

## LEADERSHIP STYLES

### Leadership Styles and Organizational Commitment in Banks

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## ABSTRACT

The present study was aimed to find out the role of Leadership Styles in Organizational Commitment of bank employees. A sample of 60 employees under 10 leaders (30 employees under task oriented leader and 30 employees under people oriented leaders) were selected from different banks (Union Bank, PICIC Bank and Muslim Commercial Bank, Habib bank, Standard Chartered and Bank Alfalah) of Islamabad. The instruments used in the study were Leadership Behaviour Description Questionnaire (LBDQ) and Organizational Commitment Questionnaire (OCQ). Results indicated the non-significant differences on Organizational Commitment Questionnaire among employees having task oriented leaders and employees having people oriented leaders.

## INTRODUCTION

Leadership is the process of providing direction, energizing other and obtaining their voluntary commitment to the leaders' vision. It is the factor that helps individual and groups to achieve the goals. Leadership is essential for guiding the activities. Leader functions as a guide, director or supervisor (Atta, 2004). The quality of good leader is like a catalyst that transforms a potential to reality. Leadership is like a direct face to face contact between leaders and followers; it entails a personal social control (Allport, 1924). Leadership is all about making more and better from less, therefore it improves means to change and to learn. It is not about maintaining the status quo but maintaining the highest rate of change that stand within the organization and people. Leadership is the ability to elicit extra ordinary performance from ordinary people (Yulk, 1998). Blake and Mouton (1969) discussed leadership styles in terms of managerial grid, which recognize the importance of task and people oriented leadership styles: an autocratic leader highly task oriented with little concern with human relation while democratic is both task oriented and people oriented. There is another leadership style in which leader has a little concern in directing and controlling the task such leadership style is called laissez-faire (Blake & Mouton, 1969).

Organizational commitment is an attitude or an orientation towards the organization which links the identity of the person to the organization (Schultz & Schultz, 1990). Employees have received more rewards, better position or represented a self selected group justified themselves their long services to the organization by deciding they like their organization

(Meyer & Allen, 1991). Factors like work groups, supervision and pay will enhance the feeling of commitment especially during the initial period of job. Length of the service increases the likelihood of higher pay, more interesting assignments and greater autonomy and responsibility (Salanick & Pfeffer, 1977). Commitment has positive and negative effects on workers and on organization .e.g. low commitment employees may create an atmosphere of tension and conflict that at the same time, foster creativity. Similarly high commitment often leads to lower turnover and high productivity (Randall, 1987).

Researchers have been unable to device that which combination of task and people oriented is most effective. Balancing direction and support can sound rather a mechanical approach to with people. Realistically, most managers probably use more intuitive approaches to meet the needs of different staff, but it helps to identify the different elements of situational leadership. A high directive and low supportive approach is appropriate for employees with high commitment but low competence. A high directive and high supportive approach can be more effective with employees have some competence and low commitment. A high supportive and low directive approach is for employees who are competent but have low commitment. A low supportive and low directive is most effective with the employees who are both highly committed and highly competent as well (Northhouse, 1997).

## METHOD

### Objectives

To study the differences of organizational commitment among employees working under different leadership styles.

## HYPOTHESES

There is a significant relationship between organization commitment and leadership styles.

### Sampling Strategy

A convenient sampling strategy was used.

### Sample

A sample of 60 employees under 10 leaders were selected from different banks (Bank Alfalah, Habib Bank and Standard Chartered, Union Bank, PICIC & MCB) of Islamabad. 30 employees working under task oriented leadership styles and 30 employees working under people oriented leadership styles. The sample under each leadership styles was divided into two groups: 15 employees from national bank and 15 employees from multinational bank.

## RESEARCH DESIGN

The correlation method of research is used as the researcher is determining the relationship between the two variables.

### Instruments

#### Leader Behaviour Description Questionnaire

It was developed by Sergiovainni, Metzcus & Burden in 1969 and is comprised of 35-items. 17 items measure people oriented leadership styles and 18 measures task oriented leadership styles. For each statement the score can range from 1 to 4 (where 0 is for 'Never' and 4 is for 'ALWAYS'). Reverse scoring is for item no. 30 and 34.

## Organizational Commitment Questionnaires

It consists of 15 items developed by Porter et al in 1974. The responses to the items are measure on 5 point rating scale ranging from SA (5), A (4), N(3), DA(2) and SDA(1). The responses to each item are summed and average to yield the score for organizational commitment. The item no. 3,7,9,11,12 and 15 are negative items and reverse scored.

### Procedure:

Bank managers were approached individually, their leadership styles were determined through LBDQ questionnaire. The managers who scored high on task oriented scale were considered as task oriented and managers who scored high on people oriented scale comes under people oriented scale. 80 subordinates were approached but responses got from 60 employees under 10 leaders. The subordinates were given Organizational Commitment Questionnaire in order to check their level of organizational commitment. The difference between the commitment levels of employees working under two different leadership styles was tested by t- test.

## RESULTS

As indicated by the tabulated value that there is not a significant difference among employees having task oriented leadership styles and employees having people oriented leaders on Organizational Commitment Questionnaire (OCQ). The slightly difference of mean score give direction that task oriented leaders scored high on organizational commitment as compared to people oriented leaders.

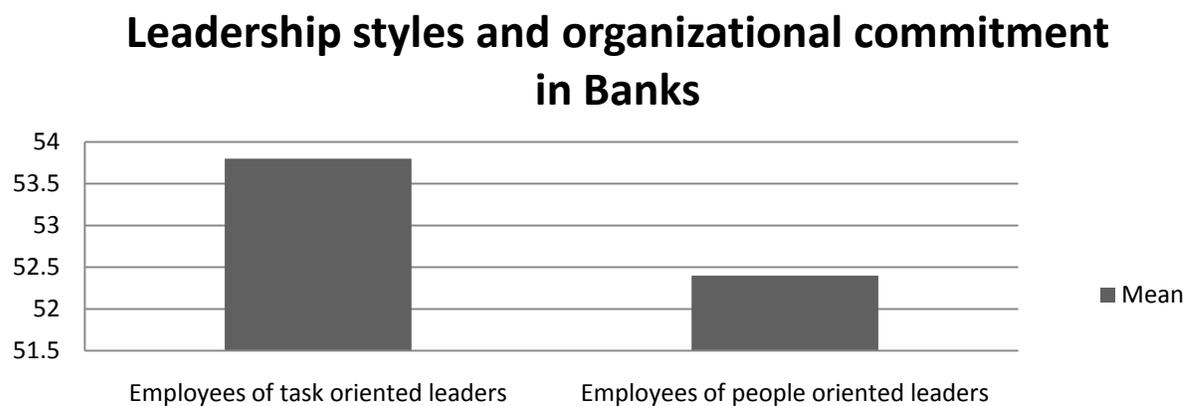
Table 1:

Mean, standard deviation and t-value of employees having task oriented and people oriented leaders on Organizational Commitment Questionnaire (OCQ) (N=60)

Group	n	M	SD	T
Employees of task oriented leaders	30	53.80	6.66	.741
Employees of people oriented leaders	30	52.40	7.91	

df = 58; p = n.s.

Fig 1:



## DISCUSSION

The present studies results does not support the hypothesis that there is a significant relationship between organization commitment and leadership styles. This is may be because selected sample was not enough to make the results variability. The sample was taken through convenient sampling hence not being nationally representative's sample. The slightly difference

between the means suggest that employees under task oriented leadership styles had high mean on OCQ than employees under people oriented leader. It may be because banking sector required more task oriented leadership styles than people oriented leadership styles. It showed that the nature of work also determined the effective leadership styles so single nature organization (banks) limited the results applicability.

### CONCLUSION

The style of leadership is supposed to have a direct impact on the level of organizational commitment of employees and it is moderated by subordinate characteristics and environmental factors. Day to day effectiveness depends on how well leaders can balance the demands of both task and relation among employees.

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