

# The Influence of Transformational Leadership on Organizational Commitment and Organizational Citizenship Behaviour

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## ABSTRACT

The lack of employee commitment has affected the decrease in organizational performance over the years. It is well established that the paradigm of leadership in the organization would be increasing an employee's attitudes, namely commitment and organizational citizenship behaviour (OCB). Therefore, this study was motivated to examine transformational leadership on organizational commitment and OCB. The hypotheses have been developing, from which 357 full-time employees from six GLCs companies in Malaysia were surveyed using a quantitative study method. Then, the collected data were analyzed by using Statistical Package for Social Science (SPSS). The results indicated that transformational leadership had influenced the development of employee's commitment towards the organization. Indeed, OCB also indicated an ability to increase the organizational commitment among employees with a transformational leadership approach. As a result, this study concludes that transformational leadership plays a significant role in improving employees' commitment and OCB to support the government's effort in enhancing management understanding of employees' correct values and behaviours.

**KEYWORDS:** Transformational leadership, organizational citizenship behaviour, Organizational commitment

## 1. INTRODUCTION

Since the increased emphasis on competitive industrial revolution management, employee development has been abandoned. Today, most companies spend a lot of time implementing changes to the organization's outlines. As a result, a change or transformation in an organization's insight could lead to failure due to lack of employee support (Bayraktar & Jiménez, 2020).

In Asia, lack of employee commitment and turnover rates are critical issues that form a burden to the organization's leaders in order to maintain organizational performance (Anvari, JianFu & Chermahini, 2014). Joo, Yoon and Jeung (2012) found that about 25 percent of commitment among employees working at large for-profit organizations in South Korea were dependent on transformative patterns.

In tandem with the phenomenon, messages have been brought to leaders to change the organization's governance towards a better direction to survive over the long term and maintain competitiveness (Lo et al.,

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2010; Anyango, 2015). As a result of these changes, the leaders would attract a stable working environment and encourage citizenship behaviours among employees where it contributes to enhance employee commitment as well as reduce the tendency to leave an organization (Scott, Waite & Reede, 2020). According to Bolino and Turnley (2003), presenting a citizenship behaviour by employees is a direct threat towards the competitors' efforts to shift employees to them and retain competitiveness. It is an effective method to make the organization's objective a reality and directly contribute to organizational effectiveness (Zayas-ortiz, Rosario, Marquez and Gruñeiro, 2015).

Moreover, insightful, mindful, and knowledgeable understanding is required in the effort to manage the change in employees, especially in large-scale companies such as GLCs (Mustaqim & Sabri, 2021). According to Jha (2014), transformation-based leadership should be practised in an effort to change the direction of the organization which

transformational leadership is the effective leadership practices. It is because the leaders who fail to exhibit a new leadership change has been stated that they will not bring any new meaning to the organization (Sirkin, Keenan and Jackson, 2005).

Furthermore, transformational leadership approach is important and strongly linked to influence the employee's behaviour to increase organizational effectiveness and efficiency (Özduran & Tanova, 2017; MacKenzie, Podsakoff & Fetter, 1993), and also affect the organizational citizenship behaviour (OCB) which one of significant antecedent of organizational commitment (Hasani, Boroujerdi & Sheikhesmaeili, 2013). From the arguments above, the purpose of this study is to examine the relationship between transformational leadership, organizational commitment and organizational citizenship.

## 2. LITERATURE REVIEW

### 2.1. Relationship between transformational leadership and Organizational commitment

According to Faupel and Süß (2018), the changes in employee behaviour in organizational shifting settings were characterised by changes in commitment, preparedness, and motivation, as well as changes in how the influence of leaders reacted to the changes. Transformational leaders, according to Faupel and Süß (2018), have the ability to bring about change in their organizations. Furthermore, those leaders who chose the transformational leadership style were able to make significant contributions to the growth of employee engagement in a variety of ways. Furthermore, transformational leadership has the potential to motivate workers to provide value to the company (Gathungu et al., 2015).

While investigating the relationship between transformational leadership and organizational commitment dimension in 340 vocational teachers in Jordan, Khasawneh, Omari, and Abu-Tineh (2012) discovered inconsistent results when examining the relationship between transformational leadership and organizational commitment dimension. The findings revealed a substantial, positive, and statistically significant connection between the two variables. They discovered, however, that school administrators exhibited a moderate-to-high degree of transformative leadership behaviour in their schools. Alternatively, results from the fourth component of idealised influence revealed that it had no effect on the organizational commitment of vocational instructors in Jordan.

Based on the literature discussion, this study proposes the following hypotheses.

H1: Transformational leadership has a positive influence on organizational commitment

### 2.2. Relationship between Transformational Leadership and Organizational Citizenship Behaviour (OCB)

A leader who has a transformational mentality will benefit from the growing importance placed on organizational citizenship behaviour in social obligations such as those imposed on people, society, and organizations (Allen et al., 2017).

Humphrey (2012) discovered that organizational identification was negatively related to both transformational leadership and organizational citizenship behaviours when he used the Multifactor Leadership Questionnaire Form 5x-Short developed by Avolio and Bass (2004), the Organizational Citizenship Behaviour Scale developed by Podsakoff et al. (1990). Employees' organizational citizenship behaviour, on the other hand, was shown to be positively associated with transformational leadership (OCB).

Hamidi and Salimi (2015) conducted an investigation on the link between transformational leadership and organizational commitment with organizational citizenship behaviour using a sample of 217 employees from the Maskan bank in Iran. According to the findings of the study, transformational leadership influences the organizational citizenship behaviours of employees, allowing them to improve their overall performance in the company. Kartono et al. (2015) discovered that transformational leadership is favourably associated with organizational citizenship behaviour (OCB) among 128 workers of the PD. Rural Banks (BPR) in Cirebon.

Based on the literature discussion, this study proposes the following hypotheses.

H2: Transformational leadership has a positive influence on organizational citizenship behaviour (OCB)

### 2.3. Relationship between Organizational Citizenship Behaviour (OCB) and Organizational Commitment

In a study conducted by Hasani et al. (2013), the researchers looked into the relationship between organizational citizenship behaviour (OCB) and organizational commitment. The participants were all employees of physical education offices in the Iranian provinces of Kurdistan, Kermanshah, West Azerbaijan, and Hamadan. This study was limited to 293 participants, as determined by the table created by Krejcie and Morgan (1970). Staff's organizational commitment, which comprises affective commitment, continuity commitment, and normative commitment,

was shown to have a strong connection with OCB when conducted at four's physical education offices in Iran, according to the findings of the study (Hasani et al., 2013).

According to Zayas-Ortiz et al. (2015), they examined the connection between commitment and organizational citizenship (OCB) among private banking workers in Puerto Rico, with a total sample size of 154 employees. According to the findings, there is a positive relationship between organizational commitment and markers of organizational citizenship behaviour (OCB), which include civic virtue, politeness, and altruistic aspects shown by the workers. Meanwhile, among private banking workers, the dimensions of emotional and moral commitment were shown to have the greatest connection with the civic virtue component of organizational citizenship behaviour (OCB) than any other aspects.

Obedgiu, Bagire, and Mafabi (2017) investigated the relationship between organizational commitment and organizational citizenship behaviour among 239 civil servants in Uganda's local government sector. The findings revealed that organizational commitment was associated with organizational citizenship behaviour. A strong positive connection between organizational commitment and organizational citizenship behaviour was discovered.

Based on the literature discussion, this study proposes the following hypotheses.

H3: Organizational citizenship behaviour (OCB) has a positive influence on organizational commitment

## 2.4. The mediating role of Organizational Citizenship Behaviour (OCB)

According to Baron and Kenny (1986), the mediator is the third variable that serves as a link between the independent variables and dependent variables that are affected by the independent variable in order to influence the dependent variable to influence the independent variable. For the purposes of this study, organizational citizenship behaviour (OCB) is taken into consideration as the mediating mechanism between two inconsistencies in the results of variables constructs as discovered in the preceding discussion; this is so because OCB has a role to play in helping to establish a relationship between related and construct development (Agarwal, 2016). As a predictor variable, OCB may be supported by leadership, in which the leadership style of the leaders applied has impacts on the development of organizational commitment and OCB in the company (Hasani et al., 2013).

The previous empirical studies that were interested in applied OCB as the outcome of organizational commitment in the similar construct variables in this research included research by Han et al. (2016).

Based on the literature discussion, this study proposes the following hypotheses.

H4: Organizational citizenship behaviour (OCB) mediates the relationship between transformational leadership and organizational commitment.

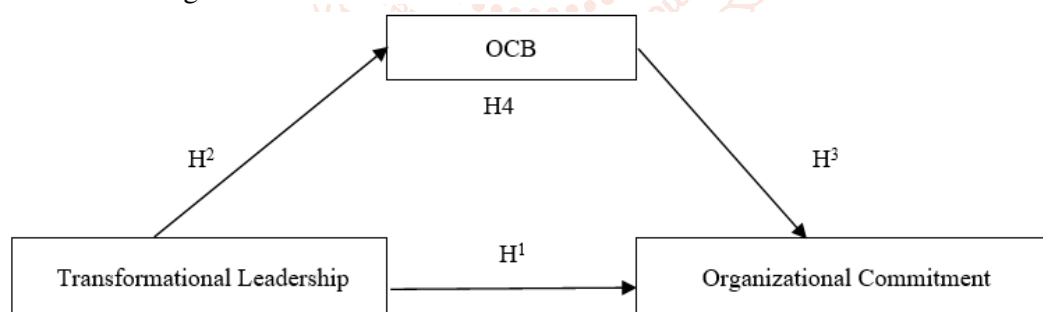


Figure 1: Theoretical framework

## 3. RESEARCH METHODOLOGY

The quantitative method was used in this research because it involved grounding theory, structured questionnaires, and when the research objectives involve numerical measurement and statistical analysis. The population consists of 357 employees in six GLC companies in Terengganu, Malaysia. To determine the minimum sample size, Sekaran (2003) proposed to follow a rule of thumb by multiplying the number of variables in the research by 10 times or more, as the requirement minimum sample size for Partial Least Square Structural Equation Modeling (PLS SEM) for statistical power of 80%, is 59. It was based on minimum R square (R<sup>2</sup>) values of 0.25 of the endogenous constructs in the structural model for significance levels of 5%. Meanwhile, Krejcie and Morgan (1970) recommended using the table sample size that they pioneered. Based on Krejcie and Morgan's Sample Size Table, for a population of 357, 186 respondents are required. Then, in order to obtain that samples, it has to distribute more because of the sample size is small (Reinartz, Haenlein & Henseler, 2009). Even though the minimum sample size was identified, this study took into consideration 357

questionnaires that were distributed in order to increase the response rate by taking a numeration of the entire population (census) as consideration of determination of inaccurate sample size (Gardner, 2018).

For leadership style, Multifactor Leadership Questionnaire, Form 6-S (MLQ6S) developed by Bass and Avolio (1992) was used. It consists of 21 items and based on 8 factors. Organizational commitment of employees was measured using the organisational commitment questionnaire (OCQ) developed by Allen & Mayer (1991). This OCQ scale was assessed using 24 items which measures three basic dimensions of organizational commitment: Affective Commitment (8 items), Continuance Commitment (8 items), and Normative Commitment (8 items). This instrument was designed to measure the relative of strength of an individual 's identification with and involvement in a particular organisation. organizational citizenship behaviour (OCB) was measured using the scale that developed by Podsakoff et al. (1990), totaling 24 items based on five dimensions (altruism, conscientiousness, sportsmanship, courtesy, and civic virtue).

The study adopted a drop-and-collect survey (DCS) method to collect data. The DCS method involves the researcher personally delivering, and later collecting the survey instrument (the questionnaire), either directly to the target respondents or indirectly via a gatekeeper or contact person. Subsequently, through a drop-and-collect survey (DCS) method, a total number of 357 questionnaires consisted of a cover letter, MLQ, OC, OCBs and demographics instruments had been distributed to the respondents through their respective human resources departments. A total 240 questionnaires were returned and usable after data screening process. The Statistical Package for Social Sciences (SPSS: Version 20) and Smart-PLS 3 were used for descriptive and inferential analyses.

#### 4. FINDINGS

After completed descriptive analysis, inferential analyses using SmartPLS 3 was conducted to test the hypotheses. Partial Least Square (PLS) involves an assessment of measurement and structural model. In the measurement model validation process, the evidence of convergence and discriminant validities as well as reliability or internal consistencies of the items were examined and found above the thresholds. Structural model evaluation is the assessment of the predictive or causal relationship between constructs in the model (Hair et al., 2006). For the structural model, the following assessment procedures were conducted i.e. collinearity issues, significance of path coefficient, R<sup>2</sup> value, predictive relevance of Q<sup>2</sup>, q<sup>2</sup> effect sizes and f<sup>2</sup> effect size (Hair et al., 2014). In sum, the model provided statistical support for both the measurement and structural model. This showed that the constructs and the whole theoretical model were reliable and valid.

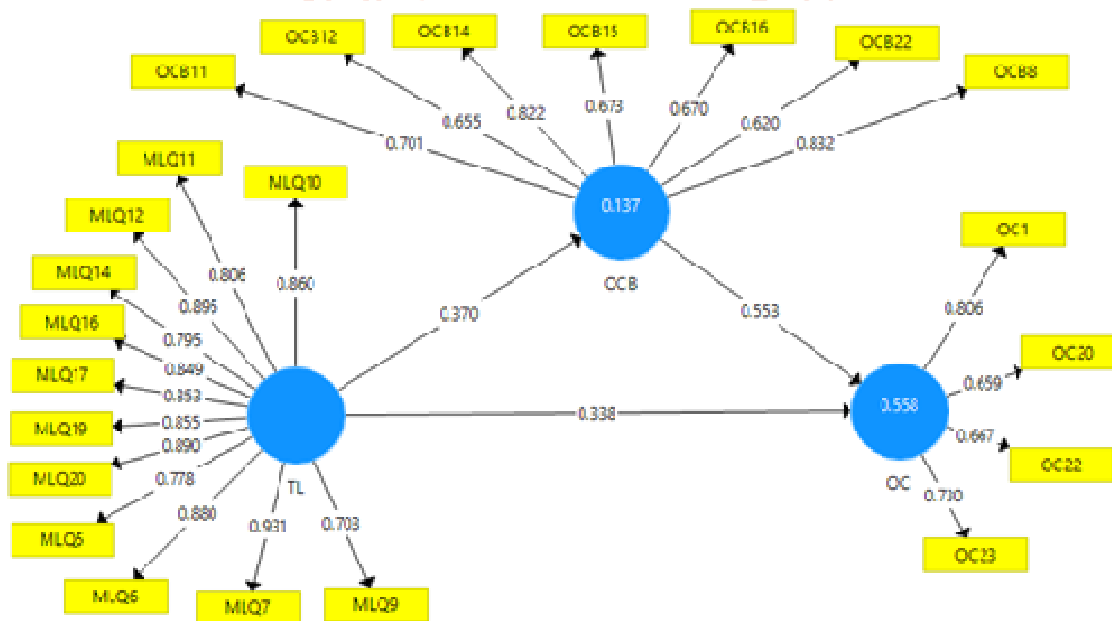


Figure 2: Measurement model

Table 1: Path coefficients

Path	Path Coefficient	t-Value	p-Value
TL -> OC	0.338	4.653***	0.000
OCB-> OC	0.553	7.881***	0.000

Note: \*\*\* Significant at p<0.01



#### 4.1. Test of mediation

This study adopted a bootstrapping method as suggested by MacKinnon et al. (2002). In conducting a bootstrap to test mediation effect; firstly, a bootstrap test was conducted on a simple model of direct effect of transformational/transactional leadership on organisation commitment and on a mediation model of indirect effect of transformational/transactional leadership on organisation commitment.

**Table 2: Direct and Indirect Effects between Independent and Dependent Variables with and without the inclusion of Mediator Variable**

Path	$\beta$ -Value	t-value	p-value	Decision
<b>Without mediator variable (see Figure 2)</b>				
Transformational Leadership → Organizational Commitment	0.540*	4.053	0.000	Significant
<b>With mediator variable (see Figure 3)</b>				
Transformational Leadership → Organizational Commitment	0.338*	4.253	0.000	Significant
Transformational Leadership → Organizational Citizenship Behaviour	0.370*	4.069	0.000	Significant
Organizational Citizenship Behaviour → Organizational Commitment	0.553*	7.528	0.000	Significant
<b>Type of mediation:</b> Partial mediation since all effects are significant at $p < 0.01$				

#### 4.2. Test of Hypothesis

	Hypotheses of the research	Results
1.	H1: There is a positive influence of transformational leadership on organizational commitment of Terengganu GLC's employees	Supported
2.	H2: There is a positive influence of transformational leadership and organizational citizenship behaviour of Terengganu GLC's employees	Supported
3.	H3: There is a positive influence of organizational citizenship behaviour and organizational commitment of Terengganu GLC's employees	Supported
4.	H4: Organizational citizenship behaviour mediates the relationship between transformational leadership and organizational commitment of Terengganu GLC's employees	Supported

#### CONCLUSION

The results of hypotheses testing revealed that all hypotheses were supported. For hypothesis 1, this was consistent with the study by Khasawneh, Omari, and Abu-Tineh (2012). For hypothesis 2, it is consistent with the studies by Humphrey (2012) and Hamidi and Salimi (2015). For hypothesis 3, it is consistent with the studies by Hasani et al. (2013) and Zayas-Ortiz et al. (2015), and for hypothesis 4, it is consistent with the studies by Han et al. (2016); Kariuki and Kiambati (2017). The results indicated that transformational leadership had influenced the development of employee's commitment towards the organization. Indeed, OCB also indicated an ability to increase the organizational commitment among employees with a transformational leadership approach. As a result, this study concludes that transformational leadership plays a significant role in improving employees' commitment and OCB to support the effort in enhancing management understanding of employees' correct values and behaviours.

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