







performance [25]. This study found out that both transformational as well as transactional leadership behavior were positively linked to the performance of employees in an organisation. The contingent reward of transactional leadership has to be complemented with transformational behavior of the leaders in order to ensure a sustained organizational performance.

In a study done in the Indian manufacturing sector context, it was found that leadership style has significant impact on organizational learning (Bhat, Verma, Rengnekar, & Barua, 2012) [26]. This research concluded that transactional leadership style had greater contribution to organizational learning than transformational leadership style which is contrary to many previously done findings.

In an empirical study done among the two subsidiaries of one multinational IT company in Europe, the impact of leadership style on dimensions of organizational commitment was investigated (Clinebell, Skudiene, Trijonyte, & Reardon, 2013) [27]. The result showed that both transformational and transactional leadership styles have relationship with all three dimensions of organizational commitment at varying degrees. A study in a high-tech industry headquartered in South Korea affirmed that employees showed higher levels of organizational commitment when they found their supervisors exhibiting transformational leadership (Joo, Yoon, & Jeung, 2012) [28].

There are studies which claim leadership style as an antecedent of organizational commitment (Sabir, Sohail, & Asif Khan, 2011) and that there is a strong positive relationship between leadership style and organizational commitment (Ekaterini, 2010) [29], [30]. In a study conducted among 17 Croatian organizations representing a variety of different industries and organizational levels, it is found that active leadership styles are positively linked and have both direct and indirect effects on organizational commitment (Susanj & Jakopec, 2012) [31]. The effect of transformational leadership on the dimensions of commitment was investigated in a research conducted in the hospitality organizations in Turkey (Tuna, Ghazzawi, Tuna, & Catir, 2011) [32]. The study concluded that transformational leadership enhances the commitment of the employees and their loyalty to the organization.

In a research done among the banking employees in Pakistan (Riaz, Akram, & Ijaz, 2011), it was found that there is significant positive relationship between transformational leadership style and employees' affective commitment [33]. In the Indian context, it was found that transactional leadership style in terms of pay satisfaction was significantly related to affective commitment and normative commitment (Dhawan & Mulla, 2011) [34]. Research in an Indian public sector organization revealed that most of the respondents participated perceived themselves to be more of a transformational leaders than transactional. The study also showed that transformational leadership style is related to employees' organizational commitment than transactional leadership (Raja & Palanichamy, 2012) [35].

Contrary to the finding of many previous studies, a research conducted among the bank employees in Nigeria found that the relationship between transformational leadership and organizational commitment is very insignificant (Fasola, Adeyemi, & Olowe, 2013) [36]. However, the results from the study showed that the transactional leadership is more effective than transformational in contributing positively to organizational commitment.

## 5. Discussion

Studies from two different and unique cultures, Germany and Iran, sample drawn from totally different industries, hospitality and automobile shows a positive relationship between transformational leadership style and job satisfaction. This means employees, irrespective of the cultural and industry differences, were more satisfied when their bosses exhibit transformational behaviours - a clear vision, inspire and motivate them, establish a sense of meaning in their routine tasks, become role models by their actions, create trust in the mutual relationships, show understanding and support and considered them as persons with unique needs, talents and dreams.

The study on transformational leaders' ability to elicit citizenship behavior from employees throws light into specific processes - inspirational appeals and consultation tactics - the transformational leader needs to employ in order to influence subordinates for OCB. This suggests that understanding how the employees perceive the world is significant for the manager to have a transformational effect on them. The study in the US firm also reaffirms this fact that as transformational leaders are the ones who influence the perspective of their followers, it is important for them to first understand the perspectives of their followers in order to exert any kind of influence on them.

The finding from the study in the IT firm where employees are constantly mobile suggests that the ill-effects of distance can be at least partially compensated by the leadership style employed by the superior. While selecting managers for mobile workers, in order to enhance the relational quality between them, it is important to choose managers with transformational leadership skills, in other words, people who expresses empathy, shows active listening, communicates clearly the vision, influences others by means of an ideal, and demonstrates the capacity to inspire and provide intellectual stimulation (Bass, Jung, Avolio, & Berson, 2003) [37].

Three studies from different parts of Asia - Jordan, Pakistan and Brunei - show positive impact of transformational leadership on innovation and technology integration. The significance of these results is the applicability of western management concept in a non-western environment. Asian countries, in general, being high in power distance, the transformational leadership was expected to be ineffective, but the findings from the above researches are the contrary. It implies that, though more research needs to be done; transformational leadership may produce many favourable organizational outcomes in the context of many developing non-western countries.

The Brunein study also implies that when the employees are treated as important to the firm, such leadership behavior makes a difference positively in achieving the organizational objectives. Leaders using individual consideration style through encouragement, caring for and coaching are found to be successful in ERP implementation. When leaders provides inspirational motivation referring to setting high standards, communicating ideas and vision clearly and challenging workers to go beyond the routine tasks and personal interests, it results in achieving organizational objectives effectively.

Employees reciprocate positively to the leadership behavior as part of the social exchange relationship. Studies showing positive outcomes like willingness to work extra time (Netherlands) and enhanced organizational performance (Australia & UAE) reinforces this fact. Transformational leaders were also found to be capable of managing their own and others emotions in a positive manner showing higher levels of emotional intelligence. Studies from Iran and Malaysia states that transformational leaders are able to positively influence the wellness of the employees by understanding and relating to them emotionally. According to the Taiwanese study, the emotional connect between leaders and employees improve team communication which in turn contributed towards project performance. The analysis indicates that there is a strong correlation between transformational leadership and team collaboration suggesting that greater collaboration within the team is a result of high levels of transformational leadership behaviours.

Studies discussed so far have been reiterating the positive impact of transformational leadership style towards various aspects of businesses and organisations. Leadership based on contingent reward and punishment makes significant impact in employees' attitude which is argued against by some of the previous researchers (Bass B. M., 2008; Howell & Avolio, 1993) [38], [39]. The study from and Indian manufacturing sector suggested the value of reward based transactional leadership style as more effective than transformational style. The reason for this finding might be the very nature of the manufacturing sector itself with its focus on reward and punishment based leadership. While not under-estimating the importance of transformational leadership style, the need for reinventing new forms of reward strategies to keep employees motivated for learning is revealed henceforth. The Nigerian study also brings out this aspect of importance of transactional leadership. The implication for the leadership is to blend both these styles with due consideration to the situation and nature of the task assigned to the employees. It is important to identify the critical factors from these two styles that work in different cultural contexts and employ them appropriately.

The strong relationship between transformational leadership and organizational commitment has been revealed by several studies as described in the review section. These results are predicted by earlier researches as well (Buciuniene & Skudiene, 2008; Lo, Ramayah, Min, & Songan, 2010) [40], [41]. Employees develop a stronger emotional connect with the organization led by transformational leaders as they experience participation in decision-making and fairness and

consideration in treatment. The relationship is further explained by the ability of leaders to articulate the vision and inspire employees towards achieving it. Secondly, transformational leaders enhance the commitment of employees by getting them transcending their own self-interest towards the group's goal attainment. Challenging the status quo and providing opportunities for innovative approaches again further the organizational commitment of the staff (Bass B. M., 1985) [42]. Most of the studies points to the enhanced affective commitment due to the transformational behaviours of the leaders.

Study from Europe suggests a strong association between transactional leadership and continuance commitment which expresses the cost benefit approach of leadership and mutual economic exchange. This is consistent with previous researches which assert the positive correlation between transformational and transactional leadership styles with organizational commitment (Ali, Babar, & Bangash, 2011) [43]. Research also confirms job satisfaction to be a mediator between leadership style and organizational commitment (Yang M., 2012) [44].

Among the three types of commitment, affective and normative commitments were found to have high level of relationship with transformational leadership. Additionally, it is observed that greater significance for leadership charisma and individualized consideration corresponds to greater normative commitment. These findings support many of the earlier researches that observed positive relationship between transformational leadership and commitment to organization (Arnold, Barling, & Kelloway, 2001; Bycio, Hackett, & Allen, 1995) [45], [46].

The different context of developing countries like India and Pakistan provide a little different outcome. The struggle for livelihood, job security and social mobility for the majority in these countries explains the importance of monetary benefits leading to emotional and moral commitment. While addressing the need for greater commitment, it is important to satisfy the livelihood aspirations of the employees as well especially in the context of developing countries.

## 6. Implications and Recommendations

This review study clearly establishes a positive and direct link between transformational leadership style and individual and organizational outcomes. A few specific implications for organizational leaders are discussed here.

To enhance the job satisfaction and psychological well-being of employees, the managers need to exhibit transformational leadership behaviours. It refers to articulating an unambiguous and inspiring vision, communicating it to all levels within the organisation, instilling a sense of meaning to routine tasks, leading by example, building a culture of trust, mutual care and understanding and treat employees with dignity.

Citizenship behaviours from employees are the result of how leaders engage in inspirational appeals and consultative tactics, in other words, motivating through right communication strategies. Organisations need to constantly

assess and refine the communication channels and processes within the organisations and empower the managers to use them effectively. Building an emotional rapport with employees is an important transformational behavior to influence their attitudes and behaviours.

Managers have to be trained to show empathy, possess active listening skills and provide intellectual stimulation in order to enhance the relational quality with the employees especially the skilled human resource of the company. Leaders employing individual consideration style through encouragement, participation, delegation, caring for and coaching are found to be more effective.

The study also reinforces the effectiveness of emotional intelligence for managers. Understanding and managing one's own and employees' emotions, managers can significantly influence the subordinates towards positive organizational outcomes. Building emotional connect with the team results in greater project performance through enriched team collaboration.

In the context of developing countries, transformational leadership has to be complemented with transactional leadership behaviours like contingent reward. Revisiting the reward strategies and blending both forms of leadership styles with due consideration to the situation and nature of tasks are important to meet the unique needs of developing countries like Indian, Nepal and Pakistan. At the same time, due to high value in power distance and dictatorial leadership style as part of the national culture, it was seen in these countries that the leaders demanding obedience and compliance rather than empowering the subordinates. Hence the managers of these countries need to be trained and mentored to imbibe more transformational leadership behaviours.

As studies across the globe reiterate the correlation of transformational leadership and affective organizational commitment, it is very significant for organizations to consider this relationship. Challenging the status-quo and creating opportunities for employees to engage in creative endeavours and innovative initiatives are transformational behaviours that influence affective commitment.

## 7. Conclusion

This review of global studies clearly reveals the relevance and consistent impact of transformational leadership in a cross-cultural context. Barring an insignificant number of studies, which requires complementing transformational leadership behaviours with transactional leadership behaviours, all studies under analysis established a clear and positive link between transformational leadership style and individual and organizational variables. Though limited in its scope and generalizability due to the small number of studies analysed, this paper, reviewing a broad range of countries from 5 different continents and a diverse set of industries, concludes that it is important for leaders of organizations to consider transformational leadership style as an effective leadership style to achieve positive organizational outcomes. The direct implication for organizations is to train their managers in transformational

leadership behaviours in successfully realizing the organizational vision and objectives.

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