Impact of Leadership on Organisation Commitment of the Employees-A Study With Reference To Corporate Hospitals in Chennai City

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Abstract

The purpose of this study is to investigate the impact of leadership on Organizational Commitment and Employee Performance. The study determine the relationships between leadership styles (transformational leadership style, transactional leadership style and laissez-faire leadership styles), and employees commitment in corporate hospitals Chennai. A quantitative research design was adopted to collect data, test hypotheses, and answer the research questions. Results showed Positive relationship between Organizational commitment and employee satisfaction and similarly it revealed that the transformational leadership style has a significant, positive relationship with organisation. However, the transactional and laissez-faire leadership styles were found to significantly and negatively relate to organisation. Based on the results, it is recommended that hospitals recruit leaders with transformational style, and also hold seminars to train current leaders to become more transformational.

Keywords: Leadership Styles; Transformational Leadership Style; Transactional Leadership Style; Laissez- Faire Leadership Style; organisational commitment , employees performance

Introduction

Leadership is an important area of study and research in business schools for decades now. There have been numerous research findings too in the Western countries on leadership. India is a fascinating and diverse country with many languages, cultures, castes, and religions. India has been shaped by various great leaders like Mahatma Gandhi, Rabindranath Tagore, Jawaharlal Nehru, Sarojini Naidu, and Ambedkar. These leaders are role models for leadership, and their outstanding leadership qualities can be studied and practiced in these days of worldwide change and development, because of the impact that they made in India by their leadership.

Leaders responsible for managing today's healthcare organizations are exposed to the needs of clients, and the limitations and demands of the organizations that they must serve. These leaders must practice effective leadership to succeed in today's challenging climate and to balance these competing demands. Greenleaf (1977), the developer of the modern context of leadership, suggests that managing the institutions that care for others has transitioned from managing through personal involvement to becoming something that is mediated by an organization and its stakeholders.

These organizations are often enormous, complex, powerful, impersonal, and even incompetent at times. The current climate in many healthcare organizations does not align with the idea of laissez leadership, as envisioned by Robert Greenleaf, when he originally introduced the concept of transformational leadership. He envisioned a model of leadership rooted in the fundamental human drive to care for others and contribute to the betterment of society.

Greenleaf (1977) argued that true leadership is essentially synonymous with service and great leaders are identified by the service they perform for individuals and society. Leadership behaviors appears to be what healthcare organizations need to effectively lead their organizations in today's challenging times. Bennis and Nanus (1985) stated, "The problem with many organizations, and especially the ones that are failing, is that they have the tendency to be over managed and under led". They found that there is a difference in leadership and management, but both are important to the success of organizations commitment. However, the distinct difference between leadership and management was matter of perspective. Leaders were vision, judgment, and effectiveness oriented, while managers were more concerned with efficiency and mastering routines or doing things right.

According to Bass and Avolio (1994), the turbulent healthcare environment shows that it poses challenges and has made management aware of the need for appropriate leadership as healthcare professionals function in an environment of uncertainty, disorder, and ambiguity. The current turbulent environment requires speed, innovation, and flexibility, with which traditional organizational practices are unable to cope with. Suffice it to say, the right leadership in an organization can stimulate a group to articulate innovative ideas. These are known as the "strong forces" of leadership, which can shift the focus from quantity to quality and speed (Bass & Avolio, 1999). Quality and speed can provide an organization with a competitive edge; these two factors can be responsible for the long-term success of an organization. Leadership can facilitate qualitative change by changing associates' viewpoints. Hence, leadership style influences the quality environment.

In summary, the concepts of leadership styles and are very critical in organizations. The application of these concepts often determines how organizations achieve their goals and objectives (Khan, 2011). Even though these concepts are related to a greater extent, they also differ in terms of their meaning and application in the organizations. It is important to point out that in as much as they may be different concepts, the success of each of these approaches in the organization depends on the working of the other; that is, when applied in a given organization, the two are rarely separable because they are intertwined (Goetsch &Davis, 2011).

Hence, leadership requires many things, but the most important is service to others. The combination of competencies, characteristics, traits and methods of each style will yield an effective leadership mode capable of driving organisation commitment and sustaining long-term evolution in the organization. A synthesized integration of these leadership styles will drive forward the leader's ability to effectively influence the organization and therefore impact of organisation commitment practices. To begin with, it is important to understand the role of the leadership styles and organizational culture on the quality management practices in corporate hospitals in Chennai, especially when the results of studies on specific leadership styles have not been clear or consistent.

Literature Review

1.1 Leadership: Leadership is a process of interaction between leaders and followers where the eader attempts to influence followers to achieve a common goal (Northouse, 2010; Yukl, 2005). According to Chen and Chen (2008), previous studies on leadership have identified different types of leadership styles which leaders adopt in managing organizations (e.g., Davis, 2003; Spears & Lawrence, 2003; House, Hanges, Javidan, Dorfman, & Gupta, 2004; Hirtz, Murray, & Riordam, 2007). Among the more prominent leadership styles are Burns' (1978) transactional and transformational leadership styles. Transformational leaders emphasise followers' intrinsic motivation and personal development. They seek to align followers' aspirations and needs with desired organisational outcomes. In so doing, transformational leaders are able to foster followers'

commitment to the organisations and inspire them to exceed their expected performance (Sivanathan & Fekken, 2002; Miia, Nichole, Karlos, Jaakko, & Ali, 2006; Bass & Riggio, 2006; Bass, 1985, 1998). With regard to today's complex organisations and dynamic business environment, transformational leaders are often seen as ideal agents of change who could lead followers in times of uncertainties and high risk-taking. In contrast, transactional leaders gain legitimacy through the use of rewards, praises and promises that would satisfy followers' immediate needs (Northouse, 2010). They engage followers by offering rewards in exchange for the achievement of desired goals (Burns, 1978). Although transformational leadership is generally regarded as more desirable than transactional, Locke, Kirkpatrick, Wheeler, Schneider, Niles, Goldstein, Welsh, & Chah, (1999) pointed out that such contention is misleading.

1.2 Organizational Commitment Mowday, Steers, and Porter (1979, 1982) defined organizational commitment as the behavior that connects employees to the organization. Organizational commitment is how a loyal the employee feels to the organization (Mueller, Wallace, & Price, 1992; Price, 1997). Meyer and Allen (1991), Dunham et al. (1994) recognized organizational commitment as three kinds which are affective, continuous and normative. Affective commitment is the employees' feelings toward joining the organization, continuous commitment is employees' perceptions of costs if leaving the organization and normative commitment is employees' perceptions of their duties and promises toward the organization.

Organizational commitment may be viewed as the degree to which an individual adopts organizational values and goals and identifies with them in fulfilling their job responsibilities (Tanriverdi, 2008).According to the literature, there are many factors affect organizational commitment including individual and managerial. In terms of the individual factors, Benkhoff (1997) found that as the employee gets a higher position in the organization he/she tend to have more organizational commitment. It has been seen that the longer the employee works for the organization the more commitment the employee has (Allen and Meyer, 1990; Hellriegel et al., 1995; O'Reilly et al., 1991). However, other studies did not show the same results (Lok & Crawford, 1999; Brewer, 1996).

Mathieu and Zajac (1990) believe that commitment increases with age while Cohen 1993 and Beck and Wilson 2000 stated that position upgrade is more valid than age. Decottis and Summers (1987) study showed that organizational commitment is under the effect of employee's qualities such as leadership and communication. In terms of the managerial factors, several studies have showed that employees' involvement in decision-making (Porter et al., 1974; Mowday et al., 1982; Beck & Wilson, 1997) and the amount of feedback received from managers regarding job performance and job role (Mathieu & Zajac, 1990) affects the employees' organizational commitment.

Brewer (1993) suggested that large number of controlling officials in the organization frequently result in lower employee commitment, while less control and more support generates greater commitment and involvement among employees. Koopman (1991) studied the impact of leadership styles on employees and found that employees who liked their manager's style liked the organization more as well. Although there was no direct connection to commitment but this would later affect employees' levels of organizational commitment.

Finally, Nierhoff et al., (1990) found that the level of employees' commitment is related to top management's actions that create the organization's culture and style. In terms of the significance of organizational commitment, more committed employees are more responsible and loyal to the organization (Boles et al., 2007). Moreover, organizations that commit to the employees value and take care of them gain more committed workers

(George & Jones, 1996). Eisenberger et al., (1990) discussed the same idea not only that employees are more committed but they are more careful for their duties, more involved in the organization, and more innovative.

GAPS IN THE LITERATURE

After reviewing national and international literature pertaining to leadership qualities and organisation commitment of employees in various organizations, it is found two important gaps are yet to be fulfilled.

1. The factors responsible for the leadership for employee in corporate hospitals.
2. The impacts of leadership on employee commitment as well as their performance are still unaddressed at national and international levels therefore the present research aim's at fulfilling the above mention research gap.

OBJECTIVE IN STUDY

The major objectives in research are presented as fellows.

1. To study the predominant factors of leadership qualities among employees in corporate hospitals.
2. To measure the influence of leadership qualities on the effectiveness on organisation.

HYPOTHESIS

The factors of the leadership qualities do not differ significantly.

METHODOLOGY

The study is based on both primary and secondary data. The primary data is collected on structured questioner with optional type question as well as statement in likert's 5 point scale.

DATA COLLECTION

The researcher applied convenient sampling method to collect the responses from employees of corporate hospitals.

The researchers consider top five corporate hospitals in Chennai city for data collection purpose. The researcher circulated 40 each in all the five corporate hospitals and able to obtain 168 responses with completed responses. After scrutinising 14 of the questioner are fill with flaws hence the researcher reject those response and consider remaining 154 responses for the research. Hence the sample size of research is 154.

Data analysis

After entering the coding of the questioner the researcher analysis using both univariate and multivariate statistical techniques.

1. Factor analysis
2. F-Test
3. T-Test
4. KMO-Bartlett Test

ANALYSIS AND DISCUSSION

The employees in corporate hospitals are requested to express their participation in management through Leadership at the point of inception. Their responses are obtained in Likert's 5 point scale which range from strongly agree to strongly disagree. 10 statements have been posed on them to obtain responses suitable for Leadership. Factor analysis, the principal component method is applied and the following results are obtained.

Table: 1 KMO and Bartlett's Test for Leadership in management

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.806
Bartlett's Test of Sphericity	Approx. Chi-Square	697.830
	df	45
	Sig.	.000

Source: Computed Data

From the table 1 it is formed that Kaiser – Mayer – Olkin measure of sampling adequacy is .806, Barrtlett's test of sphericity and Chi-Square value is 697.830 are statistically significant. This shows that the employees Leadership in management obtained from 500 samples is significantly explaining the data reduction process through Factor analysis. The following table gives the number of factors deduced into 2 predominant factors.

Table: 2 KMO and Bartlett's Test for Leadership in management& Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.988	29.879	29.879	2.988	29.879	29.879	2.276	22.762	22.762
2	1.163	11.628	41.508	1.163	11.628	41.508	1.875	18.746	41.508
3	.915	9.145	50.653	1.012	10.124	51.632	1.156	10.124	51.508
4	.907	9.070	59.723						
5	.808	8.079	67.802						
6	.755	7.551	75.353						
7	.733	7.333	82.687						
8	.678	6.778	89.464						
9	.551	5.508	94.973						
10	.503	5.027	100.000						

Extraction Method: Principal Component Analysis.
Source: Computed data

From the above table it is found that the two Eigen values 2.276 and 1.875, along with individual variances 22.762and 18.746. The total variance explained by the 10 variables of Leadership in management about Leadership is 41.508 which is statistically significant. The two factors deduced so far are loaded with certain number of variables as shown in the table below

Table: 3 KMO and Bartlett's Test for Leadership in management& Rotated Component Matrix (a)

	Component		
	1	2	3
LSF 9	.661		
LSF 3	.624		
LSF 7	.588		
LSF 5	.573		
LSF 6	.551		
LSF 10		.748	
LSF 8		.630	
LSF 2		.587	
LSF 4		.491	
LSF 1			.780
LSF 13			.692
LSF 12			.664
LSF 11			.663

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
A Rotation converged in 3 iterations.
Source: Computed data

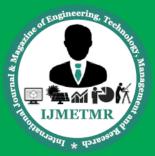From the above table it is found that the first factor consists of 5 variables namely

I make dynamic decisions in my capacity (.661)
I listen to my subordinates before taking decisions (.624)
I give chances for my subordinates to share their views (.588)
I share my organizational problems with my subordinates / colleagues (.573)
I discuss with employees on job assignments (.551)

Therefore the first factor is named '**Participative Leadership**'
The second factor consist of 4 variables namely

I help my colleagues to make working on their task more pleasant (.748)
Personal welfare of group members is very important for me (.630)
Efforts are taken by the top level management to create conducive work environment (.587)
Rational approach is found among the employees (.491)

Therefore the second factor is named **'Supportive leadership'**

It is also found that the third factor comprises four crucial variables with factor loadings

Employees are given schedules to accomplish to job assigned (.780)
They are able to understand what is realistic in accomplishing the tasks (.692)
Lifelong learning process supports us to acquire knowledge (.664)
Top level come down to any level to solve problems (.663)

Now it is suitable to call this factor **"Instrumental Leadership"**

FINDINGS AND CONCLUSION

The employees of the corporate hospitals expresses that the Leadership in management is achieved through the participative leadership which helps the organization to improve its production. They perceived that the work commitment is the primary aim of employees to acquire Leadership. The enlightened motivation is increased with the help of dynamic supportive and instrumental leadership among the employees.

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