

An Empirical Investigation of the Influence of Organizational Policies and Organisational Leadership on Organisational Commitment

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I. INTRODUCTION

Commitment which is encapsulated by the phrase “giving all of yourself while at work”, is concerned with the level of attachment and loyalty to an organisation. Moreover, committed work force helps the organisation to survive in a competitive environment. Commitment has been defined as a state of being in which an individual becomes bound by his actions and through these actions to beliefs as to sustain the activities and his own involvement (Salanick, 1977). Angel and Perry (1987) stated that it is a state in which an employee identifies with a particular organisation and its goals and wishes to maintain membership in the organisation and he further demonstrated that an individual’s level of organisation commitment is a better indicator of turnover than the more frequently used job satisfaction predictor because an employee may be temporarily dissatisfied with his particular job and not with organisation. But if he is dissatisfied with the organisation, he is more likely to find job elsewhere. However Porter et al. (1974) defined concept of organizational commitment more pragmatically as: (1) The belief in and acceptance of organizational goals and objectives; (2) The willingness to work hard on behalf of the organization; and (3) Definite intentions to remain in the organization. In line with this majority of the other studies defined organizational commitment as an attitude targeted specifically toward the organization as an administrative entity.

The performance benefits accrued from increased employee commitment have been widely demonstrated in the literature. To list but a few, these include: increased job satisfaction (Vandenberg & Lance 1992); increased job performance (Mathieu & Zajac, 1990); increased total return to shareholders (Walker Information Inc., 2000); increased sales (Barber *et al.*, 1999); decreased employee turnover (Cohen, 1991); decreased intention to leave (Balfour & Wechsler, 1996); decreased intention to search for alternative employers (Cohen, 1993); decreased absenteeism (Cohen, 1993, Barber *et al.* 1999). However, our society has become increasingly mobile and loyalty between employees and their organizations dissolves, and mergers and acquisitions proceed at record pace, simply keeping track of who the “organization” is may present a daunting task to many employees, particularly at lower levels in the organization. In such an environment, employees may find it difficult to develop any depth of commitment to the “organization” as an abstract entity. Organizational commitment, then, may not suffice to describe employee loyalty in years to come (David et al., 2005). Diamond (1992) notes that expectations of which public policies will succeed are dependent on understanding of people’s motivations or the positive and negative (as determined by their values) psychological forces that affect their behaviour relative to those policies. Similarly, management’s expectations of which organizational policies will succeed is likely to be dependent on understanding the positive and negative psychological forces acting on their employees with regard to those policies.

II. ORGANISATIONAL COMMITMENT & ORGANIZATIONAL POLICIES

Commitment towards organisational policies is supported by Lewins (1951) theory while seeking to develop initial theoretical and empirical support for the concept of organisational policy commitment. Organisational policy commitment is defined as belief in and proactive endorsement of specific major organisational initiatives or courses of action based on perceived agreement between personal values and organisational values as they are expressed through organisational policies. (Diamond, 1992) demonstrated that specific organizational policies may represent a salient target for employee commitment through their structured courses of action that serve to focus and crystallize employees’ thinking and behaviour. Organizational policies are specific elements of the work environment that directly impact employees’ daily work activities, their interactions with co-workers, and their employer-employee relationships. Organizational policies embody corporate values that guide the decision-making of managers and supervisors and shape employees’ work experiences, immediately affecting their behaviours, work relationships, compensation, and sense of security. In this David et al. (2005) conducted study and argued that commitment to organisational policies, as specific

major courses of action that embody a set of values against which employees can measure congruence with their own values, and that are common to any number of organizations, offers a target that enables individuals to focus and maintain their commitment while transcending organizational boundaries. Findings regarding the relationship between attitude and policy commitment suggest that, for practitioners who are considering the development and/or implementation of major organizational policies, it is important to bear in mind that employees' negative responses to current or anticipated policies may not simply be an indication of refuse, but may be a natural result of unpleasant past experiences with similar policies. Organisational success in achieving its organisational policies depends on its managers and their leadership styles, by using appropriate leadership styles, managers can affect employee's organisational commitment (Mosaderghard and Yamohammadian, 2006).

III. ORGANISATIONAL COMMITMENT AND LEADERSHIP

Leadership style is the general character of a leader's thinking, behaviour and organisational environment. It can be viewed as a series of managerial attitude, behaviour, characteristics and skills based on individual and organisational values, leadership interests and reliability of employees in different situations (Mosaderghard, 2003). Various leadership styles have been defined and found in research literature (Burns, 1978; House et al., 2004). According to Burns (1978), one of the first few scholars to conceptualise leadership styles in terms of transformational and transactional characteristics. Transactional leadership involves a kind of exchange process in which a leader offers subordinates benefits or incentives in exchange for their services. Another leadership approach is transformational leadership which deals with the leadership issue from a total different perspective or on another level of cognition. A transformational leader has a profound influence on the follower and encourages them to place group benefits over individual interest (Burns, 1978). Georgian (2009) conducted study to investigate the employees' perceptions of the prevalent leadership styles in Lebanon and its impact on organisational commitment. Data were collected in a survey on a sample composed of 158 respondents chosen among employees working and living in two different areas in Lebanon. Evidence supporting a positive relation between transformational leadership and organisational commitment has been found. Many other researchers showed that transformational leadership was positively related to organisational commitment and other leadership effectiveness indexes in different cultures and organisations (Bone & Judge, 2003; Koh, steers & Tergburg, 1995).

Paucity of literature was found in understanding the relationship among organisational policies, organisational leadership, and organisational commitment and how organisational policies and leadership influence organisational commitment. This study is a humble attempt in that direction.

IV. OBJECTIVES

The main objective of this study is to estimate the relationship among organizational policies, organisational leadership, and organizational commitment and the extent of influence of organisational policies and leadership on organisational commitment of employees.

V. HYPOTHESIS

H₁: There is a positive relationship between organizational commitment and organizational policies.

H₂: There is a positive relationship between organizational commitment and leadership.

H₃: Organisational leadership and organisational policies significantly affect employee commitment.

VI. METHODOLOGY

In order to achieve *supra* objectives and testing hypotheses correlation and regression analysis were conducted. The respondents' perception about the variable were gauged on 5-point Likert type (disagreement-agreement) scales. Instruments used for the measurement are: organizational commitment (Mowday et al., 1979); organizational leadership (Bass & Avolio. 1990; Hartog et. et., 1997); organizational policies (O' Reilly. 1991 & Broabfoot. 1994); Data was gathered from 143 call centre employees adopting convenience sampling procedure.

RESEARCH FINDINGS

The correlation analyses reveals that organizational commitment positively relates with organizational policies (.491** < 0.01) and organizational leadership (.29 < .09).

		COMMITMENT	POLICIES	LEADERSHIP
Organizational Commitment.	Pearson Correlation	1		
Organizational policies	Pearson Correlation	.491**	1	
Organizational Leadership	Pearson Correlation	.290	.217	1

**. Correlation is significant at the 0.01 level (2-tailed).

The model analysis included the two independent variables of organizational policies and leadership. The linear combination of the two independent variables was significantly related to the dependent variable organizational commitment, R squared = 0.27, adjusted R squared = 0.23 F = 51.76 (p= 0.000) (Table 3). An estimated 27% of variance of the predictive variables index can be accounted for by the linear combination of independent variables and the dependent variable.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526 ^a	.276	.236	.55329

a. Predictors: (Constant), LEADERSHIP, POLICIES

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.210	2	2.105	6.877	.003 ^a
	Residual	11.021	36	.306		
	Total	15.231	38			

a. Predictors: (Constant), organizational Policies, organizational leadership
b. Dependent Variable: organizational commitment.

Results from the regression equation for the standardized variables were as follows: predictive organisational commitment score = 1.99 + 0.44 (organizational policies) + 0.382 (organizational leadership) shown in Table 4. Again the positive coefficient of beta (= 0.44) (p < 0.004) indicates that the organizational policies highly influence organizational commitment than organizational leadership which has beta coefficient of .193 (< 0.193) only. Thus does not provide enough evidence to support H₃.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.992	.485		4.106	.000
	Organizational policies	.387	.125	.449	3.093	.004
	Organizational leadership.	.056	.042	.193	1.326	.193

a. Dependent Variable: Organizational commitment.

VII. DISCUSSION AND CONCLUSION

The study was conducted with the main objective of examining the relationship among organizational policies, organizational leadership, and organizational commitment. The analyses reveal that employees understudy base their commitment to their organization mainly on organizational policies. It was also found that organizational leadership plays a role, though not significant, to enhance the loyalty of the employees. However,

beta coefficient of regression analysis reveals that employees associate their emotional feelings with the values and beliefs of the organization as compared to the organizational leadership. These findings demonstrate that compatibility between organizational policies and personal values of an employee can be enhanced through effective leadership.

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