Affects of Similarity Model on Organizational Commitment Thesis

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Abstract

Motivation is the key to success in any organization. This motivational responsibility for managing and motivating the organizations staff is measured on two scales at the same time as. in reference to Hellriegel, Slocum, Woodman in Organizational Behavior (2001), “Motivation represents the forces acting on or contained by a person that cause the person to behave in a specific, goal-directed manner...Because the work motives of employees affect their productivity; one of management’s jobs is to channel employee motivation successfully toward achieving organizational goals.” Our paper’s focus is on motivational procedure in an organization; the dissimilar leadership styles that an organization can activate under, and how these styles affect the organizational commitment, and eventually the efficiency of an organization. There are many measurements of guidance, management, and models which aspire to assess the employees’ connectedness, or commitment to the organization. Transformational leaders are those who guide followers in the direction of established goals by clarifying role and task requirements. Transactional leaders hold a view of their tasks as a transactional process whereby leaders respond to subordinates' basic lower level and security needs.

Keywords: Organization, Organizational commitment, Expectancy, Compatibility model, Leadership

Introduction

The Expectancy model

In consideration of the management and leadership styles within an organization, and how they affect the commitment of the staff to the organization, it is also necessary to take into consideration the expectations of the staff when they enter the organization. (Hellriegel, Slocum, Woodman, 2001, p.146). “The expectancy model holds that work motivation is determined by individual beliefs regarding effort-performance relationships and the desirability of various work outcomes associated with different performance levels.” (Hellriegel, Slocum, Woodman, 2001, p.147) Decisions about how much to produce, how much to work and the quality of workmanship (job-performance decisions) are solely depend on the individual’s level of motivation. Staff of an organization can enter into the work contract with a moderate level of expectancy, and an emotional connectedness to the reward they expect.

Psychosomatic Contracts

The idea of a psychological contract coincides with the expectancy model. Similarly, the organization agrees to provide material and non-material compensation in return for the resources, time, talent, and energy of the staff member. In order for the organization to retain their services, (and thus reduce escape the high cost of turn over's) the organization must be able to properly evaluate these emotional, or psychological contracts and negotiate them successfully with the workers. The worker and the organization assume a debt upon entering the relationship.

Evaluation of MLQ and OCQ

The Multifactor Leadership Questionnaire (MLQ) has excellent validity and reliability, and has been used extensively worldwide. It has proven to be strongly predictive of leadership performance across a broad range of organizations. Once the leader and raters have completed the MLQ, their responses are collated in a well designed, easy to read, extensive and confidential report that enables leaders to understand their scores. Once the leader and raters have completed the MLQ, their responses are collated in a well designed, easy to read, extensive and confidential report that enables leaders to understand their scores.

The report includes:
A. Full descriptions of the various leadership styles
B. Scale and item level information at all rater levels
C. A narrative of the leader's style
D. Agreement levels along ratings
E. Expected leadership outcomes
F. Tips for building leadership competency

Lowe, Kroeck & Sivasubramaniam (1996) performed 33 independent empirical studies using the Multifactor Leadership Questionnaire (MLQ). Among the leadership styles, transformational leaders were found to generate higher commitment from followers in numerous studies (see Avolio, 1999; Bass, 1998 for reviews of this literature). In Austria, Geyer and Steyrer (1998) demonstrated that MLQ transformational ratings of 120 branch bank managers predicted long-term branch market share and customer satisfaction.

The relationship between transformational leadership and performance was observed in studies of managers in a Chinese state enterprise (Davis, et al. 1997), Polish and Dutch managers (den Hartog, 1997), and supervisors on North Sea oil platforms off Scotland (Carnegie, 1995). The MLQ measurement is similar. The issue of leadership is measured from 4 vantage points. This process of receiving feedback from multiple sources is seen to be fairer than top-down feedback from a single source and a number of studies have shown that 360-degree feedback accompanied by ongoing training or coaching does enable employees to improve their performance significantly. The MLQ is designed to give comprehensive 360-degree confidential feedback on managers' leadership styles that is then followed up with individualized coaching by an Accredited MLQ Management Coach over a period of several months. During this time, the manager and coach work jointly on items chosen by the manager/leader from areas of leadership concern identified in the MLQ Leadership Report.

Communal Vision

The occurrence of this personal vision on the part of a leader, shared with members of the organization that may differentiate true leaders from mere managers. A leader's vision needs to be shared by those who will be involved in the comprehension of the vision. Applied shared vision relates to policy makers and policy accomplishment. There needs to be the development of a shared vision throughout an organization. Whether the vision of an organization is developed collaboratively or initiated by the leader and agreed to by the followers, it becomes the common ground, the shared vision that compels all involved. Vision comes alive only when it is shared. After crossing this bridge, accepting the leader’s vision is the next step toward making a complete commitment to the organization.

Organizational commitment

Organizational commitment has been described as consisting of three constructs: affective, continuation or cost based, and normative or moral based (Allen, Meyer, 1990). As defined by Mowday, Porter, and Steers (1982, p.27).

Affective organizational commitment is:
- A strong belief in and acceptance of the organization's goals and values
- A willingness to exert considerable effort on behalf of the organization
- A strong desire to maintain membership in the organization."  

Affective commitment is mostly attitudinal in nature. An employee becomes emotionally attached the organization and perceives a congruence between his or her goals and those of the organization (Mowday et. al., 1982). The second basis for organizational commitment is continuance organizational commitment, or calculative commitment. This result from the worker’s entering into an exchange relationship with the organization. The degree of continuance commitment is determined by the extent to which this exchange relationship continues to favor the employee (Day 1987). Continuance commitment boils down to measurable qualities, and considers the ideas that individuals do not leave a company for fear of losing their benefits, taking a pay cut, and not being able to find another job, etc (Murray, Gregoire, & Downey, 1991). Job satisfaction has been recognized as a component of organizational commitment (Kovach, 1977). It is suggested that job satisfaction is a state of pleasure gained from applying one's values to a job (Locke, 1969). Spector (1997, p.2) believes that job satisfaction "can be considered as a global feeling about the job or as a related constellation of attitudes about various aspects or facets of the job."
The third aspect of organizational commitment is normative. This level of organizational commitment is based on the social behaviors, or internalized desires within the staff member to be part of the organization. Commitment behaviors are seen because:

A. Commitment is socially accepted behavior that exceeds formal and/or normative expectations relevant to the object of the commitment. (Weiner and Gechman, 1977 p. 48)

B. The totality of internal pressures acts in a way which meets the organizational goals and interests. (Weiner, 1982. p. 421)

C. The committed employee considers it morally right to stay in the company, regardless of how much status enhancement or satisfaction the firm gives him or her. (Marsh & Mannari, 1977, p. 59)
Figure one graphically represents the complex relationship between a given job characteristics, and a staff members expectancies, psychological contracts, factors that enable the given staff member to keep their personal psychological / emotional contracts, and the resulting organizational commitment. These factors are multi leveled, and represent sets of hopes, personal values, goals, priorities that may be different for each staff member. The combination of the MLQ and OCQ have proven to be very effective tools to measure, evaluate, and choose a course of action to improve a given organizations performance.

Abstract of Leadership Styles as calculated by the MLQ

Honesty, ethical behavior, recognition of others' good deeds and care for others, identification with the larger goals of the business and a maturity all contribute to your impact in the organization. Leadership is the ability to influence individuals or groups toward the achievement of goals. Leadership, as a process, shapes the goals of a group or organization, motivates behavior toward the achievement of those goals, and helps define group or organizational culture. It is primarily a process of influence.

Leadership is a dynamic or changing process in the sense that, while influence is always present, the persons exercising that influence may change. Possession of influence depends upon the situation and upon the relevancy of the individual's skills and abilities to the situation. For example, if a particular individual has the expertise that is required to solve a problem, then that individual may be assumed to have some degree of influence over others. If leadership is to be pro-active, it requires vision. This vision is a shared image of a desirable objective, shaped and defined by the leader and the followers. In order to get others -- followers -- to move in the direction of the desired goal (the vision), the leader must also be able to communicate that vision and the followers must be motivated to follow. Ideally, the followers will internalize and fulfill this shared vision. If the followers are inclined to act on reasoned argument, then communication will serve to convey the rationale for the vision. The end result will be a decreasing amount of organizational commitment, and an ineffective organization.

Transformational Leadership

The most effective leadership category measured by the MLQ is transformational leadership. A person who leads his or her people from this perspective is:

A. Idealized. (S) He tends to focus on attributes, attitudes as well as the behaviors of his staff.
B. Inspirational. This leader wants to motivate the staff from within, rather than control from without.
C. Intellectual. This leader will seek to stimulate his staff with new theories, and opportunities, breaks from the routine, and by accepting input from his personnel.
D. Individualized. The transformational leader will take into individual consideration the needs, talents, and desires of the organization, and work toward fitting the pieces into the position most suitable for them, rather than forcing the person to fit into the position.

This paradigm views leadership as either a matter of contingent reinforcement of followers by a transactional leader or the moving of followers beyond their self-interests for the good of the group, organization, or society by a transformational leader. Numerous investigations (field studies, case histories, management games, interviews, and laboratory studies) point to the robustness of the effects of transformational and charismatic leadership." Barling, Weber and Kelloway (1996) completed a field experiment with 20 managers trained in transformational leadership and compared them to control groups. Followers' commitments and financial performance also increased as consequences of their managers' training to be more transformational in their leadership style.

Evaluation of training by Avolio and Bass (1998) found that for 115 community leaders who had been rated by their followers prior to the training; there were significant increases in inspirational motivation and intellectual stimulation and a significant decrease in managing-by-exception immediately following transformational leadership training. In contrast to the comparison group, the platoons led by the leaders trained in transformational leadership had higher senses of self-efficacy and belonging, and were higher in four of six measures of objective performance six months following training. A transformational leader instills feelings of confidence, admiration and commitment in the followers. The transformational leader stimulates followers intellectually, arousing them to develop new ways to think about problems. The leader uses contingent rewards to positively reinforce performances that are consistent with the leader's wishes. The transformational leader commits people to action and converts followers into leaders.
Transaction Leaders

Stepping away from the personal attention given to staff by the transformational leaders, and leaving the inspirational component on the shelf, the transactional leaders focus more on the results of the organization via the individual transactions performed. The transactional leader believes that the unfair evaluation of staffs opinion and feelings result in job dissatisfaction, and by eliminating any evaluation, (s) he will free the staff to perform to their peak ability. The transactional leader utilizes:

Leaders control followers' behaviors by imposing authority and power on the one hand and satisfying followers' needs on the other. That is, leaders offer organizational resources in exchange for followers' compliance and responsiveness. Unlike transformational leadership, in this transactional relationship, the leader makes no particular effort to change followers' values or involve them in a process by which they internalize organizational values. Although, the formal definition of leadership given above will serve us in our future discussions of leadership, the following comparisons of these two styles of leadership are revealing.

Transactional leadership blends the behavioral theories with a little dab of trait theories. Transactional leaders, such as those identified in contingency theories, Transactional leaders appeal to followers' ideals and moral values and inspire them to think about problems in new or different ways. Leader behaviors used to influence followers include vision, framing, and impression management. Vision is the ability of the leader to bind people together with an idea. Framing is the process whereby leaders define the purpose of their movement in highly meaningful terms. Impression management is a leader's attempt to control the impressions that others form about the leader by practicing behaviors that make the leader more attractive and appealing to others. Transformational leaders are relevant to today's workplace because they are flexible and innovative. Transformational leadership is the essence of creating and sustaining competitive advantage.

Laissez-Faire Leadership

Laissez-faire literally means “with minimally restricted freedom in commerce, or the operation of business.” This French term has long applied to the relationship between government and the marketplace. These two entities, governmental bodies and the commercial businesses both want to benefit from the generation of profit, capitol, and wealth, but when the former makes the path to profit too rocky, business suffers, and in the end so does government. However, the marketplace is governed by a set of universally understood goals. To make money, and give value back to your customer so a business can continue making money tomorrow. In the marketplace, competitive checks and balances exist between price, performance, service, and costs. In the relatively closed system of a business or organization, the checks and balances of the market do not exert themselves. Thus, the Laissez-Faire leader’s hands off approach often is interpreted as a leader who does not care, or does not really know what is happening in the everyday activities of his or her organization. However, there are situations in which the Laissez-Faire approach can be effective. The Laissez-Faire technique is appropriate when leading a team of highly motivated and skilled people, who have produced excellent work in the past. Once a leader has established that his team is confident, capable and motivated, it is often best to step back and let them get on with the task, since interfering can generate resentment and detract from their effectiveness. By handing over ownership, a leader can empower his group to achieve their goals.

In a study on leadership styles, the dimensions identified at the University of Michigan provided the basis for the development of the managerial grid model developed by Robert Blake and Jane Mouton. While different names for the leadership styles were used, this study identified five various leadership styles that take into account the concepts of transformational, transactional, and laissez-faire leadership. This study correlated these leadership styles with different combinations of concern for people vs. concern for production. Managers who scored high on both these dimensions simultaneously (labeled team management) performed best. The Figure 2 is the results of this study at the next page.

The five leadership styles of the managerial grid include impoverished, country club, produce or perish, middle-of-the road, and team (Blake & Moutin, p.12.). The impoverished style is located at the lower left-hand corner of the grid, point (1, 1). It is characterized by low concern for both people and production. While this is not the primary motivation of the Laissez-faire leader, (s) he can be easily mistaken for a leader with little concern for his or her staff. The primary objective of the impoverished style is for managers to stay out of trouble. The country club style is located at the upper left-hand corner of the grid, point (1, 9). It is characterized as a high concern for people and a low concern for production.
The primary objective of the country club style is to create a secure and comfortable atmosphere and trust that subordinates will respond positively. The produce or perish style is located at the lower right-hand corner of the grid, point (9, 1). A high concern for production and a low concern for people characterize it.

The primary objective of the produce or perish style is to achieve the organization's goals. To accomplish the organization's goals, it is not necessary to consider employees' needs as relevant. The middle-of-the-road style is located at the middle of the grid, point (5, 5). A balance between workers' needs and the organization's productivity goals characterize it. The primary objective of the middle-of-the-road style is to maintain employee morale at a level sufficient to get the organization's work done. A line could run diagonally from the upper left corner to the lower right which would correctly correspond to the differing levels of transactional leaders. The transactional leader works toward balancing the environment of the work place with the performance of the company, settling for a level of personal comfort along this line. The team style is located at the upper right-hand of the grid, point (9, 9). It is characterized by a high concern for people and production, and this demonstrated, pro-active approach to leadership is the description of the transformational leader. The primary objective of the team style is to establish cohesion and foster a feeling of commitment among workers.

**Results of conflicting Levels of Organizational Commitment**

It is "the relative strength of an individual's identification with and involvement in a particular organization" (Steers, 1977, p. 46). Some studies showed a positive relationship between the congruence of corporate and employee value and organizational commitment (Posner et al., 1985; Balazas, 1990; O'Reilly et al., 1991), and an inverse relationship between such congruence and employee turnover (O'Reilly et al., 1991).
The different leadership practices were significantly related to organizational commitment. There was also a relationship found between gender and organizational commitment, but not between job classifications and organizational commitment. The findings of this study showed a positive relationship between all five leadership practice variables and organizational commitment. Of the five practices, enabling others to act had the strongest relationship to commitment while inspiring a shared vision had the smallest relationship. However, inspiring a shared vision was still a significant correlation to organizational commitment. Another study was performed to examine the effects of perceived leadership practices on employee organizational commitment in the product engineering segment of the North American automobile industry. In addition to the Leadership Practices Inventory Observer form about their supervisor, participants supplied demographic information and completed the Organizational Commitment Questionnaire (Mowday et al., 1979). The majority of respondents were regular salaried employees (90%) in a staff or central support role (79%). The key findings included that there was a statistically significant relationship between organizational commitment and each of the three leadership practices.

A touch of ethics

Business practices, and job performance are not achieved in an amoral environment. And due the personal and value based psychological contracts that workers form with themselves, ethics also enter into the equation of leadership styles and organizational commitments. Brenner (Journal of Business Ethics, V11, pp. 391:399) notes "while much has been written about individual components of ethics programs, especially about codes of ethics, the literature is much more limited on ethics programs."

Abstract of Commitment Studies

(Kraut, 1975; Mobley, 1982; Mobley Griffeth, Hand, & Meglino, 1979) A more recent study by Hinkin and Tracey (2000) estimate turnover costs exceeded $12,000 per hospitality employee.

Findings on contrast of Leadership Styles and Organizational Commitments

The relationships between the different leadership styles, the amount of organizational commitment which a staff member will devote to his or her organization have been highly weighted in the direction of the transformational leader. Fitting the man to the leadership hob by selection and training has not been spectacularly successful. Why not try, then, to fit the leadership to the man?"

The authority of Transformational Leadership

The concept of transformational leadership has been touted as the most validated Leadership construct in scholarly use today (Parry 1998, p. 85). Descriptions of this leadership construct capture much of what is referred to in the literature as `desirable' leader behavior. Bass and Avolio's (1985; 1997) transformational factors of charisma, idealized influence, individualized consideration and intellectual stimulation have been implicated as factors that broaden and elevate the interests of employees, generate trust and acceptance of an organization’s mission, in addition to motivating employees to go beyond self-interest (Yammarino & Bass 1990) Research findings have consistently highlighted the positive influence of transformational leadership on organizational outcomes. For example, transformational leadership was found to result in lowered intention to leave an organization, increased organizational citizenship behavior (Bycio, Hackett & Allen 1995; Pillai, Shriessheim & Williams 1999) and lead to stronger organizational commitment (Bycio et al. 1995; Podsakoff et al. 1996).

Bass (1997; 1998) cites an extensive range of studies from almost every sector and every continent to support the effectiveness of transformational leadership and also the validity of the multi-factor leadership (MLQ) questionnaire that measures the transformational leadership approach. He states that the paradigm involving transformational leadership is universal and has transcended organizational and intercultural boundaries. Likewise, Hartog, House, Hanges, Ruiz-Quintanilla and Dorfman (1999) found that aspects of transformational leadership were universally endorsed as contributing to outstanding leadership across 62 cultures. Specifically, cultural attributes of the organization could mitigate the effects of transformational leadership. Yammarino, Spangler and Dubinsky (1998) found that relationships between transformational leadership and positive organizational consequences were based on individual differences, rather than the transformational characteristics of the leader. The failure of transformational leadership to moderate the relationship between a numbers of determinates and organizational outcomes also led Whittington (1998) to conclude that it would be best to think of transformational leadership as a situational, rather than a universal, phenomenon.
In the UK, Alimo-Metcalfe and Alban-Metcalfe (2001) extended the MLQ further with qualitative and quantitative research to develop the TLQ-LGC (transformational leadership questionnaire-local government version). However, negligible empirical research has been undertaken on transformational leadership within the Australian public sector.

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