Immediate Supervisors’ Leadership Behaviour and Employees’ Organizational Commitment: Do Pay and Promotion Mediate the Nexus?

Emmanuel Yaw Ampofo

ABSTRACT

This study examines the mediating effect of motivational factors of pay and promotion on transformational leadership and organizational commitment relationship in Unilever Ghana using a quantitative, non-experimental, cross-sectional and analytical survey design study. The results of the study revealed significant positive relationship between transformational leadership style and affective commitment, continuance commitment, and normative commitment. However, the results of the study revealed no significant mediation of pay in the relationship between transformational leadership style and affective commitment, continuance commitment, and normative commitment. Additionally, no significant mediation of promotion was found in the relationship between transformational leadership and affective commitment, transformational leadership and continuance commitment, and transformational leadership and normative commitment. Managers’ adoption of transformational leadership behavior as a key strategy to get employees committed to the organizations will be of great significance because motivational factors such as pay and promotion do not mediate the transformational leadership and organizational commitment relationship. This is a maiden empirical research in Ghana where motivational factors are used as mediators in transformational leadership and organizational commitment relationship.

Keywords: Transformational leadership, Organizational commitment, Pay, Promotion.

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1.0 INTRODUCTION

The emergence of technology and globalization have drastically shifted organisations’ attention to hiring qualified persons whose sense of innovation and responsibility meaningfully give organisations a cause for survival and competitive advantage in today’s turbulent, complex, unpredictable business environment. Hence, transformational leadership style has gained firm root in modern leadership as an exceptional theory because they increase employees’ values, concerns and developmental (Bass &
Transformational leadership is where both leaders and followers engage one another in such a way that they raise one another to higher levels of motivation and morality (Burns, 1978). Transformational leaders serve as a source of motivation and encouragement to employees basically through the level of understanding for and support they provide to employees in their diverse tasks (Ampofo, 2014). Schepers, Wetzels and Ruyter (2005) pontificate that transformational leaders encourage employees to come out with new ideas, to analyze problems from various angles and also to use technology to explore novel and better solutions to problems.

Literature abounds that employees are committed to their organisations when managers display transformational leadership style (Garg & Ramjee, 2013; Saeed, Gelaidan & Ahmad, 2013). Organisational commitment is the psychological state that binds an employee to the organisation (Meyer & Allen, 1991). Studies show that committed employees are less absent from job and unlikely to quit job or organisation (Robbins & Coulter, 2005), and increase organisational performance (Amernic and Aranya, 2010). Also, motivation is highly recognised as an antecedent of organisational committed. Studies reveal that satisfied employees are committed to their organisation (Iqbal, 2010; Mohamed, Kader & Anisa, 2012). This means that motivational factors such as pay and promotion can influence organisational commitment. Earlier studies have mediated variables such as psychological empowerment, value congruence, and trust in the relationship between transformational leadership style and organisational commitment (Ngodo, 2008; Givens, 2011). However, there has not been any study that has considered the mediating role of motivational factors in transformational leadership and organisational commitment relationship. Although researchers argue that unlike transactional leadership, transformational leaders do not depend on reward exchange to get employees to achieve goals (e.g. Avolio, 2004). However, most recent labour unrest in Ghana is stimulated by agitation for better conditions of service with employees pay extensively dominating. The question now is do transformational leaders have to consider the introduction of rewards into their attempt to increase employees’ commitment levels in the organisation? In other words, does it mean that regardless of what constitute developmental needs to employees, they will still rely on pay and promotion before they become committed to the organization? This study thus attempts to answer these questions by mediating the role of pay and promotion in transformational leadership and organizational commitment relationship.

| Figure 1: Pay and promotion mediating transformational leadership & organizational commitment relation |

**2.0 LITERATURE REVIEW**

**2.1 TRANSFORMATIONAL LEADERSHIP STYLE**

Transformational leaders inspire followers to believe in their own potential so as to create a better prospect and future for the organization (Daft, 2010). They believe that employees are knowledgeable
enough and that they can come out with distinctive ideas and decision. In light of this assertion, transformational leaders influence employees’ commitment to the organization by encouraging employees to be critical and creative thinkers (Bass & Avolio, 1994). Walumbwa and Lawler (2003) asserted that transformational leaders should encourage followers’ to solve their problems and challenges so that followers become motivated and more involved in their work. Hence, transformational leaders should not entertain the provision of constant solution, directions and a pool of knowledge to followers (Buhler, 1995). According to Rhodes and Steers (1981), employees are committed to their organization when their leaders engage them in decision-making, making them feel part of running the affairs of the organization.

Also, research suggests that employees are committed to their organization when leaders emphasize charisma, intellectual stimulation, individualized consideration (Kent and Chelladurai, 2001; Bycio, Hackett & Allen 1995; Yusof, Amin, Muda & Ibrahim, 2012), making employees have confidence in the leaders (Price, 1997). Employees strive harder to achieve organisational outcomes when they are inspired by leaders (Martin & Epitropaki, 2001). There are basically four components of transformational leadership which include idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass 1985, 1990). Idealized influence is where leaders are perceived as strong role models that people feel glad to emulate in the organisation (Moss & Ritossa, 2007). Inspirational motivation involves the creation and presentation of an attractive vision of the future, use of symbols and emotional influences, and the demonstration of confidence and eagerness (Kark Shamir & Chen, 2003). Intellectual stimulation is where leaders stimulate the activities of their followers to be innovative and creative (Limsila & Ogunlana, 2008), and also consider timeworn problems in the organisation with a new perspective (Moss & Ritossa, 2007). Finally, individualized consideration is where leaders provide backing, encouragement, and coaching to their subordinates (Yukl, 2006). Such leaders also pay attention to the unique needs, abilities and concerns of each employee (Bass, 1985).

2.2 ORGANISATIONAL COMMITMENT

Meyer and Allen (1991) defined organisational commitment as a psychological state that binds an employee to the organisation. According to Luthans (2007), organisational commitment is an attitude that reflects the loyalty of employees to their organisation and an ongoing process through which organisational employees express their concern for the organisation and its continued success and well-being. Also, Mowday, Porter and Steers (1982) define organisational commitment as the relative strength of an individual's identification with and involvement in a particular organisation. Previous research indicates that leadership style, employee’s perception of the work environment, interesting work, organisational dependency, and demographics such as age, education, and tenure are antecedents of organisational commitment (Dornstein & Matalon, 1998; Avolio, Zhu, Kho & Bhatia, 2004; Finegan, 2000). Committed employees have no second thought or feeling other than to put in all their best for the success of the organisation. Organisational commitment directly affects the performance of employees which consequently affect the performance of the organisation (Vijayashree & Jagdishchandra, 2011). Tella, Ayeni and Popoola (2007) assert that employees’ intentions to perform well, increase their efficiency, and improve their skills can be linked to organisational commitment. The best panacea of employees’ turnover is to keep organisational commitment intact (Mathieu & Zajac, 1990). Literature suggests that organisations benefit greatly from retained employees because they stay to offer their best knowledge, skills, experience, abilities and energy for the organisations’ well-being (Yamaguchi, 2013).

2.3 TRANSFORMATIONAL LEADERSHIP AND ORGANISATIONAL COMMITMENT

Extant research indicates that there is a significant positive relationship between transformational leadership style and organisational commitment in different contexts and cultures (Walumbwa and Lawler, 2003; Yusof et al., 2012; Garg & Ramjee, 2013). Ahmadi, Ahmadi and Zohrabi (2012) reported that transformational leaders influence employees’ affective, continuance and normative commitment when they moderated the effect of personality traits. Saeed et al. (2013) also examined the effect of new
leadership style such as transformational and transactional leadership on the organisation commitment and found that transformational leadership style had significant, positive relationship with affective, continuance and normative commitment. Similarly, Hayward, Goss and Tolmay (2004) found that transformational leaders had significant positive correlation with affective commitment, continuance and normative commitment. Kent and Chelladurai (2001) examined the relationship between the components of transformational leadership (individualized consideration and intellectual stimulation) and organizational commitment (affective and normative). The findings revealed positive relationship between individualized consideration and both affective and normative commitment. Also, it was found that intellectual stimulation had positive relationship with both affective and normative commitment. Furthermore, Nyengane (2007) reported that transformational leadership had significant positive relationship with affective, continuance and normative commitment.

Consistent with the above arguments, it is hypothesised that:

H1. Immediate supervisor's transformational leadership is significantly related to employees' affective commitment.

H2. Immediate supervisor's transformational leadership is significantly related to employees' continuance commitment.

H3. Immediate supervisor's transformational leadership is significantly related to employees' normative commitment.

2.4 MEDIATING ROLE OF PAY IN TRANSFORMATIONAL LEADERSHIP AND ORGANISATIONAL COMMITMENT RELATIONSHIP

Pay influences an employee's behavioural outcome though Spector (1997) argued that it has a very small correlation with job satisfaction. Research confirms pay as a key component of most satisfying work roles in organisations even though they are perceived as cognitively complex in nature (Vroom, 1982; Carraher & Buckley, 1996). Pay is a multifaceted variable that comprise salary, wages and any other incentives that a worker receives for rendering service to an organisation. Employees depend on the wages and salaries they receive to meet their individual economic needs and wants. Employees are of the belief that the amount of wages and salaries they receive is an indication of how valuable their work is to the organisation. Hence, employees assume that pay reflects the views of management in relation to employees’ contribution to the organisation (Luthans, 1998). Locke (1976) assert that employee see pay to be fair on grounds of job demands, individual skill level and community pay standards there is some amount of satisfaction on the part of employees.

Basically, transformational leaders assist employees to attain their full potential by transforming their ambitions, identities, needs, preferences, and values (Lowe, Kroeck & Sivasubramaniam, 1996). However, the degree of employees’ organisational commitment also rest on the amount of financial and personal rewards (Abdullah & Ramay, 2012) even though transformational leaders do not place much emphasis on pay for employees to get work completed. Kathawala, Moore and Elmuti (1990) found salary to be the primary factor of motivation and job satisfaction among employees in an automobile industry.

Research (Moncarz, Zhao & Kay, 2009; Chiu, Luk & Tang, 2002) suggests that pay increases an employee’s organisational commitment and also increases employees’ retention. Coomber and Barriball (2007) found salaries among other motivating factors that predict the intention of employees to leave an organisation. Abdullah & Ramay (2012) also found pay as a strong predictor of organisational commitment among banking sector employees in Pakistan.

However, Chughtai and Zafar (2006) found no significant relationship between pay and organisational commitment. In analyzing the influence of transformational leadership on employees' job satisfaction, Medley and Larochelle (1995) found no significant relationship between transformational leadership and pay. But, Balgobind (2002) investigated the impact of transformational leadership on subordinates’ job satisfaction in South Africa and found transformational leadership style to be significantly related to pay satisfaction. Consistent with earlier arguments, it is hypothesised that:
H4. Pay will mediate the relationship between immediate supervisor’s transformational leadership style and employees’ affective commitment.

H5. Pay will mediate the relationship between immediate supervisor’s transformational leadership style and employees’ continuance commitment.

H6. Pay will mediate the relationship between immediate supervisor’s transformational leadership style and employees’ normative commitment.

2.5 MEDIATING ROLE OF PROMOTION IN TRANSFORMATIONAL LEADERSHIP AND ORGANISATIONAL COMMITMENT RELATIONSHIP

Promotion as a facet of job satisfaction is very important to employees because employees enjoy a variety of rewards associated with promotion (Luthans, 1998). Emphatically, Herzberg (1966) related an individual’s need for promotion as well as other factors such as accountability, appealing and challenging work, safety, vacation and currency to salary system preference. Thus, it is believed that promotion correspond positively with salary in the organisation. Employees therefore expect their organisations to become just and fair when handling issues of promotion (Witt & Nye, 1992). Employees will have no grounds to complain when they believe that they are no issues of nepotism and cronyism in promotions and that every employee is fairly assessed before promoted in the organisation. When promotion is fair employees earn but do not command respect and acknowledgment from co-workers. According to Kanter (1995), career opportunity at all hierarchical levels in the organisation accounts for the way people involve themselves in their work.

Also, promotion policies and practices help to increase organisational performance, thus increasing employees’ organisational commitment (Markham, Harlan & Hackett, 1987). Gaertner and Nollen (1989) found greater commitment among promoted employees as well as among employees who perceive that the company had a within promotion policy. Similarly, Eslami and Gharakhani (2012) examined the role of job satisfaction on organisational commitments and found that promotion had significant positive effect on organisational commitments. However, Chughtai and Zafar (2006) found no significant relationship between promotion and organisational commitment among Pakistani university teachers. Further study (Sial, Jilani, Imran & Zaheer, 2011) showed no significant relationship between promotion and organisational commitment. According to Balgobind (2002), there is no significant relationship between transformational leadership style and promotion. On the basis of the above argument, it is assumed that:

H7. Promotion will mediate the relationship between immediate supervisor’s transformational leadership style and employees’ affective commitment.

H8. Promotion will mediate the relationship between immediate supervisor’s transformational leadership style and employees’ continuance commitment.

H9. Promotion will mediate the relationship between immediate supervisor’s transformational leadership style and employees’ normative commitment.

3.0 METHODOLOGY

3.1 RESEARCH DESIGN, POPULATION AND SAMPLING

This study used quantitative, non-experimental and cross sectional design to examine the mediating role of pay and promotion in immediate supervisors’ transformational leadership style and employees’ organisational commitment nexus. The target population of the study was junior staff employees of Unilever Ghana. These staff members included only those located at the Tema main plant (National Headquarters). Also, despite the considerable number of graduates working in the company as national service personnel, the study did not include them because they were not affected by the motivational factors considered in the study. For instance, service personnel were paid monthly by the Central government through the National service secretariat. Additionally, the security personnel of the company were not factored into the target population because they were outsourced. Thus, out of 512 employees, 220 employees were sampled for the study. The sample size was computed by using Krejcie...
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and Morgan’s (1970) mathematical formula for sample size determination. Out of the 220 questionnaires were self-administered to respondents, 215 questionnaires were retrieved representing 97.7% response rate. Respondents were selected by using simple random sampling so that every employee is given an equal chance of being selected for the study.

3.2 MEASURES

Immediate supervisors’ transformational leadership (α=.735) was measured by 19-items in multifactor leadership questionnaire (MLQ) developed by (Bass & Avolio, 2004). The rating scale ranged from 0= “not at all” to 4= “frequently, if not always”. A representative item is “My manager instills pride in me for being associated with him/her”. Organisational commitment had three dimensions: affective (α=.648), continuance (α=.721) and normative (α=.785) which were measured by 18-items in organisational commitment questionnaire (OCQ) developed by Meyer and Allen (1997). The rating scale ranged from 0= “not at all” to 4= “frequently, if not always”. A representative item is “I would be very happy to spend the rest of my career with this organisation”. Pay (α=.768) and promotion (α=.735) were measured by using items in overall job satisfaction survey (JSS) developed by Spector (1997). A Likert scale ranging from 1= “Disagree very much” to 6= “Agree very much”. Example of items are “I feel I am being paid a fair amount for the work I do” and “I am satisfied with my chances for promotion”.

3.3 DATA ANALYSIS

Statistical Package and Service Solutions (version 21) was used for the data analysis. Simple linear regression was used to test H1, H2 and H3. Simple linear regression was used because it establishes a linear relationship between a predictor variable and a dependent variable and that any error, or residual, is normally distributed and uncorrelated with the predictor (Leech, Barrett & Morgan, 2005). Preliminary tests were conducted to check for normality. Also, Sobel test was used to calculate the indirect effect and to test for the significance of the mediation. In order to conduct the Sobel test for mediation, standard multiple regression was used to compute for the raw regression coefficient and the standard error for the regression coefficient for the relationship between the IV and the mediator, and the relationship between the mediator and the dependent variable (adjusting for the independent variable). After ascertaining the values, Preacher and Leonardelli’s Sobel test calculator was used to compute the indirect effect and significance of the mediation.

4.0 RESULTS

Table 1 indicates that 5% of the variation in affective commitment is explained by transformational leadership. Also, the model was found fit for the study (F =9.612, P<.05). H1 was confirmed because a significant, positive relationship was found between transformational leadership and affective commitment (β = .246, p< .05). Similarly, table 2 shows that the model was fit for the study (F =22.486, P<.05), and 10% of the variation in continuance commitment was explained by transformational leadership. Also, table 2 shows a significant positive relationship between transformational leadership and continuance commitment (β = .315, p< .05). Thus, H2 was supported by the finding. Additionally, table 3 shows that 19% of the variation in normative commitment is explained by transformational leadership in a fit model (F =46.892, P<.05). H3 was supported because there was a significant positive relationship between transformational leadership and normative commitment (β = .432, p< .05). H3 was therefore supported.

<table>
<thead>
<tr>
<th>Table 1: Results of simple linear regression for affective commitment on transformational leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Constant</td>
</tr>
<tr>
<td>TFL</td>
</tr>
<tr>
<td>R² = .045, F = 9.612, * p&lt;.05</td>
</tr>
</tbody>
</table>

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Immediate supervisors’ leadership behaviour ...

Table 2: Results of simple linear regression for continuance commitment on transformational leadership

<table>
<thead>
<tr>
<th>B</th>
<th>Std. Error</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.517</td>
<td>.574</td>
</tr>
<tr>
<td>TFL</td>
<td>.753</td>
<td>.159</td>
</tr>
</tbody>
</table>

R² = .099, F = 22.486, * p<.05

Table 3: Results of simple regression for normative commitment on transformational leadership

<table>
<thead>
<tr>
<th>B</th>
<th>Std. Error</th>
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<tbody>
<tr>
<td>Constant</td>
<td>1.027</td>
<td>.503</td>
</tr>
<tr>
<td>TFL</td>
<td>.954</td>
<td>.139</td>
</tr>
</tbody>
</table>

R² = .187, F = 46.892, * p<.05

The regression coefficient of -1.711 and the standard error of .761 in table 4 were used in the computation of mediation for pay. The regression coefficient of .086 and standard error of .045 in table 5 were used in the Sobel test. After computation, the test statistic for the Sobel test was -1.41 with p-value of 0.15 (p>.05). This means that pay satisfaction does not mediate transformational leadership and affective commitment. Also, regression coefficient of .043 and standard error of .053 in table 6 generated Sobel test statistic of -0.75 and p-value of .45 (p>.05). This means that pay satisfaction does not mediate transformational leadership and continuance commitment. Lastly, the regression coefficient of .148 and standard error of .045 in table 7 produced Sobel test of -1.8 and a p-value of .07 (p>.05). This indicates no evidence of pay satisfaction mediation between transformational leadership and normative commitment. Thus, H4, H5, and H6 were not supported by these findings.

Table 4: Coefficients

<table>
<thead>
<tr>
<th>B</th>
<th>Std. Error</th>
<th>β</th>
<th>t</th>
<th>sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.711</td>
<td>.761</td>
<td>-2.250</td>
<td>.013</td>
</tr>
<tr>
<td>TFL</td>
<td>1.189</td>
<td>.211</td>
<td>.368</td>
<td>5.645</td>
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Dependent Variable: Pay

Table 5: Coefficients

<table>
<thead>
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<th>B</th>
<th>Std. Error</th>
<th>β</th>
<th>t</th>
<th>sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.688</td>
<td>.499</td>
<td>5.384</td>
<td>.000</td>
</tr>
<tr>
<td>TFL</td>
<td>.323</td>
<td>.147</td>
<td>.161</td>
<td>2.202</td>
</tr>
<tr>
<td>Pay</td>
<td>.086</td>
<td>.045</td>
<td>.139</td>
<td>1.805</td>
</tr>
</tbody>
</table>

Dependent Variable: Affective commitment

Table 5: Coefficients

<table>
<thead>
<tr>
<th>B</th>
<th>Std. Error</th>
<th>β</th>
<th>t</th>
<th>sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.590</td>
<td>.581</td>
<td>2.735</td>
<td>.007</td>
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<tr>
<td>TFL</td>
<td>.702</td>
<td>.171</td>
<td>.294</td>
<td>4.108</td>
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<tr>
<td>Pay</td>
<td>.043</td>
<td>.053</td>
<td>.058</td>
<td>.811</td>
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Dependent Variable: Continuance commitment

Table 5: Coefficients

<table>
<thead>
<tr>
<th>B</th>
<th>Std. Error</th>
<th>β</th>
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<th>sig.</th>
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<tr>
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<td>2.530</td>
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<td>TFL</td>
<td>.779</td>
<td>.154</td>
<td>.353</td>
<td>5.319</td>
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<tr>
<td>Pay</td>
<td>.148</td>
<td>.053</td>
<td>.216</td>
<td>3.259</td>
</tr>
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</table>

Dependent Variable: Normative commitment

With regard to mediating promotion in the relationship, the regression coefficient (-1.628) and the standard error (.725) in table 8 were used in the computation. The regression coefficient of .095 and standard error of .048 in table 9 generated Sobel test statistics of -1.48 and p-value of .14 (p>.05). This
implies that promotion do not mediate the relationship between transformational leadership and affective commitment. Also, the regression coefficient of .022 and standard error of .056 in table 10 generated Sobel test statistics of -0.32 and p-value of .74 (p>.05). This means that promotion has no evidence of mediation between transformational leadership and continuance commitment. Finally, with regression coefficient of .031and standard error of .049 in table 11, Sobel test statistics was -0.58 with p-value of .56 (p>.05). This means that promotion have no evidence of mediation between transformational leadership and normative commitment. Hence, H7, H8 and H9 were not supported.

<table>
<thead>
<tr>
<th>Table 8: Coefficients</th>
<th>B</th>
<th>Std. Error</th>
<th>β</th>
<th>t</th>
<th>sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.628</td>
<td>.725</td>
<td>-2.245</td>
<td>.026</td>
<td></td>
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<tr>
<td>TFL</td>
<td>1.038</td>
<td>.201</td>
<td>.340</td>
<td>5.172</td>
<td>.432*</td>
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Dependent Variable: Promotion

<table>
<thead>
<tr>
<th>Table 9: Coefficients</th>
<th>B</th>
<th>Std. Error</th>
<th>β</th>
<th>t</th>
<th>sig.</th>
</tr>
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<tbody>
<tr>
<td>Constant</td>
<td>2.698</td>
<td>.499</td>
<td>5.404</td>
<td>.000</td>
<td></td>
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<tr>
<td>TFL</td>
<td>.327</td>
<td>.145</td>
<td>.163</td>
<td>2.254</td>
<td>.025</td>
</tr>
<tr>
<td>Pay</td>
<td>.095</td>
<td>.048</td>
<td>.145</td>
<td>2.006</td>
<td>.046</td>
</tr>
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</table>

Dependent Variable: Affective commitment

<table>
<thead>
<tr>
<th>Table 10: Coefficients</th>
<th>B</th>
<th>Std. Error</th>
<th>β</th>
<th>t</th>
<th>sig.</th>
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<tr>
<td>Constant</td>
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<td>.582</td>
<td>2.676</td>
<td>.008</td>
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<tr>
<td>TFL</td>
<td>.731</td>
<td>.169</td>
<td>.306</td>
<td>4.617</td>
<td>.000</td>
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<tr>
<td>Pay</td>
<td>.022</td>
<td>.056</td>
<td>.027</td>
<td>.388</td>
<td>.699</td>
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Dependent Variable: Continuance commitment

<table>
<thead>
<tr>
<th>Table 11: Coefficients</th>
<th>B</th>
<th>Std. Error</th>
<th>β</th>
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<tbody>
<tr>
<td>Constant</td>
<td>1.057</td>
<td>.510</td>
<td>2.072</td>
<td>.042</td>
<td></td>
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<tr>
<td>TFL</td>
<td>.922</td>
<td>.148</td>
<td>.418</td>
<td>6.213</td>
<td>.000</td>
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<tr>
<td>Pay</td>
<td>.031</td>
<td>.046</td>
<td>.043</td>
<td>.635</td>
<td>.526</td>
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</tbody>
</table>

Dependent Variable: Normative commitment

5.0 DISCUSSION

The findings of this study revealed that immediate supervisors’ transformational leadership style significantly and positively influence employees’ affective, continuance and normative commitment. Hence, the more immediate supervisors exhibit transformational behaviours the more employees become emotionally attached to the organisation (affective), decide to stay in the organisation for the reason being that leaving the organisation will mean cost to them (continuance), and stay in the organisation on the premise of “moral right or obligation” in that the organisation has invested in them (normative).

Also, it was found that the strongest relationship was between transformational leadership and normative commitment. Therefore, transformational leaders primarily seek for the development of their employees by stimulating and promoting ingenuity and excellence among employees. This serves as a great investment in building employees’ personal capacity and competence in order to achieve greater goals. Thus, employees value such investments the organisation makes in them, making them normatively committed to the organisation. The findings of this study are consistent with previous research (Kent & Chelladurai, 2001; Ahmadi et al., 2012; Saeed et al., 2013; Nyengane, 2007) in which
transformational leadership had significant positive relationship with affective, continuance and normative commitment.

Furthermore, the findings indicated that there was no mediation of pay satisfaction between transformational leadership and organisational commitment (affective, continuance and normative). This means that when immediate supervisors display transformational behaviours employees do not need pay satisfaction before they become committed to their organisation. Hence, pay is not a direct tool that transformational leaders have to use to ascertain employees’ organisational commitment. This does not imply that transformational leaders are not concerned about the pay satisfaction of their employees. Meyer and Allen (1997) explained that leaders with individual consideration, a component of transformational leadership behaviours, focus on employees’ growth and development. Such leaders pay attention to the unique needs, abilities and concerns of each employee (Bass, 1985). Hence, transformational leaders in organisations cannot think about developing employees without thinking about their pay satisfaction which is a unique need of employees. Employees are sensitive to their pay although research indicates that pay is not the utmost determinant of employees’ job satisfaction in varied context. However, pay is embedded in transformational leaders’ development strategy of employees but not much emphasis is placed on it as done by transactional leaders.

Additionally, the findings revealed that promotion which Herzberg (1966) described as an intrinsic reward was not a mediator between immediate supervisors’ transformational leadership style and employees’ organisational commitment (affective, continuance and normative). Thus, when immediate supervisors display transformational behaviours employees do not need promotion before becoming committed to their organisation. Like pay and promotion are also embedded in transformational behaviours of developing the growth and development of employees. As leaders think about developing employees they also think about increasing their capabilities so that they can match up equally to the task that they are promoted to undertake.

6.0 PRACTICAL IMPLICATION

The behaviours that immediate supervisors display in organisations have significant effect on their employees’ commitment levels particularly normative commitment. Committed employees offer organisations positive returns that help to achieve organisational goals. It is therefore imperative for immediate supervisors to comprehend that their behaviours toward employees can help the latter to work whole heartedly towards achieving organisational success. Thus, there will be very little emphasis placed on the introduction of other motivational factors such as pay and promotion. This also implies that there will be rare occurrence of industrial action in the organisation since most of these industrial actions in Ghana is precipitated by salary or pay agitation. To a large extent, organisations with leaders practicing transformational behaviours appear to benefit greatly because employees do not need pay satisfaction and promotion before they become committed to the organisation. In other words, the absence of pay and promotion is not a militating factor to the attainment of committed employees in an organisation especially if immediate supervisors’ behaviours are geared toward transforming employees. Similarly, there will be less pressure on leaders from employees’ front as they will become more committed to the course of the organisation when they exhibit transformational leadership behaviours.

7.0 CONCLUSION

Transformational leaders do not need pay and promotion before influencing employees’ affective, continuance and normative commitment. Such leaders already think about the growth and development of employees. Unlike transactional leaders, transformational leaders do not strongly emphasise exchanging reward for employees’ efforts rather they think about the total development of employees by stimulating, facilitating and positively challenging them to achieve organisational goals. Also, transformational leaders are much focused on enabling employees to realise the importance of their individual abilities and help them to develop them. In view of this, they do not need motivational factors
like pay and promotion to get employees committed to the organisation. Employees become committed to the organisation owing to the fact that the inspiration, support, encouragement and morale to work that they get from their leaders are greater than pay and promotion demand. In other words, employees do not need pay to get committed to their work if leaders are biased towards employees’ development. Employees become committed to an organisation when leaders tend to exhibit behaviours that are geared towards developing them other than largely focusing on pay and promotion. Thus, immediate supervisors should therefore adopt transformational leadership style because it increases employees’ organisational commitment without necessarily focusing extensively on intervening with pay and promotion packages.

8.0 LIMITATIONS AND IMPLICATIONS FOR FURTHER RESEARCH

The study was limited by issue as pay and promotion were the only motivational factors considered in the study. Thus, there are other motivational factors that the study failed to include in determining their mediation effect on transformational leadership and organisational commitment link. It is suggested that future research can replicate this study by including other factors such as satisfaction with supervisors and co-workers. Also, the study was limited to the context of study as data was collected primarily from Unilever Ghana. In addition, only employees in the Tema main plant where included ignoring the relevance of employees in other sublets of the company in other parts of the country. It is therefore suggested that future research should attempt to broaden the scope of study either from the angle of the company or in the industry, or use different company but with the same concepts.

REFERENCES


