The role of Transformational Leadership style on Organizational Commitment in Bahrdar city Administration Revenue office

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Abstract: It has become clear that organizational commitment (OC) has important implications for employees and organizations as confirmed by past researchers. This study examines the impact of transformational leadership styles on employees' organizational commitment in the Bahrdar city revenue office. The transformational leadership styles have been chosen as focus of research to investigate the impact on organizational commitment. This is imperative in order to ensure the successful management of employees and also to improve performance and achievements of organizations. The study sample size was 120employees.Two separate instruments, namely multifactor leadership questionnaire (MLQ) and organizational commitment questionnaire (OCQ), were used to measure transformational leadership styles and employees' organizational commitment respectively. The results have indicated that four dimensions of transformational leadership styles have positive and significant relationship with organizational commitment.

Keywords: Transformational, Leadership, organizational commitment, BDCRO

INTRODUCTION

In this modern era, where world has become a global village, organizations are careful to be competitive on the basis of competence of their human capital, which gives competitive edge and human resources is one of the resources that work as a pillar for an organization [1]. The focus has therefore shifted to "people", the employees of the organizations [2].

Ethiopia's economy is among the developing economies of the world. With increasing level of development the working environment has becoming more competitive. For this country public organizations have a great contribution for its developmental progress which is different from private business enterprise in respect of their organizational objective and mission. Among different public organizations, Bahr Dar City Revenue Office (BDCRO) is one of the public sectors in the Bahr Dar city administration established on the taxpaying society to accomplish its duties and responsibilities on a voluntary-compliance basis of Proclamation No.33/85 in October 1985 E.C.

To run this kind of organization effectively, the most valuable and indispensable factor seems to be human resource [3]. Well-qualified and capable personnel are important in context of achieving goals and objectives of an organization. Moreover, employees play an important role in organizations, they are the greatest resource an organization can have and it is through their involvement and commitment that the organization can become competitive [4].

Due to their impact on performance and the success of an organization, Organizational commitment and leadership have received a lot of attention in workplace studies. Different studies showed leadership to have a significant influence on organizational commitment [5]. Currently Bahirdar city revenue office striving to realize its mission, which is enable and collect the commensurate tax revenue having ethical and skilled manpower and modernization, providing efficient, honest service and tax payers' education thereby preventing tax fraud (FIRA, 2005). To implement this mission effectively and efficiently there should be health relation between leaders and employees.

LITERATURE REVIEW
Introduction

Leadership can be defined as a complex social process, rooted in aspects of values, skills, knowledge as well as ways of thinking of both leaders and followers. Thus, it is all about the continuous process of establishing and maintaining a connection between who aspire to lead and those who are willing to follow [6]. Many academicians and researchers have made vital contributions in the different theories as well as practices of leadership, and after of extensive research, the subject of leadership has emerged as a legitimate

discipline. However, there is still agreement about what leadership actually is. Many of scholars and researchers agreed that leadership is a combination of skills and behavior which exhibits those skills [7, 8, 9].

A review of the leadership literature reveals an evolving series of' schools of thought' from "Great Man" and "Trait" theories to "Transformational" leadership. Whilst early theories tend to focus up on the characteristics and behaviors of successful leaders, later theories begin to consider the role of followers and the contextual nature of leadership [8]. We can see each thought as follows;-

Great Man Theories; Based on the belief that leaders are exceptional people, born with innate qualities, destined to lead. The use of the term 'man' was intentional since until the latter part of the twentieth century leadership was thought of as a concept which is primarily male, military and Western. This led to the next school of Trait Theories.

Trait Theories; The lists of traits or qualities associated with leadership exist in abundance and continue to be produced. They draw on virtually all the adjectives in the dictionary which describe some positive or virtuous human attribute, from ambition to zest for life

Behaviorist Theories; These concentrate on what leaders actually do rather than on their qualities. Different patterns of behavior are observed and categorized as' Styles of leadership'. This area has probably attracted most attention from practicing managers.

Situational Leadership; This approach sees leadership as specific to the situation in which it is being exercised. For example, whilst some situations may require an autocratic style, others may need a more participative approach. It also proposes that there may be differences in required leadership styles at different levels in the same organization.

Contingency Theory; This is a refinement of the situational viewpoint and focuses on identifying the situational variables which best predict the most appropriate or effective leadership style to fit the particular circumstances

Transactional Theory; This approach emphasizes the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of 'contract' through which the leader delivers such things as rewards or recognition in return for the commitment or loyalty of the followers.

Transformational Theory; The central concept here is change and the role of leadership in envisioning and implementing the transformation of organizational performance. Thus this study focused on transformational leadership style based on this theory.

Transformational Leadership

Transformational leadership is a process of influencing in which leaders change their associates awareness of what is important, and move them to see themselves and the opportunities and challenges of their environment in a new way, in addition transformational leaders are proactive

In a transformational style, there is generally a sense of purpose and a feeling of family. Leaders and followers share mutual interests and a sense of shared fates and interdependence. Farther more, they go beyond their self-interests or expected rewards for the good of the team and the good of the organization. Transformational leadership does not replace transactional leadership, but augments it in achieving the goals of the group [7, 4].

The optimal profiles of the leaders are characterized by the presence of certain qualities of transformational leadership. The four components of what Avolio et al [10] referred to as a higher order construct of transformational leadership are the following:

(1) Idealized influence (or charismatic influence).
(2) Inspirational motivation.
(3) Intellectual stimulation.
(4) Individualized consideration.

Organizational commitments

Organizational commitment can be defined as the strength of an individual's identification with, and involvement in the organization (Levy, 2003). Also, Buchanan (cited in Reyes, 2001, p. 328) defines commitment as "a partisan, affective attachment to the goals and values of an organization, to one's role in relation to goals and values of an organization, to one's roles in relation to goals and values, and to the organization for its own sake, a part from its purely instrumental worth."

Forms of organizational commitment

Meyer and Allen [11] have been at the fore front of the multidimensional approach to organizational commitment. From the three themes, Meyer and Allen identified the three forms of organizational commitment as affective, continuance, and normative. According to Meyeretal[12]the three forms of commitment were found to be related, but distinguishable from each other. Moreover, as stated by

Bagraim (2003), even though there are various multidimensional models of organizational commitment, the three models, which are proposed by Allen and Meyer [11], are widely accepted in organizational research. Such as;-

Affective Commitment: The commitment expressed as the employee's positive emotional add-on to the organization.

Normative Commitment: The employee's commitment for organization success because of feelings of obligation. The employee stays with the organization because he/she "ought to".

Continuance Commitment: The employees commits to the organization because they perceives high costs of losing organizational membership.

Significance of the study
From practical perspective this study result is important to create awareness and direct the intentions of leaders of Bahirdar city revenue office in articulate and other public sectors administration In general, about the most determinant variables that can influence the organizational commitment level of their employees and also, it provides a lot to those policy makers at regional as well as national levels, and to different politicians in particular to reenact new guidelines, rules, regulations, and laws to solve such problems that affect employee organizational commitment in the public organization

Statement of the problem
In any given discipline, the success of a venture can nearly always be traced directly back to the vision and will of the leadership. Therefore, having effective leadership styles for the organization to retain competent employees is crucial to its survival. James and Collins [9] advocate that employees develop global beliefs of perceived organizational and perceived supervisor support. Due to the norm of mutual relationship, this support makes the employee feel obligated to exhibit beneficial organizational attitudes (commitment). In addition Awan and Mahmood [13] portray that employee commitment reflects the quality of the leadership in the organization.

Even though different studies show's there is a positive influence of transformational leader ship on organizational commitment in certain organization but in our country cases effective leadership style, has been a major concern to the government to achieve the goal of growth and transformation plan in all aspects as lack of effectiveness, in the areas of leadership is a common problem in most public service organizations' of Ethiopia [14]. As a result, this study focused on the influence of transformational leader ship style on the organizational commitment in Bahr Dar city revenue office employees.

OBJECTIVES OF THE STUDY
General object
The general objective of the study is to investigate the effect of transformational leadership styles on employees' organizational commitment in Bahr Dar city revenue office.

Specific objectives
The specific objectives of the study were.
To examine the relationship between individual consideration leadership style and organizational commitment of employees

To evaluate the relationship between intellectual stimulation leadership style and organizational commitment of employees.

To examine the relationship between inspirational motivation leadership style and organizational commitment of employees.

To examine the relationship between idealistic influence leadership style and organizational commitment.

To investigate the effects of transformational leadership style dimensions on organizational commitment dimensions.

HYPOTHESIS
Hypothesis1: There is a positive and significant relationship between individual consideration leadership style and organizational commitment of employees.

Hypothesis2: There is a positive and significant relationship between intellectual stimulation leadership style and organizational commitment of employees.

Hypothesis 3: There is a positive and significant relationship between inspirational motivation leadership style and organizational commitment of employees.

Hypothesis 4: There is a positive and significant relationship between idealistic influence leadership style and organizational commitment of employees.

Hypothesis 5; Transformational leadership style dimensions have a strong positive impact on organizational commitment dimensions.

RESEARCH METHODOLOGIES

The study is designed as the cross-sectional survey for the quantitative study which is used to gather the relevant and pertinent information with regard to transformational leadership styles and employee organizational commitment. Thus, this study is classified as survey research. The target population of this study where both employees and leaders of Bahrdar city administration revenue offices. As per information obtained from the Human resource department, there are about 217 employees in the main office and in 9 sub city offices total 226 as of Dec, 20014. From 226 employee's, sample size is determined by using a formula set by yemene (1967). Thus the study sample size was 120 employees. A combination of purposive stratified and simple random sampling techniques are used to select respondents from the sample.

Sources and Types of Data

In order to generate relevant data for this study, both primary and secondary data sources are considered. As this study is basically empirical in nature, primary data has been gathered from employees and their leaders/supervisors. The closed ended questionnaires which are designed on an ordinal scale of measurement basis are used to collect primary data, so that the variables could be ranked to measure the degree of their strength or the agreement or the disagreement of the respondents with the variables and the questionnaire was tested before the actual data collection was made. The secondary data was collected from different publications including the policy manual of the office and others relevant data to this study.

Data Collection Instruments

In this study questionnaire was designed to assess the impacts of transformational leadership style on organizational commitment. Multifactor leadership questionnaire(MLQ) were applied to measure independent variable It is formulated from the Full Range Leadership Model consisting of transformational, transactional, and laissez-faire leadership behaviors with nine subscales[15]. The Allen & Meyer's[11] organizational commitment questioner (OCQ) were used to measure the dependent variable, which's employees' organizational commitment. The responses to each items of both variables are rated using a 5-point Likert scale labeled as 0 = strongly disagree, 1 = disagree,2 = neitheragreenordisagree,3 =agree,4 = strongly agree
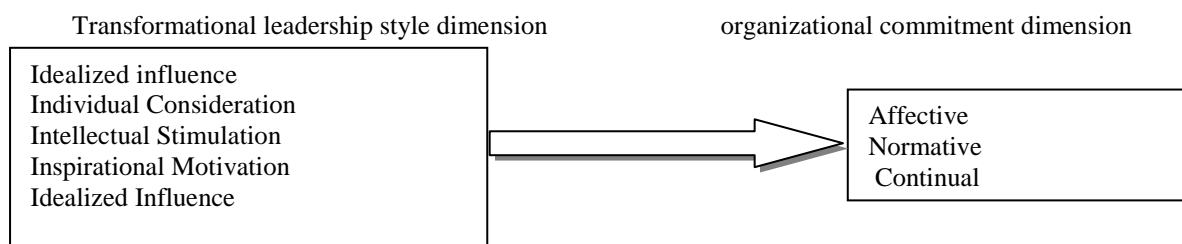
Data analysis method plan

For the purposes of determining whether a statistically significant relationship exists between organization transformational leader ship style and employees commitment, the study was used the Pearson Correlation Coefficient and to determine the effects of organization transformational leader ship style on employees organizational commitment the study were used regression analysis.

RESEARCH MODEL / FRAMEWORK

Based upon the literature review the conceptual framework below was offered, the conceptual foundation to examine and explore the study in verifying, the impacts of transformational leadership style on organizational commitment.

Table1 Conceptual model of the relationship between transformational leadership and employee organizational commitment

Transformational leadership style dimension   organizational commitment dimension

| Idealized influence
Individual Consideration
Intellectual Stimulation
Inspirational Motivation
Idealized Influence | → | Affective
Normative
Continual |

Source: Adopted from review of the literatures

RESULTS AND DISCUSSION

The study examines the relation between transformational leadership style dimensions and organizational commitment, besides evaluating the impacts transformational leadership style dimensions on organizational commitment. Under this section, data collected from the employees are presented and the analysis is made based on the information obtained from those respondents. In this manner, questionnaires were distributed to a total of 120 respondents and 107(89.1%) respondents questionnaire were returned back. Out of 107 respondents, 102 were found usable for the study which was 85% from the total respondents. Thus the study tested hypothetically, and reviled the following results.

Hypothesis 1: There is a positive and significant relationship between individual consideration leadership style and organizational commitment of employees.

A correlation analysis particularly a Pearson correlation was done between transformational leadership style dimensions and organizational commitment to test the hypothesis. Thus as table 1 display that individual consideration leadership style is

positively and significantly correlated (r= .761**, p<0.01) with organizational commitment. The result confirmed that individual consideration leadership style has a strong positive correlation with organizational commitment. Hence the null hypothesis is accepted.

Table-1: Correlation between transformational leadership style determinants and organizational commitment

		Organization commitment	Idealized	Inspirational	Intellectual	Individual
Organization commitment	Pearson Correlation	1	.738**	.715**	.623**	.761**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	102	102	102	102	102
Idealized	Pearson Correlation	.738**	1	.786**	.721**	.741**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	102	102	102	102	102
Inspirational	Pearson Correlation	.715**	.786**	1	.732**	.722**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	102	102	102	102	102
Intellectual	Pearson Correlation	.623**	.721**	.732**	1	.703
	Sig. (2-tailed)	.000	.000	.000		.000
	N	102	102	102	102	102
Individual	Pearson Correlation	.761**	.741**	.722**	.703**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	102	102	102	102	102
**. Correlation is significant at the 0.01 level (2-tailed).						

Source; research survey 2015

Hypothesis 2: There is a positive and significant relationship between intellectual stimulation leadership style and organizational commitment of employees

As it is indicated in table 1 above, the result of Pearson's correlation coefficient of inspirational motivation is r=.623*and p<0.01, it shows that inspirational motivation leadership style has appositive and significant relationship with organizational commitment, which means the more the organizations use inspirational motivation leadership style, the better will be in employees commitment and vice versa. While intellectual stimulation style has lowest correlation compared with other transformational leadership styles dimensions (individual, idealized and inspirational) the correlation is significant and positive which is r=.623. Thus the second hypothesis was accepted.

Hypothesis 3: There is a positive and significant relationship between inspirational motivation leadership style and organizational commitment of employees.

As it is indicated in the above table 1, the result of Pearson's correlation coefficient of inspirational motivation is r=.715*and p<0.01, it shows that inspirational motivation leadership style has strong significant relationship with organizational commitment, that is the more the organizations use inspirational motivation leadership style, the better will be its performance and vice versa. The result confirmed that inspirational motivation leadership style has a strong positive correlation with organizational commitment. Hence the third null hypothesis is accepted.

Hypothesis 4: There is a positive and significant relationship between idealistic influence leadership style and organizational commitment of employees.

As it is depicted in table 1 above, it is noted that idealized influence leadership style is positively and significantly correlated (r=.738**, p<0.01) with organizational commitment. The positive value of the correlation coefficient of idealized influence indicates that as the organization used more of idealized influence leadership style, its commitment will increase

or improved and vice versa. Hence the fourth hypothesis is accepted.

Hypothesis 5; Transformational leadership style dimensions have a strong positive impact on organizational commitment dimensions

The result in table 2 shows that transformational leadership styles (idealized influence , inspirational motivation, individual consideration and intellectual stimulation) were joint predictors of organizational commitment with (R^2= 0.648; p<0.05).

The predictor jointly explained 64.8% of the variance of organizational commitment whiles the remaining 35.2% could be due to the effects of other variables. Idealized influence, inspirational motivation, individual consideration and intellectual stimulation were significantly independent predictors of organizational commitment with (B =0.197, 0.173, 0.298 and 0.245; P< 0.05) respectively. This indicated that transformational leadership styles has a positive significant effect on employees commitment, thus transformational leadership style induce employees committed to the revenue office.

Table-2: transformational leadership styles

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805[a]	.648	.633	.61045
Predictors: (Constant), intellectual stimulation, inspirational motivation, idealized influence, individual consideration				

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	-.747	.221		-3.372	.001
	Idealized influence	.261	.166	.197	1.574	.011
	Inspirational motivation	.237	.170	.173	1.395	.016
	Individual consideration	.316	.165	.298	3.916	.000
	Intellectual stimulation	.236	.073	.245	3.226	.002

a. Dependent Variable: organizational commitment

DISCUSSIONS

For organizations to build up a work force consisting of highly levels of employee's positive emotional attachment to the organization and feelings of obligation employees should satisfied on the leadership styles of their own supervisor and leaders of the organization. Thus the results of this study are significant because it demonstrate a positive relationship between transformational leadership styles and organizational commitment, as we can see from regression analysis table, transformational leadership styles (idealized influence, inspirational motivation, individual consideration and intellectual stimulation) were joint predictors of organizational commitment with (R^2= 0.648; p<0.05) or 64.8% .

This indicates applying transformational leadership styles in the organization will increase the commitments of employees to their job and organization. Different studies were supported this findings, the empirical findings conducted by Reza Dihim[16] on an examination between the relationships of leadership style and employees' commitment, found that there is positive and significant relationship between transformational leadership styles and organizational commitment. Likewise Nyengane [17] indicated that transformational leaders are able to

influence employees' organizational commitment by promoting higher levels of intrinsic value associated with creating a higher level of personal commitment on the part of the leader and followers to a common vision, mission, and organizational goals. In contrast to this study findings, Hayward, Goss and Tolmay [18] found that lower correlation coefficients between transformational leadership with normative as well as continuance commitment.

CONCLUSIONS

It is clear that managers want their organizations to have sustainable performance and achievement. One of the ways to achieve this is to create favorable conditions to employees. Based on the findings of this study, leader of Bahirdar city administration revenue office should pay more attention to developing efficient team work and express hot concern and trust to co-workers through transformational leadership behaviors. This is because leaders can play a role in building commitment by assuring that the organization makes effort to address both the work content and the work context by engaging in management practices to increase psychological attachment of employees to the organization.

RECOMMENDATIONS

The mission of this organization is to enable and collect the commensurate tax revenue having ethical and skilled manpower and modernization, providing efficient, honest service and tax payers' education thereby preventing tax fraud. Although leadership functions may vary by organizational level or discipline, the study presented here suggests that, the interaction of transformational leadership styles is potentially important point of influence in affecting attitudes toward commitment to the organization. In future research, it would be interesting to assess causal relationships and consider alternative modes of enquires such as employing the longitudinal design (e.g. observations or interviews) to determine if the findings tested are likely to be sustained. Further research should also involve a nationwide survey covering samples from the whole population of the public sectors in Ethiopia.

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