transactional and transformational leadership, this study aimed to determine the employees' perception of the leadership styles and its impact on employees' organizational commitment. The result shows that Malaysian employees to be more transformational than transactional which in line with Sabri (2005) study. Correlation analysis shows that transformational and transactional leadership style is related to employees' organizational commitment.

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