

## **Role of Organizational Commitment & Transformational Leadership in Enhancing Employee in Role Performance and OCB**

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**ABSTRACT:** Past and present studies discuss the importance of transformational leadership and organizational commitment in an organization. This study further aimed at adding into the existing body of literature and explores the relationship between organizational commitment, transformational leadership and its role in enhancing employee in role performance and organizational citizenship behavior in banking sector of Pakistan. Study explores a significant positive relationship between variables. A sample of 240 employees working in public sector was drawn using multistage cluster sampling. 180 respondents took final part and response rate was 75%. Data was collected primarily with help of questionnaire and further analyzed with help of several techniques e.g. descriptive statistics to describe & summarize the data. Correlation and regression analysis was run to prove the hypothesis of the study.

**Keywords:** Organizational commitment, Transformational leadership, Employee in role performance, Organizational citizenship behavior (OCB)

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### **I. Introduction**

Today business communities realize the dynamic nature of the environment, in which they might confront opportunities as well as threats in any form, and ultimate result of which could be drastic impact upon whole organization. Organizations heading towards globalization and it can challenge competitiveness of both domestic and multinational organizations. To stay competitive in this global environment require organizations to focus more on sustaining their competitive edge by nourishing human assets. Organizational efficiency and effectiveness demands best usage of its assets/resources. Human assets is most important of all, organization wants its employees to persist maximum level of effort (by performing in role performance and by displaying OCB) and achieve its goals successfully. Talent alone is of no use if employees lacks in commitment and think of themselves first, not of organization as a whole. Organization should invest in to increase employee's performance and develop sense of commitment toward organization.

Job performance referred to an activity in which employee utilizes organizational resources to perform their assigned tasks successfully under normal set of limitations(Laiba et al., 2011).Organizational growth depends on new competent resource hiring and sustaining committed workforce which are true valuables of an organization (khalid et al., 2013).

What to do with talent, if employees lacks in commitment for their organization. Organizational commitment develops employee feelings of loyalty, devotion, duty and sense of security (Liu, 2006). Alone employees cannot develop organizational commitment nor do it develop by its own. A Leader is one which can help employees develop sense of commitment toward their organization. Leader guides and set direction and wants every single employee to put maximum potential to reach goal/targets. Transformational leader is an important part of an organization and act as mentor and help employee nurture their core task behavior and also help increasing their organizational citizenship behavior (Piccolo & Colquitt, 2006).Employee in role performance is also termed as core task behavior of employees (Zhu, 2013).Organizational citizenship behavior embodied all those behaviors together which are proven to increase organizational effectiveness across peoples and time (Organ, 1997).

This study aimed at analyzing the relationship that exists between organizational commitment and transformational leadership, employee in role performance and OCB, and also explores the influence of organizational commitment and transformational leadership on employee in role performance and OCB.

### **II. Problem statement**

Organizational success depends heavily upon the behaviors of its employees because they are the ones which are directly involved in the practical execution of organizational objectives and goals and by retaining competitive resource, an organization can sustain its position in dynamic environment. Organization can retain employees only if they are rich in commitment toward their organization. According to Naveed et al. (2014) organizational commitment can make an organization more efficient in achieving its goals and objectives.

According to Liang-Chieh et al. (2011) behaviors embodied in transformational leader can influence employees to put maximum effort to reach high level of performance.

Banking sector plays a vital role in economy of Pakistan and this study aimed at analyzing the factual influence transformational leadership and organizational commitment has on employees in role performance and OCB.

### **Objectives:**

Objectives of the study are as follows;

- i. To analyze the impact of organizational commitment on employee in role performance
- ii. To analyze the impact of organizational commitment on organizational citizenship behavior.
- iii. To analyze the impact of transformational leadership on employee in role performance
- iv. To analyze the impact of transformational leadership on organizational citizenship behavior.

### **III. Significance of the study**

Success of an organization depends upon the transformational leader and on committed workforce. It injects employees a feeling of commitment, sense of attachment towards organization which lowers impact of negative factors (khalid et al., 2013). Transformational leader help retain competent work force under his leadership and also help employees to achieve competitive qualities and boost employee's performance (Bass B. M., 1985). Committed employees perform their core task in more efficient way than uncommitted ones.

This study will add to the knowledge of academicians, and also helps managers to understand the importance of commitment and transformational leadership in influencing employee in role performance & OCB in positive way which will result in better organizational functioning and goals achievement. Organization can also use this study to make policies and strategies that can support the commitment and appropriate leadership style that can make employees perform well.

### **Literature Review**

#### **Organizational Commitment and Employee in Role Performance:**

Morally committed employees of an organization can increase the productivity and perform their core tasks and formal duties and contributions better than those not committed to the organization (Aaron Cohen, 2012). Employee in role behavior is comprised of the formal set of activities and duties he performs for an organization for he gets remunerated (L.kahn, 1978). Organizational commitment is association of employees with their organization (Naveed et al., 2014). Organizational commitment defined as a degree to which an employee recognizes himself with the organization and wanted to stay long with it. It is a degree to which an employee shows commitment and willingness to work for the organization in future (khalid et al., 2013). According to (Liu, 2006) organizational commitment is characterized by three factors:

- 1) Employee's behavior shows that he has belief in his organization and accepts its values & goals.
- 2) Employee show willingness and exercise maximum effort on behalf of his organization
- 3) When Employee wanted to stay long with the organization.

Committed employees of an organization increase the probability of increased productivity, so more committed employees will perform their tasks better than uncommitted workforce. According to (Cohen, 2007) when organizational commitment increases it leaves a positive impact on employee work behavior. Employees formal contributions for his organization is also known as employee in role performance, organizations motivates employees to develop feelings of attachment and sense of commitment with it and increase in organizational commitment make employees formal contribution more efficient. (Aaron Cohen, 2012).

#### **H1: Increase organizational commitment can increase employee in role performance**

OCB is known as "employees extra role behavior" which has a positive impact upon whole performance of employees (Podsakoff et al., 2000). OCB is important because it can contribute to organizational effectiveness and shape organizational, psychological and social context which serves as a catalyst for core employee activities and processes. OCB include activities which are not formal part of the job and includes cooperating and helping others in an organization to accomplish tasks or objectives (Borman & Motowidlo, 1997). By transforming organizational resources organizational citizenship behavior increase operational efficiency and effectiveness of organization (Zhu, 2013).

Organizational commitment injects feelings of loyalty, attachment, duty, devotion and a positive sense of security in employees (Liu, 2006). Organizations strive to increase and sustain organizational commitment which has positive impact upon employees work behavior (Cohen, 2007). Number of studies shows that organizational commitment is recognized as one of more consistent and stable determinants of organizational citizenship behavior (Meyer et al., 2002). Meyer & Herscovitch further elaborated that a positive relation is seen and found between organizational citizenship behavior and organizational commitment.

#### **H2: Increase organizational commitment can increase organizational citizenship behavior**

**Transformational leadership & employee in role performance and OCB:**

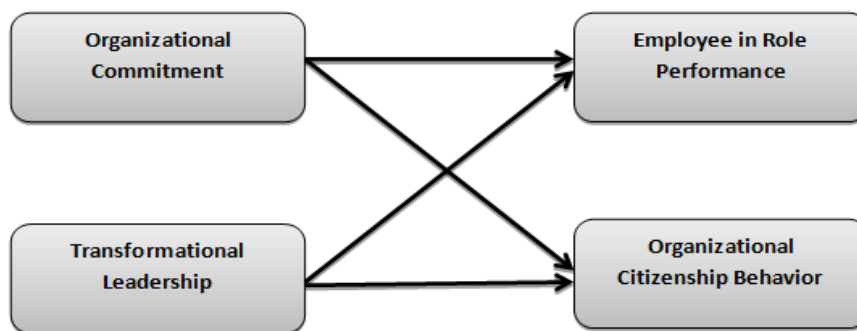
Transformational leaders are those who have the ability and exhibit behaviors which make followers to think beyond limits and also inspire followers to perform beyond the level of expectation (Bass B. M., 1985). Transformational leader has behaviors which play a vital role in motivation of employees and make them exert maximum effort and strive to high level of in role performance (Liang-Chieh et al., 2011). Employee in role performance is activities which are part of employee's formal role requirements (Borman & Motowidlo, 1997). Transformational leader has much influence on follower's performance and they make them work for collective benefits not for individual interest, at that level employees link their contributions with that of organization and think of themselves as a part of whole organization, it turns them into more willing employees who not only perform their role actively but also cooperate to make a positive healthy contribution to the work context (Padsakoff et al., 1990). Transformational leadership along with OCB positively influences followers to behave in a way which facilitate high level of employee in role performance (Piccolo & Colquitt, 2006).

**H3: Increase in transformational leadership can increase employee in role performance**

Recently organization started focusing more on organizational citizenship behavior (Padsakoff et al., 1990). OCB include activities which are not formal part of the job and includes cooperating and helping others in an organization to accomplish tasks or objectives (Borman & Motowidlo, Task Performance and Contextual Performance: The Meaning for Personnel for selection research, 1997). Organizational citizenship behavior is "employees extra role behavior" which has a positive impact upon whole performance of employees (Podsakoff et al., 2000). OCB cover behaviors which are of utmost importance for an organization, and transformational leaders are ones which stimulates organizational citizenship behaviors within followers (Padsakoff et al., 1990). Transformational leadership positively affects employees' behaviors and develops a psychological contract with them which triggers organizational citizenship behaviors in employees (Pillai et al., 1999). Transformational leaders increase followers performance by enhancing and encouraging organizational citizenship behavior in them (Sabin et al., 2007).

**H4: Increase in transformational leadership can increase organizational citizenship behavior**

**Conceptual framework:**



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**IV. Research Methodology**

**Research paradigm:**

The purpose of any research should underline the inquiry mode, hence paradigm of that research. Research on social sciences is mainly based on two main paradigms named positivism or systematic/quantitative approach and constructionism or qualitative approach. Positivism approach emphasizes more on objectivity and knowledge about real world data but it covers both qualitative and quantitative research, distinction can be seen in measurement of variables and in use of methodology (kumar, 2005).

The Present study fall in positivism research paradigm as the ontological approach of the research is based upon the acceptance of a single concept as knowledge. The epistemological approach is objective and deductive methodological approach is used. This study is conducted by using questionnaire as a data collection technique and probability sampling was used for drawing sample from population in an unbiased way.

**Sampling Design:**

Study population comprised of employees working in public sector banks in Punjab. The targeted banks include Bank of Punjab & Bank of Punjab. Sample was drawn using multistage cluster sampling by using which we

have selected Punjab province among all province. Clusters then further made according to geographical locations of Punjab and we had 9 divisions named Bahawalpur, Faisalabad, Dera Ghazi Khan, Lahore, Gujranwala, Rawalpindi, Multan, Sargodha and Sahiwal by using simple random sampling, cluster of Gujranwala division was selected. Gujranwala cluster then further divided into six strata's on the basis of districts in Gujranwala named Gujranwala district, Sialkot district, Mandi bahaudin district, Gujrat District, Narowal district and Hafizabad District. Then we use disproportionate stratified random sampling, and 5 branches of each bank from each district were selected and total 4 employees from each bank branch were targeted. So the total sample size of this study was 240. The response received was 180 (75 percent).

**Data collection methods:**

For present study questionnaires used as data collection method. Questionnaires were personally administrated as well as through e-mails.

**Questionnaire:**

The proposed questionnaire includes the following variables:

**Organizational Commitment:**

Organizational commitment measured by using 15 items cover affective, normative and continuance commitment developed by (Meyer & Allen, 1997).

**Transformational leadership:**

Transformational leadership was measured by adopting items from "Multifactor Leadership Questionnaire" (MLQ- 5X Short Form) (Bass & Avolio, 1997).

**Employee in role performance:**

Employee in role performance was measured by adopting scale developed by (Rehman, 2013).

**Employee extra role performance:**

To measure Organizational Citizenship Behavior (OCB); we used OCB measure developed by (Lee & Allen, 2002).

**Data Analysis:**

**Descriptive Analysis**

Table A-1 shows that among 180 respondents 138 (76.7%) respondents were male and 42 (23.3%) were female. Out of all 132 (73.3%) were married and 48 (26.7%) were unmarried. Study was conducted on banking sector, in which 15 (8.3%) employees were junior officers, 60 (33.3%) were officer grade 3 level employees, 23 (12.8%) were officer grade 2 level employees, 14 (7.8%) employees were officer grade level 1, 42 (23.3%) employees were branch managers at bank of Punjab and national bank of Pakistan and 26 (14.4%) employees were operational managers at banks. Targeted banks were public and employees were having experience from 1 to 20 years, because of public sector banks many employees were having experience more than 20% too. Cronbach's Alpha was used to check the reliability of the content. In A-2 table of the appendix, Cronbach's Alpha values are proving the reliability of the constructs, value of alpha was 0.867 and total number of items is 52. Correlation analysis was run to check the relationship strength and table A-3 is proving the positive attachment of variables transformational leadership and organizational commitment with employee in role performance and OCB with the 0.00 significance. For further analysis two sets of multiple regression was run (appendix table A-4) and in Anova table significance value is less than 0.05 and model summary table check the strength of relationship between all four variables. In model summary table value of adjusted R square (which is .44 (44%) showing 44% degree of change where we took OCB as dependent variable and Transformational Leadership and Organizational Commitment as independent variables (table A-4 (a)). The value of adjusted R square (which is .258 (26%) showing 26% degree of change where we took employee in role performance as dependent variable and Transformational Leadership and Organizational Commitment as independent variables (table A-4 (b)).

## **V. Discussion**

Present study proposed that organizational commitment and transformational leadership has a significant positive relationship with organizational citizenship behavior and employee in role performance. In the banking sector employees working in various level from junior officer to branch manager (AVP) all are influenced by leader's behavior and transformational leadership proved to leave a positive impact to increase employee in role performance and organizational citizenship behavior. Transformational leaders are those who have the ability to stimulate followers to perform beyond the level of expectation (Bass B. M., 1985). Organizational commitment is actually employees association with the organization (Naveed et al., 2014), and this association can increase employee core task behavior to perform the job parts effectively and also increase the organizational citizenship behavior, which cover the activities that are beyond the formal part of the job and includes helping all in an organization to accomplish tasks (Borman & Motowidlo, Task Performance and Contextual Performance: The Meaning for Personnel for selection research, 1997). There are also some limitations embedded in present study, which includes time and resources constraints. That might result into low generalizability, because target area is one (Punjab) province of Pakistan. This research offers a point for further

studies in future as there can be involvement of certain other variables which can play the mediating or moderating role between the relationship of Independent (Transformational Leadership, Organizational Commitment) and dependent( OCB, Employee in Role Performance) variables. Many other leadership styles can also be used for further studies.

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### Appendix

<b>Table A-1 Data and Descriptive Statistics</b>		
<b>Gender</b>	Male	138 (76.7%)
	Female	42 (27.3%)
<b>Marital status</b>	Unmarried	48 (26.7%)
	Married	132 (73.3%)
<b>Designation</b>	Junior officer	15 (8.3%)
	OG3	60 (33.3%)
	OG2	23 (12.8%)
	OG1	14 (7.8%)
	BM	42 (23.3%)
	OPM	26 (14.4%)
<b>Experience</b>	1-5 years	61 (33.9%)
	6-10 years	40 (22.2%)
	11-15 years	14 (7.8%)
	16-20 years	32 (17.8%)
	20 & above	33 (18.3%)

**Table A-2 Cronbach's Alpha (reliability test)**

Cronbach's Alpha	Number of items
<b>0.867</b>	<b>52</b>

<b>Table A-3 Correlation Analysis</b>					
		<b>OC</b>	<b>TL</b>	<b>OCB</b>	<b>EIRP</b>
<b>Organizational commitment</b>	Pearson Correlation	---	.820**	.307**	.365**
	Sig. (2-tailed)		.000	.000	.000
	N	180	180	180	180
<b>Transformational leadership</b>	Pearson Correlation	.820**	---	.593**	.508**
	Sig. (2-tailed)	.000		.000	.000
	N	180	180	180	180
<b>Organizational Citizenship behavior</b>	Pearson Correlation	.307**	.593**	---	.712**
	Sig. (2-tailed)	.000	.000		.000
	N	180	180	180	180
<b>Employee in role performance</b>	Pearson Correlation	.365**	.508**	.712**	---
	Sig. (2-tailed)	.000	.000	.000	
	N	180	180	180	180

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

**Regression analysis**

**Table A-4 (a)**

**Regression Analysis for the Effect of Transformational Leadership and Organizational Commitment on OCB and Employee in Role Performance**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.671 <sup>a</sup>	.450	.444	.35864

a. Predictors: (Constant), Transformational Leadership, Organizational Commitment

**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.179	.189		.948	.345
	Organizational Commitment	-.633	.113	-.548	-5.625	.000
	Transformational Leadership	1.462	.137	1.042	10.700	.000

a. Dependent Variable: organizational citizenship behavior

**Table A-4 (b)**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.516 <sup>a</sup>	.266	.258	.37154

a. Predictors: (Constant), transformational leader, organizational commitment

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.877	2	4.438	32.152	.000 <sup>a</sup>
	Residual	24.433	177	.138		
	Total	33.310	179			

a. Predictors: (Constant), transformational leader, organizational commitment

b. Dependent Variable: employee in role performance

**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.479	.196		2.446	.015
	Organizational commitment	-.165	.117	-.159	-1.413	.159
	Transformational leader	.804	.142	.638	5.678	.000

a. Dependent Variable: employee in role performance