



Investigating the Influence of Transformational Leadership Style on Employee Commitment: A Case of Petroleum Sector in Pakistan

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Abstract

The current study aimed to find out the influence of transforming style of leadership on employees' commitment, working in petroleum sector of Khyber Pakhtunkhwa Pakistan. Transformational leadership theory proposed that leaders with competence and vision instill commitment in employees. Based on leadership transformation theory, this study adopts positivistic approach using quantitative techniques. Data were obtained through 5 points Likert scale questionnaire, distributed inside the employees of KPOGCL and ODGCL the questionnaire was having three part. Random sampling method was adopted during data collection. Among 65 questionnaires, 60 were returned back which show 92.30 % response of the study area. Statical analysis of data showed significant relationship among transformation style of leadership and commitment of the employees ($P < 0.05$). It is inferred, based on the current investigation, that transforming style of leadership has positive influence on employees' organizational commitment.

Key Words: Transformational Leadership, Employees' Organizational Commitment, Petroleum Sector

Introduction

In past two decades transformational leadership theory had been considered the most dominant theory of leadership (Sosik & Jung, 2010). Human resource is one of the important factor to run an organization efficiently and smoothly (Neuza Ribeiro et al., 2017). In this regards, a well-educated and competent employee is potentially important in setting organizational goals and objectives. Additionally, the performance (both subjective and objective) of an organization depends on the ability, loyalty, and energy of their leaders. Considering the current advancement

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which turned the world into a global village, firms need to be aggressive in their human resource skill. Based on the above arguments, dealing with individuals having different mental and physical state and social and ethical background are quite difficult. The management of employees in such situation depends on the leader's ability to transform a vision into employees that foster an organizational culture of excellence. According to Sosik and Jung (2010), leadership acts as a bridge between employees' commitment and organization. Modern organizations are more worried about getting, advancement and upgrading of their leadership (Bushra F et al., 2011). Munyeki and Were (2019) characterized transformational leadership as an arrangement of fluctuating and transforming individuals. If a leader needs to deliver a positive effect on people, groups of people and administrations, at that point leadership style should be enlarged from old unbending autocratic style to approachable and fashionable style. Vipraprastha et al. (2018) argue that nowadays managers impeccably hold a frame in their minds that motivate employees and give them a vision, grow faith, force them to think imaginatively, modified considerations and widen the communications. Each of these variables is the primary factor of the

Workforce's commitment and the level of their job satisfaction is the impact of transforming style of leadership, which strengthen the organizations in return. Job satisfaction is the measurement of employees' enthusiasm toward their works; organisations will achieve their goals efficiently, effectively and easily if their employees are most committed and satisfied. Manzoor et al., (2019) characterized organizational commitment as an employee's degree of association with his profession and organization. Employee commitment can be ascribed as employee's reliability and dependability to the organization and his intentions to be the work in that organization. Employee commitment has great significance because committed employees have less intention to leave the place of employment, less absenteeism and remarkably energetic to perform at an advanced level.

The petroleum sector assumes an important part in emerging commercial life of a country. As indicated by Chikkatur (2019), oil and petroleum industry is the backbone of the economy and significant for the achievement and development of other interrelated segments. In this way, the picture of the nation is improved. Petroleum industry of Pakistan includes OGDCL, KPOGCL, Mari petroleum, Mol petroleum, Dewan petroleum and so on. At present, there are 24 Scheduled petroleum organizations in Pakistan (Government of Pakistan, 2017). While talking about the petroleum industry of Pakistan, it is examined that petroleum organizations assume a dynamic and valuable job in the development of the country. The current study is based on petroleum sector of KPK (Pakistan), designed to investigate the influence of transforming style of leadership on level of employees' commitment and organization's performance.

Path Goal Theory

Path-Goal theory proposed by Robert House in 1971 argued that effective leaders not only set goals for their employees but also show them the path to get to the organizational goals. Accordingly, the satisfaction of employees depends on the inspirational behavior of their leaders. The leaders who works for behavior modification which matches with subordinate's capacities and pay for deficits (Addy & Cofie, 2014). The theory explains that a manager's job is inspiring and leading subordinates to the way which leads smoothly to their goals keep organizational goals in mind. The theory says that leader may have to opt various kind of leadership behaviors in response to diverse type of circumstance. For a leader it is an important part of his job to help the subordinates and realize them that their goals are companionable with organization's goals. When satisfaction based on performance the behavior of leader works as a tool of inspiration and satisfaction and the subordinates are to be assist and rewarded for their effective performance.

In the current research, Path-Goal theory is used as explanatory tool of leader's behavior impacts on his/her subordinates. Transformational leaders are models for followers whose actions influence the subordinates. Transformational leader should be the rolling person whose actions have to be adopted by the followers. Transformational leadership is built on values and vision that must be develop. The transformational leader guides the followers in real challenging environment. They make such teams whose members have spirit for teamwork and inspirations for achievements and the level of their commitment are very high; they motivate subordinates by real example who had shown strong commitment to their goals. They make such an environment whereby confidence and trustworthy employee would be seen and observed and their actions would organizational fit and matched with organization vision.

Human Capital Theory (HCT)

HCT proposed by Theodore Schultz in the early 1960s. It is determined by theory that abilities and acquaintance are categories of capital in a corporation, for an organizational development, performance these kinds of capital are needed (Tan, 2014). This theory explain that organizations should invest on human capital through training and development which will boost up organization's performance to produce income, the theory, differentiate between knowledges and skills. The theory also demonstrates that putting resources into instructing, coaching just as preparing and training improves human efficiency, which in this manner prompts an encouraging reappearance, expanded development and accomplishment of legislative objectives and targets inside in the association. In the human capital, theory subordinates are considered as resources that organizations' ventures on

individuals will prompt beneficial returns is also showed by this theory (Naeem et al., 2014).

This research will be utilized to clarify the impact of personalized deliberation on performance. From an organization's point of view, instructing, coaching just as preparing and teaching individuals, fascinating and holding them. This is required to prompt enhancements of efficiency, presentation, and capacity to improve through the development of abilities, expanding levels of capability promotion and learning. Leaders are regularly characterized as experienced people with modern knowledge learning who are focused on giving help and develop their subordinate's career. The transforming leadership transform subordinates' morals by sharing of qualities, learning, and involvement. The transforming leader is somebody who moves subordinates to go more remote than what they can do. A decent mentor can help other people to reach out their potentials.

Transformational Leadership Theory (TLT)

TLT, was put forward by Burns (1978) and later modified by Covey (1992) in 1970 who supported management being tied in with converting individuals and officialdoms by winning their souls and hearts. Leaders who have transforming style of leadership more depend on the leader's moving qualities, principles, and requirements of their subordinates and is a more extensive idea which suggests reshaping the organization whole structure. Leaders who have transforming style of leadership prompts encouraging changes in the individuals who follow leaders who have transforming style of leadership are usually cheerful, eager and active. Not exclusively are these anxious and associated with the procedure, they are also centered on serving each individual from the group success too. Leaders who have transforming style of leadership forcing on strengthening, learning and cooperation. Taborada (2000) described the qualities of the leaders who have transforming style of leadership given as, they will communicate and embed the objective of the organization inside in the corporation, communiqué is particularly significant and ought to be completed by the leaders who are expert in establishing the vision over the diverse procedure of legislative chain of importance.

In the literature, numerous attempts have been made to dimensionalized transformational leadership, however, very few attempts are made to explore the criticality of these dimensions. In this context, personal credibility and trust on leader play a vital role in instilling a leadership culture that are more cooperative. Hackman (1992) conceptualized transformational leadership in to two dimensions i.e. individual level and group level. The author describes the individual level as discretionary differences which affect employees while at group level the ambient incentives holds.

In the setting of this examination, managers at petroleum sector of KP Pakistan must demonstrate the obligation of their behavior and by how they strengthen the

behavior of others. When managers are interested inspirationally, they can show self-confidence, respond positively to their subordinates' opinions and thoughts and they are also able to stimulate their subordinates. A leader who have transforming style of leadership create a clear vision and care for the subordinates' desire and committed to active the organizational goals objectives. Other leadership qualities are significant incorporate energy, excitement and the capacity to verbalize corporation objectives and spirit. Managers move circumstances as often as possible and express conflicting qualities destabilize the faith and certainty of the supporters. Managers at petroleum sector of KP Pakistan must guarantee that inside the organization individuals are gratified, developed and compensated to deliver exceptional outcomes and results, hierarchical achievement.

Based on the above literature survey, these hypothesis has been settled:

H₀: There is no significant relationship between the Transformational leadership style and the commitment of employees.

H₁: There is a significant relationship between the Transformational leadership style and the commitment of the employees.

Research Methodology

Data Collection

Petroleum sector was the population of the study where KPOOGCL and ODGCL were taken a sample size using technique of random sampling. For collection of the data, a survey questionnaire was used. Survey questionnaire comprised 25 items, of which 5 questions analyzed demographic details, 10 questions were analyzed transformational leadership and 10 questions were analyzed employee commitment to their organization. A total of 60 questionnaires were distributed in ODGCL and KPOGCL. For analysis purpose reliability of the questionnaire was checked and was found 0.92. For analyzation of the data SPSS 16.0 were used.

Results

Demographic Analysis

Table 1 comprised of demographic details of the current study. Petroleum sector of Khyber Pakhtunkhwa Pakistan were the population of the study where data were collected from KPOGCL (50%) and ODGCL (50%). All of the respondents were males. Where in ODGCL 40% of the respondents having ages of 20-26 years, 30% of respondents having ages of 26-35 years, 23% of respondents having the age of 35-46 years and 7% of employees having age of above 46 years. While in KPOGCL 13 % of the respondents having the age of 20-26 years, 23% of respondents having ages of 26-35 years, 33% of respondents having ages of 35-46

years and 27% of employees having age of above 46 years. In ODGCL Employees having high school certificate was 10 %, bachelor’s degree holder employees were 20% whereas, master degree holder employees were 67% and 3% of employees having a Ph.D. degree. While in KPOGCL Employees having a high school certificate were 7 %, bachelor’s degree holder employees were 63% whereas, master degree holder employees were 23% and 7% of employees having a Ph.D. degree. In ODGCL 23% of Employees having experience less than a year, 27% of employees having experiences of 1-3 years, 20% of employees having experiences of 3-6 years and 30% of employees show experiences more than 6 years. While in KPOGCL 0% of Employees having experience less than a year, 20% of employees having experiences of 1-3 years, 23% of employees having experiences of 3-6 years and 39% of employees shows experiences more than 6 years. In ODGCL 27% of employees were senior managers, 40% of employees were engineers and 33% of employees were supervisors. similarly, in KPOGCL 23% of employees were senior managers, 37% of employees were engineers and 40% of employees were supervisors.

Table 1. Demographic Presentation of KPOGCL and ODGCL

Demographic factors	Scale	ODGCL		KPOGCL	
		Frequency	Percentage	Frequency	Percentage
Gender	Male	30	100	30	100
	Female	0	0	0	0
	Others	0	0	0	0
Age group	20-26 years	13	40	4	13
	26-35 years	9	30	7	23
	35-46 years	7	23	10	33
	Over 46 years	2	7	8	27
Educational level	High School	3	10	2	7
	Bachelor’s Degree	6	20	19	63
	Master’s Degree	20	67	7	23
	PhD	1	3	2	7
Experiences	Less than a year	7	23	0	0
	1-3 years	8	27	6	20
	3-6 years	6	20	7	23
	More than 6 years	9	30	12	39
Position	Senior Manager	8	27	7	23
	Engineer	12	40	11	37
	Workers supervisor	10	33	12	40

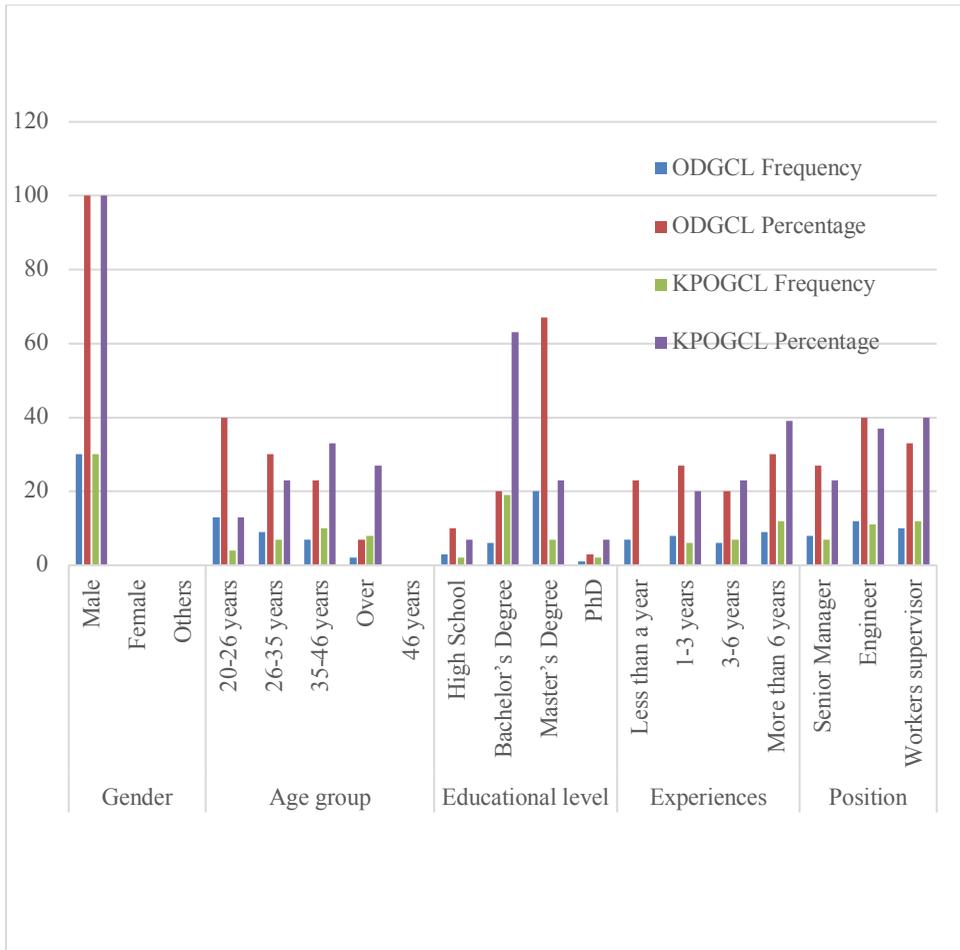


Figure1. Graphical presentation of demographic detail of the research work.

Table 2 shows mean, standard deviation and significance of the commitment in KPOGCL and ODGCL. The mean response with standard deviation to different questions of employees organizational commitment in KPOGCL were (3.933±.691), (3.500±.861), (3.833±.530) (3.100±.994), (2.533±.776), (3.600±.894), (3.633±.889), (3.533±.899), (3.400±.855), (3.966±.764) While in the ODGCL the mean ± SD were (3.600±.1069), (3.800±.610), (3.700±.987), (2.900±.884), (2.766±.971), (3.500±.900), (3.533±.1166), (3.866±.860), (3.700±.915), (3.066±.907) the significant value was 0.00 for all in KPOGCL and similarly 0.00 was for ODGCL the result was significant (P<0.05).

Table 2. Statically representation of data regarding commitment of KPOGCL and ODGCL.

S.no	QUESTIONS	KPOGCL			ODGCL		
		MEAN	SD	Sig	MEAN	SD	Sig
1	I am given the chance to do multiple things associated with the projects assigned to me.	3.9333	.691	0.0	3.6000	1.069	0.0
2	My job provides for steady growth	3.5000	.861	0.0	3.8000	.610	0.0
3	My job is subjected to favorable working conditions.	3.8333	.530	0.0	3.7000	.987	0.0
4	I think my skills are not thoroughly utilized in my job.	3.1000	.994	0.0	2.9000	.884	0.0
5	I am forced to work more than I should.	2.5333	.776	0.0	2.7667	.971	0.0
6	Does your company give fair opportunities for promotions and career growth?	3.6000	.894	0.0	3.5000	.900	0.0
7	I would take almost any kind of job responsibility to keep working for this	3.6333	.889	0.0	3.5333	1.166	0.0
8	I believe this is an excellent place to work.	3.5333	.899	0.0	3.8667	.860	0.0
9	I would be delighted to spend the rest of my career with this company.	3.4000	.855	0.0	3.7000	.915	0.0
10	I do not feel any necessity to continue with my current employer.	2.9667	.764	0.0	3.0667	.907	0.0

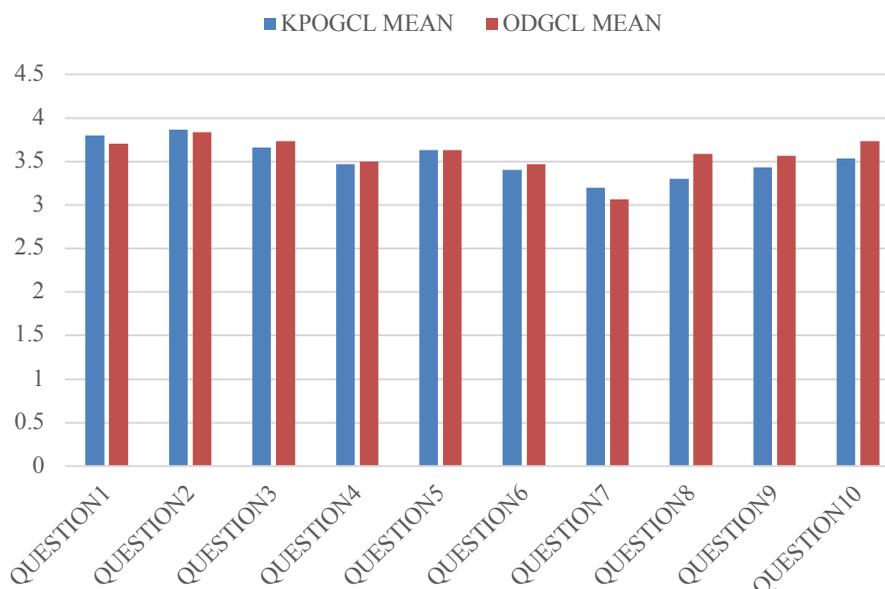


Figure 2. Graphical representation of data regarding commitment of KPOGCL and ODGCL.

Table 3 shows mean, standard deviation and significance responses to different questions of the transformational leadership in KPOGCL and ODGCL. The mean response with standard deviation to different questions of transformational leadership in KPOGCL were (3.800± .610) (3.866± .937) (3.666±1.06) (3.466± 1.04) (3.633± .764) (3.400± 1.03) (3.200± .886) (3.300±1.02) (3.433± 1.04) (3.533± .819) While in the ODGCL the mean ± SD were (3.700± .952) (3.833± .949) (3.733± 1.172) (3.500± .973) (3.633± .889) (3.466± 1.074) (3.066± 1.048) (3.586± .945) (3.566± .817) (3.733± 1.014) the significant value was 0.00 for all in KPOGCL and similarly 0.00 was for ODGCL the result was significant (P<0.05).

Table 3. Statically representation of data regarding leadership of KPOGCL and ODGCL.

S.no	QUESTIONS	KPOGCL			ODGCL		
		MEAN	SD	Sig	MEAN	SD	Sig
11	My manager promotes an atmosphere of teamwork.	3.8000	.610	0.0	3.7000	.952	0.0
12	My manager listens to team members point of views before taking decisions.	3.8667	.937	0.0	3.8333	.949	0.0
13	My manager appreciates for the quality of my efforts.	3.6667	1.06	0.0	3.7333	1.172	0.0
14	My manager gives me with insightful suggestions on what I can do to improve.	3.4667	1.04	0.0	3.5000	.973	0.0
15	My manager makes decisions that promote our team’s performance and productivity.	3.6333	.764	0.0	3.6333	.889	0.0
16	My manager emphasizes team’s strengths over weaknesses.	3.4000	1.03	0.0	3.4667	1.074	0.0
17	My manager doesn't interfere with the project until problems become severe.	3.2000	.886	0.0	3.0667	1.048	0.0
18	My manager is particular regarding who is responsible for leading performance targets.	3.3000	1.02	0.0	3.5862	.945	0.0
19	My manager spends time to teach and coach his assistants.	3.4333	1.04	0.0	3.5667	.817	0.0
20	My manager is efficient in reaching company's requirements.	3.5333	.819	0.0	3.7333	1.014	0.0

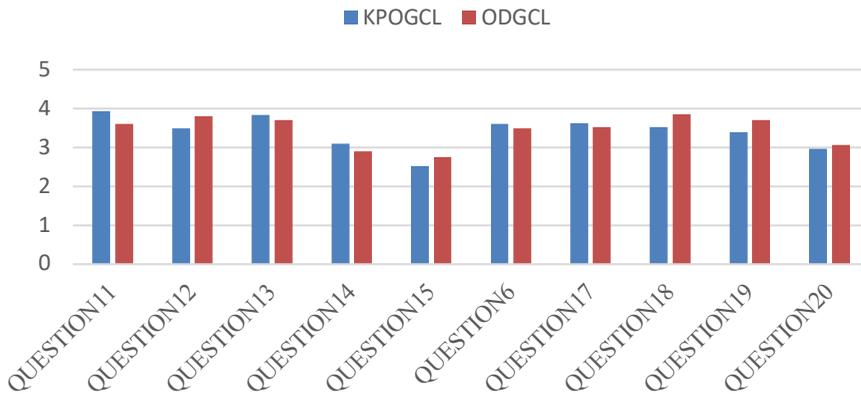


Figure 3. Graphical representation of data regarding leadership of KPOGCL and ODGCL.

Interpretation

Hypothesis statuses. H1: There is a significant relationship between the Transformational leadership style and the commitment of the employees. The above statistic, findings show us that transforming leadership style has a significant impact on employee commitment, ($p < 0.05$) the p-value is less than (0 .05). Hence the result of the study support hypothesis 1 and direct us if a leader adopts the style of transformational leadership leader will attain more gratified and committed subordinates. If the workers committed to their organization, then they achieve their goals and these performances will lead an organization toward success and boom. Employees who have a transformation leader they are more committed to their organizations. The result of this study is valuable because transforming style of leadership is a modern perception in the area of leadership and it has been liked by the employees of KPOGCL and ODGCL. Based on the current research finding we concluded significant relation and accept hypothesis1 of the study.

Discussion

The results show that transforming style of leadership persuade subordinates and affective commitment. The findings of the current study are in line with previous research where Yucel et al. (2014) contended that transformational leadership style promote employee commitment. Similarly, Rafferty and Griffin (2004) also proposed a similar kind of findings where a strong link was found between transformational leadership and employees' commitment. Transforming style of leadership pedigrees employees to *visualize* organization supports, ideals and leads

the organization members' attachments and grow employee commitment in organization.

Current research demonstrates that there is a positive significant connection among organizational commitment and transforming style of leadership ($p < 0.05$). Greater part of the representatives is agreed with questions concerned with transforming style of leadership which may realize that transforming style of leadership is most favored by the administration of KPOGCL. The commitment and employment satisfaction was high level in KPOGCL. This might be expected to the transforming style of leadership on employee gratification. This outcome supports that employee satisfaction and high work result is forcefully incited by leadership in KPOGCL.

Similarly, Songan (2010) also originate a positive significant connection among three components of transforming style of leadership, to be specific intellectual stimulation, admired impudence and moving inspiration, and employee commitment. They also found that two fundamentals of transforming style of leadership, to be specific intellectual stimulation and modified deliberation, were initiate to have a significant association with effective commitment.

Furthermore, the outcomes in ODGCL also showed significance ($P < 0.05$) among employee organizational commitment and transformational leadership style. As in KPOGCL, comparably in ODGCL greatest part of responsive were agreed with question associated with transforming style of leadership style. Which may propose that the transformational leadership style is also the most favorable part of ODGCL's employees.

The results of this investigation uncovered that most of the representatives of the organization looked loyal to the corporation, while the others were found whichever impartial or uninterested. The results of current study found that the representatives were committed to their corporation, which satisfy the hypothesis. Commitment of employees that were found positive during this study is either they are well-paid, having family obligations or male genders. The level of employees' commitment is negatively affected by the employee's education level. Steer (1977) shows that it is difficult for the organization to satisfy the expectations of highly educated employees which leads to less committed environment. Buchanan (1974) stated that public managers are less involved, less reliable, and show weaker documentation with the points of their workplaces than commercial officials. Transformational leaders change the requirements, goals, and estimations of followers from a focus on self-centeredness to focus aggregate concentration. They work cooperatively to build a positive committed team to a mutual mission. They create such kinds of team whereby feelings and energy are shared, to achieve far more than what was required. (Lussier Achua., 2008). Transformational leadership is emphatically identified with hierarchical duty. Likewise, as originate from the results of the study, the employee commitment level is very high in organization. Hence the results confirm the previous examinations and meanings of transforming

style of leadership as well and furthermore demonstrated that most of the employee saw their heads as transforming leaders. The findings confirm that previous studies also show that the procedure of positive impudence that changes people, corporation and networks. Transforming leaders' impudence their voting. Transforming leader try to act in pure of collectivism instead of individualism. To get more than required result the values of trust-working to them is more important. To makes employees motivated and committed. Successful transformational leaders apply their potentials and capacity to pursue their model. They make such committed environment which will beneficial for future. (Lussier Achua., 2008).

Conclusion

The organization's performance and productivity based on the employee's commitment in the organization to rise profits. Transforming style of leadership is a method to improve interactive affairs among supervisors and subordinates to generate a positive significant employee's organizational commitment and job satisfaction of employees. Employees can be more inventive, advanced and will bring new ideas that permit the organization to rise competitively and will acclimate itself to the moving external environments if a leader performs a transforming style of leadership. Unfortunately, the transforming style of leadership is not exercised by the managers of the petroleum companies of Khyber-Pakhtunkhwa of Pakistan. The results of the current study determined that if leaders adopt transforming style of leadership, they can get well gratified and committed subordinates.

Recommendations

- i. For improving employee's performance, transformational leadership style should be preferred because based on the results of current research, transforming style of leadership has a positive significant impact on employee commitment. About respondents' perceptions the transforming leaders must always pay more consideration to their subordinate careers, encouraging employees to work following the company's vision, mission and objectives, and motivating employees to work following work procedures.
- ii. For future research, it is recommended that more factors that affect employee commitment be considered such as job satisfaction, reward system, motivation, sensitivity of employees and other mediation variables that affect the connection between transforming style of leadership and employee commitment. Current research work may also have extended to wider population or larger scope of the organization.

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