

Survey on relationship between managers' leadership styles with organizational commitment of Kerman Melat Bank staffs (Kerman is a city in Iran)

Farhad Jahani¹⁺ and Azadeh Nikban²

¹ Kerman Branch, Islamic Azad University, Kerman, Iran

² Mahan Center, Islamic Azad University, Mahan, Kerman, Iran

Abstract: This study is concerned with the relationship between managers' leadership styles and organizational commitment of Kerman Melat Bank staffs in 2006. Statistical populations were about 262 staffs at 31 branches of Melat Bank of whose 158 people were selected by relative clustered sampling method.

In order to gather data, two questionnaires of leadership style and organizational commitment of staffs were used.

Questionnaires validities of the leadership and organizational commitment were 0.94 and 0.93, respectively. Questionnaires reliabilities of the leadership and organizational commitment were determined 0.72 and 0.77, respectively.

Analysis of collected data was done by using of spearman coefficient, Kendal, Mann- w and Kruscal – Walis tests. Tables of frequency distributions and box charts were also used. After analyzing the data, the following results were obtained.

- Transformational leadership style has been made more organizational commitment than interactive leadership style in staffs
- There is relationship between managers' leadership style and emotional commitment of staffs.
- There is a relationship between managers' leadership style and duty commitment of staffs.
- There is a relationship between managers' leadership style and continuous commitment of staffs.

Keywords: Leader, leadership, leadership style, transformational leadership, interactional leadership, commitment, organizational commitment

1. Introduction

Organizations are the basic foundations of today's community. Management is the most important factor for organizations' support, growth and or death. Manager directs the trend of movement from the present state to desired situation and seeks out a better future. The past, with all its importance, teachable, and effects that can have on future, has happened and no human force cannot create it again and in a different form. But future is on the way and an important part of it relates to what happens today.

The leadership style and management in the bed of every civilization is an aspect of that civilization's cultural structure. This structure is a set composed of religious, philosophical, artistic politic values and so on that is demonstrated in the form of manager's individual behavior and the social fabric of organization. The transformational leadership considers the individuals who use charisma characteristics and qualitative relationship to enhance willingness and aspirations and transfer of forces and organizational systems towards a new pattern and with high performance. Both interactional and transformational leadership emphasis on the follower's' behavior and motivation. The main their differentiation is that interactional leadership considers the access of the best result in the present state and confront the change in a mild form. But transformational

⁺ E-mail address: gozaresh7@gmail.com

leadership believes that response to present needs is not enough and always seeks out the change of situation in a more appropriate level.

One of the most important issues that the managers confront it in relation to the organizational behavior is that they must encourage the staffs to commit themselves about their own organization and employer.

2. Problem description

The most of problems in a wide range and most of private and government firms is rooted in the non-efficiency of management procedures and lack of efficient and effective systems, not in the shortage of resources and investment. So is the time ripe for the hierarchy of managers, especially senior managers, decides to replace the efficient and effective methods to the procedures that their non – efficiency has been proven? ; The methods that result in wastage of resources, equipments and human labor. Of course, transfer of these methods and entry to the new areas of management requires a deep awareness, trust and commitment to all new principles and procedures.

The organizational commitment is a mental mode that can show the level of individual's willingness, need and attitude to continuity of service in organization. There are many different definitions about organizational commitment including the following definition. The organizational commitment is an attitude about personnel loyalty to organization and it is a continuous process through which the members of organization show their interest in organization and its success and efficiency.

The commitment strategy should be based on a management philosophy that confirms the legal claim of the stakeholders like owners, staffs, customers and the public. In the focus of such a philosophy, commitment in the employees results in promotion of performance and motivates them. So given to above mentioned subjects, the present research which has been done in the time period 1385 and among the staffs of Kerman Mellat Bank , is seeking out an answer for this question based on what is the relationship between the managers' leadership styles and staffs' organizational commitment ? And if this is, how is its importance and direction?

3. Goals of research

3.1. General goal

The main aim of this research is the study of the relationship between managers' leadership styles and staffs' organizational commitment. If there is correlation, magnitude and direction of it will be specified.

3.2. Certain goals

- Description of managers' leadership styles in Kerman Mellat branches
- Determination of the managers' leadership style type in Kerman Mellat branches
- Measurement of commitment level Kerman Mellat branches
- Description of the relationship between leadership and any of three types of commitment (affective, normative, continual) in Kerman's Mellat branches
- Provide the suggestions for future researches

Theoretical framework of the research

The leadership theories can be divided in two categories: traditional leadership, and modern leadership. The latter demonstrates the theories that emphasis on a compound of charisma , vision and change and includes theories related to leadership documents , charismatic leadership , inspirational leadership and transformational and interactional leadership .

James Mc Gregory Bronze was the first one who provided transformational and interactional leadership in a formulate form. He provided a comprehensive theory about differentiation of two transformational and interactional leaderships in 1978 and opened a new chapter in leadership researches.

One of the most important studies about organizational commitment has been done by Mayer and Allen who have provided a 3D model. They argued that commitment as a mental mode includes three separate

components. It represents a kind of willingness and need and requirement for continuation of employment in an organization.

The dimensions of this 3Dmodel include affective commitment, continual and normative commitment. One of the most important and effective of commitment is management and leadership styles that are discussed from the different perspectives.

Beth and Elio (1992) believe that transformational leaders are more successful than the other ones. His researches show that transformational leaders reduce the rate of turnover and individuals 'transfer and increase that of their production and efficiency. Therefore the staffs' job satisfaction is increased and finally results in the increase of subordinates' commitment and motivation.

Robins believes that the transformational leaders who are inspire their followers and encourage them to provide the organization's benefits. Also it results in motivation and increase of staffs' organizational commitment. Therefore , given to what was mentioned above and the study of several books and articles about leadership style and organizational commitment , researcher decided to do his research based on the model provided by James Mc Gregore Bronze , Bath and Elio , Ingram , Robins , Mayer and Allen and finishes his own research in this theoretical framework .

4. Main hypothesis

Discussion

The managers having interactional leadership style want their staffs to act according regulations and law to access organization' goals and receive a reward for it. Such managers continuously control the works done according to determined standards and don't intervene until there is access to the standards. This causes that the staffs have no creativity in their works and do their duty only to receive their own salary. So their commitment to their workplace is to the extent of their needs to remain (affective commitment) and to organization's needs because of tolerated costs to obtain new skills and ... (continual commitment) and repay debt to their organization (normative commitment). While transformational managers seek out change in their staffs. Such managers motivate their own staffs and force them to mobility and support the provided changes . In this situation employees use their own opinions to do works and decision – making .This causes that they feel belong to their organization. They serve for their organization and recognize it their own representative . This is the same as affective commitment that is created in the employees. Also they have a sense of responsibility and intend to repay a debt to their organization (normative commitment). As it has been demonstrated in the theoretical discussions of research that the most employees' participation in decision – making increases their organizational commitment , this study shows that Kendal – Spearman correlation coefficient of organizational commitment and its components in relative to interactional leadership style is less than that of transformational . Kruskal – Wallis Test shows the difference between the distribution of organizational commitment in the managers with transformational and interactional leadership styles. This shows that transformational managers establish more commitment than interactional those in their staffs. But ,however , both transformational and interactional managers have established both normative and affective commitments in their employees .

Of course , it maybe infer that since work in the banks , especially Melat Bank that is a private bank , involves the numbers and figures and requires accuracy and must follow the mathematical constant laws , flexibility in the work is less than the other centers and government and non government . Therefore managers have to use interactional leadership style than transformational. The present study shows that among 31 branch of Melat Bank studied, 19 branches had interactional managers and 6 branches had transformational managers, and 6 branches had both interactional and transformational managers. It may be said that the last group, both transformational and interactional leadership styles, is better than the two others for a work environment as a bank. Because a part of the works that should be done according to certain regulations and standard, is done as the same procedure. But it is better using the staffs' opinions to improve performance, costumers' satisfaction, the better service and the other issues related to the banks.

The use of staffs' opinions and their participation in decision – makings result in the increase of employees' commitment and then increases their satisfaction and reduces breach of duty. The other results

show that the affective commitment in males and females, in individuals with various service life and the different education has been equal and there has no difference between them. However age, gender, education and seniority are the important factors that influence organizational commitment. Of course this study has demonstrated that marrieds' affective commitment is more than singles because of the more sense of responsibility of them.

5. Suggestions

- We concluded that transformational leadership style influence staffs' organizational commitment. So we suggest that the managers consider the characteristics of transformational leaders such as individual needs and the requirements of staffs, explanation of bank goals, and involve staffs in these goals, participation of staffs in decision – making and providing mental stimulations in the employees and so on.
- The influence of interactional leadership style on staffs' organizational commitment is the other conclusion. So we suggest banks managers should increase the staffs' organizational commitment with rewards and encouragement of individuals to do works, give a prestige to them to do a good work and the other indexes of interactional leadership style.
- Given to the results of research, the transformational leadership style establishes a high organizational commitment than interactional one. So it is recommended that banks managers perform transformational leadership style more than interactional style. And senior managers of banks provide a background for familiarity of branches managers to leadership styles, especially transformational leadership style.
- The influence of managers' leadership style on the dimensions of organizational commitment (affective, normative and continual) is the other conclusion. Therefore, it is recommended branches managers perform one of the leadership styles (transformational, interactional) in addition to management roles. The appropriate educational courses are provided for familiarity of branches managers to the kinds of leadership styles, especially modern leadership styles.

6. References

- [1] Bass. B.M. Avolio. B.J (1997) "Transformational Leadership" A Response to Critics, in chambers".
- [2] Bass. B.M. (1990) "Transformational to transactional leadership", Learning to share the vision. www.google.com.
- [3] Bass. B.M. and Steidlmeier, P. (1998) "Ethics, character and authentic transformational leadership" center for leadership studies of management Binghamton university. www.google.com.
- [4] Floit, Pamela (1997) "transformational leadership and the superintendency in Illinois". A comparative study of women and men superintendents-dissertation abstracts international. Vol. 58m, No. 7.
- [5] Hersey, P and Blanchard. K.H (1992) "Management of organizational behavior". Utilizing human resources. Prentice Hall.
- [6] Hersey, P and Blanchard. K.H. and Johnson, D.E. (1996) "Management of organizational behavior". Utilizing human resources. Seventh Edition, Prentice Hall.