

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews the literature related to organizational commitment. Specifically, it explains the concept, theories, models, and significance of organizational commitment. Then, it explains the underpinning theories and the factors that influence organizational commitment. Following this, the chapter develops the hypotheses based on previous studies. It then proposes the research framework and ends with a summary.

#### **2.2 Concept of Organizational Commitment**

Monday et al. (1982) defined organizational commitment as an individual's relative strength of identification with and involvement in a particular organization. Adding to this definition, Zeinabadi (2010) explained that organizational commitment is characterized by a strong belief in and acceptance of the organization's goals and values (value commitment), as well as readiness to exert considerable effort on behalf of the organization and to remain a member (commitment to stay). Recent studies (e.g., Robbins & Judge, 2018) defined organizational commitment as the degree to which an employee identifies with the organization and its goals and wishes to continue as its member. In addition, Scandura (2019) defined organizational commitment as a psychological situation that describes an employee's relationship with their organization and a propensity to continue the relationship with the organization.

Meyer and Allen (1997) defined organizational commitment as a three-dimensional construct of affective, continuance, and normative commitment. Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization. Put differently, affective commitment represents the feelings that an individual has by being connected to an organization. Continuance commitment refers to commitment based on the costs that the employee associates with leaving the organization. In other words, continuance commitment represents the understanding of investment loss, or the costs associated with voluntarily leaving an organization. Normative commitment occurs when employees feel a sense of obligation to the organization, even if they are unhappy in their role or if they want to pursue better opportunities. Employees feel that they should stay with the organization because it is the right thing to do.

### **2.3 Model of Organizational Commitment**

Meyer and Allen (1991) developed the three-component model of organizational commitment, integrating the unidimensional organizational commitment concepts. It is a dominant research framework for organizational commitment (Cheng & Stockdale, 2003). The model defines the mindset that characterizes the components of commitment using the terms continuance, affective, and normative (Powell & Meyer, 2004). Each component represents how commitment is developed and has important job behavior implications (Powell & Meyer, 2004).

Affective commitment refers to the emotional attachment of employees to the organization, which can influence organizational performance (Meyer & Allen, 1991; Pattnaik & Sahoo, 2019). Employees have high emotional attachment to the organization because they want to achieve their social and physical needs and goals

(Mowday et al., 1979). Socially, individuals want to be respected as members of a group (organization). Physically, they want their efforts to be exchanged with certain benefits, such as salary and rewards. When employees obtain both needs, they will identify with that organization (Pattnaik & Sahoo, 2019). In addition, Chevalier et al. (2019) argued that when employees show emotional attachment with their organization, they will be more motivated and willing to make extra effort towards the organization.

Continuance commitment refers to commitment based on the costs that an employee will incur when leaving the organization or deciding to join another organization (Meyer & Allen, 1991; Alshanti, 2017; Pattnaik & Sahoo, 2019). In other words, continuance commitment results from the employee's recognition of possible losses (i.e., salary, seniority, promotions, other benefits) if they decide to leave the organization. Employees will be more committed when they are highly aware of such losses if they decide to leave the organization (Meyer & Allen, 1991; Sayadi & Hayati, 2014). The association between employees and their organization is based primarily on the benefits that they receive from the organization. If the benefits offered by the organization are not attractive, then the employees may leave the organization if they find better benefits in other organizations.

Normative commitment refers to an employee's feeling of obligation to remain with or loyal to an organization (Meyer & Allen, 1991). Normatively committed employees stay in an organization because they feel that they should do so. Normative commitment is often reinforced by organizational support; the organization allows employees to participate and interact positively not only in work procedures or work implementation, but also contributing towards the development of goals and plans and policymaking for the organization. An individual's commitment and obligation to

remain with the organization may also stem from his personal values and principles before or after entering the organization (Alshanti, 2017).

#### **2.4 Significance of Organizational Commitment**

Zeinabadi (2010) described organizational commitment as the extent to which an individual identifies with and is involved in a particular organization. This is characterized by a strong belief in and acceptance of the organization's goals and values (value commitment), along with readiness to exert considerable effort on behalf of the organization and to remain a member (commitment to stay). Organizational commitment reflects the strength with which employees identify with and are involved in a particular organization (Güteryüz et al., 2008). The identification aspect means that employees have accepted the values and goals of the organization (Jahangir et al. 2004). Their involvement aspect means their readiness to exert effort in order to promote organizational effectiveness, even though this behavior may not result in any incentive or reward (Bogler & Somech, 2004). Chong and Eggleton (2007) added that employees with high organizational commitment put organizational interests before their own interests. For this reason, organizational performance will increase in terms of profitability, productivity level, and competitiveness (Law & Ngai 2008).

Wardiyanto (2016) found that the high normative commitment of *pasantren* administrators has a stronger influence than extrinsic rewards, such as salaries and facilities. Similarly, organizational commitment influences the job performance of the teaching staff in state and private universities in Surakarta (Wahyudi, 2015).

## **2.5 Underpinning Theories**

There are two underpinning theories in this study: the Social Exchange Theory (SET) and the Job Demands-Resources (JD-R) model. SET underpins the relationship between leadership style (charismatic, transformational, autocratic) and organizational commitment, as well as the relationship between job satisfaction and organizational commitment. Meanwhile, the relationship between leadership styles and job satisfaction is underpinned by the JD-R Model. The following sections further elaborate upon the two theories.

### **2.5.1 Social Exchange Theory**

SET is the most appropriate theory when examining the feelings of an employee towards his organization; loyalty, commitment and discretionary effort are all seen as forms of social reciprocation of employees towards a good organization (Saks, 2006). Social exchanges tend to be voluntary actions between two or more parties. When a person volunteers to do a favor for another, he expects to get some return in the future. This form of return is often unclear in terms of form and time; it is the discretion of the one who returns the favor (Blau, 1964; Wayne, Shore & Liden, 1997; Gould-Williams & Davies, 2005).

Obligations are generated through a series of interactions between parties who are in a reciprocal interdependent state, and they often take some time until they are returned. According to Saks (2006), the fundamental principle of social exchange is that the relationship between two or more parties develop over time into trust, mutual commitments, and loyalty as long as these parties abide by certain rules of exchange. Kahn (1990) argued that when employees receive economic and socioemotional exchange resources from their organization, they feel obliged to reciprocate the

organization with greater levels of engagement and performance. Eisenberger and Huntington (1986) argued that when employees perceive that their organization values their effort, recognizes their contributions, is committed to them, invested in them, and cares about their wellbeing, they will feel obligated to reciprocate them through positive attitude and behavior and more effort to help their organization to achieve its objectives (Eisenberger et al., 2001).

### **2.5.2 Job Demand-Resources Model**

The Job Demands-Resources (JD-R) model, built off of the well-known Job Demands Control model (Karasek, 1979) and Effort Reward Imbalance (ERI) model (Siegrist, 1996), describes the process by which health and well-being are related to the combination of one's resources and job demands (Schaufeli & Taris, 2014). The JD-R model proposes two broad job characteristics that independently influence employee wellbeing. First, job demands are defined as job aspects that require sustained effort and that are associated with physiological and psychological costs. Second, job resources are defined as factors functional in achieving work goals, reducing job demands, or stimulating personal growth and development (Bakker & Demerouti, 2014).

Job demands are those aspects of the job that involve substantial physical, cognitive, or emotional effort. Some examples of job demands are time pressure, work overload, work-home interference, job insecurity, and conflict with coworkers (Bakker, Hakanen, Demerouti & Xanthopoulou, 2007). Job demands are related negatively to individual performance. They are not aggravators but may become stressors when sustained elevated effort is required to meet work-related demands and when health recovery is inhibited (Demerouti & Bakker, 2011). The general idea is that job demands

drive negative well-being outcomes, such as burnout or stress (Bakker & Demerouti, 2007).

Job resources are defined as “initiators of a motivational process” (Demerouti & Bakker, 2011, p. 1) that can act as motivators. Accordingly, job-related factors at the levels of organization, interpersonal or social relations, task, and organization of work (e.g., role clarity) can be understood as job resources. These include, for example, organizational and social support, growth and career advancement opportunities, autonomy, role clarity, or performance feedback (Bakker et al., 2005; Barkhuizen et al., 2014; Boyd et al., 2011; Rothmann & Jordaan, 2006). Critical job resources include social support, pay, and benefits (Bakker et al., 2003; Dwyer & Fox, 2006). Job resources may play an extrinsic and intrinsic motivational role because they foster learning and personal growth and are instrumental in accomplishing tasks (Deci & Ryan, 1985). According to the JD-R model, job resources are assumed to have motivational potential, which leads to high performance through low cynicism and high engagement (Bakker & Demerouti, 2007). In other words, job resources increase engagement through energy, involvement, and efficacy, thereby enhancing individual performance (Demerouti et al., 2001). Job resources may also mitigate the negative effects of job demands and increase motivation when job demands are high.

In conclusion, the JD-R model is a very influential framework for establishing job performance antecedents (Bakker & Demerouti, 2016; Demerouti & Bakker, 2011). The JD-R model provides a flexible theoretical tool for conceptualizing key aspects of the work environment, explaining and predicting a wide range of work-related outcomes, including stress, burnout, work engagement, organizational commitment, job satisfaction, or productivity (Bakker, 2011). Specifically, the JD-R model explains and predicts employee well-being and job performance in all work environments.

## 2.6 Determinants of Organizational Commitment

Numerous determinants of organizational commitment have been identified in the literature. This study focuses on leadership because it is critical to the *pesantren* in Indonesia (Nugraha, 2010). In addition, only a few studies have examined simultaneously the effects of various leadership styles on organizational commitment, particularly in the context of *pesantren*. Previous studies have largely investigated a specific leadership style on organizational commitment. For instance, Patiar and Wang (2016) focused on the link between transformational leadership and organizational commitment, while Mwesigwa et al. (2020) only examined the relationship between transactional leadership and organizational commitment. Zawawi et al. (2019), meanwhile, examined the laissez faire leadership style on organizational commitment. As a result, it is unclear which leadership style influences organizational commitment in a specific context.

Another determinant of organizational commitment included in this study is job satisfaction. Job satisfaction was assigned as a mediator between leadership styles (charismatic, transformational, autocratic) and organizational commitment. There is minimum empirical evidence on the mediating role of job satisfaction between these three leadership styles and organizational commitment. Previous studies have regarded job satisfaction as a mediator only between transformational leadership and organizational citizenship behavior (Ahmad & Jameel, 2020), safety climate and turnover intention (Balagun, Andel & Smith, 2020), conflict and job performance (Ye, Liu & Gu, 2019), and bullying in the workplace and job performance (Arifin, Nirwanto & Manan, 2019). The following section provides more detail on leadership, and the subsequent section describes job satisfaction further.

## **2.6.1 Leadership**

Leadership is indispensable for all types of organization to successfully promote a culture of innovation (Guzman et al., 2020). The leader is the main determinant of organizational success because he is central to the processes of planning, implementation, motivation, and supervision (Nugraha, 2010). The leader also has an active role and intervenes in every problem relating to the needs of organizational members (Anoraga, 1992).

Borkowski et al. (2011) argued that effective leadership defines the success of any organization. Leadership is the process of influencing others to recognize and agree on what needs to be done and how to do it, as well as the process of facilitating individual and collective efforts to accomplish shared objectives (Yukl, 2010; Ying, 2009; Northouse, 2001). In a different perspective, leadership means the way to create a clear vision, filling subordinates with self-confidence, created through coordination and communication to detail (McDermott, 2011). Leadership has the ability to shape and influence followers' values, attitudes, and behaviors through a dyadic relationship (Diggele et al., 2020).

### **2.6.1.1 Leadership Theories**

Experts have proposed several leadership theories. In general, there are four core leadership theories categorized based on traits, behavior, contingency, and power influence.

#### **2.6.1.1.1 Trait Theory**

The trait theory ignores the assumption about whether leadership traits are genetic or acquired. Jenkins identified two traits as a fundamental component of leadership: (1)

emergent traits, i.e., those which are heavily dependent upon heredity, such as height, intelligence, attractiveness and self-confidence; and (2) effectiveness traits, i.e., those emerging from experience or learning, such as charisma (Ekvall & Arvonen, 1991). This initial focus on intellectual, physical, and personality traits that distinguish non-leaders from leaders resulted in research that maintains only minor differences exist between followers and leaders (Burns, 2003).

#### **2.6.1.1.2 Contingency Theory**

Contingency theory explains that a leader adjusts appropriately according to the situation at hand. Fiedler (1964) developed contingency theory by studying the styles of leaders who worked in different contexts, primarily military organizations. After analyzing the styles of hundreds of good and bad leaders, Fiedler et al. (1964) were able to make empirically grounded generalizations about which styles of leadership were best and which styles were worst for a given organizational context. The situations that a leader may be in are level of power, structure of work group, and relationship orientation of the leader. Contingency theory represents a shift in leadership research, from focusing on the leader to looking at the leader in conjunction with the situation in which he works (Fiedler, 1978). To measure leadership style, a personality measure called the least preferred coworker (LPC) scale is used.

Contingency theory is backed by a considerable amount of research and is one of the first leadership theories to emphasize the impact of situations on leaders. The weakness of this theory is that it has not adequately explained the link between styles and situation and relies too heavily on the LPC scale (Rice, 1978). Furthermore, the contingency theory may not be easily used in organizations and may not fully explain how organizations can use its results in different situations.

Contingency theory suggests that a leader's effectiveness depends on how well the leader's style fits with the context. To understand the performance of leaders, it is essential to understand situations in which they lead. Effective leadership is contingent on matching a leader's style to the right setting (Fiedler, 1978). The LPC assesses situations in which leaders work and whether they are effective. Contingency theory is widely used in organizations and gets mixed reviews from users and theorists, as it does not explain how a leader develops or can develop followers to achieve high performance through growth-yielding innovative solutions.

#### **2.6.1.2 Situational Theory**

While a leader's traits and behaviors have a strong influence on leadership effectiveness, the contribution of situation and role should not be dismissed (Bass, 2008; Farrow, Valenzi & Bass, 1980). Vroom and Jago (2007) explained that situational leadership is a variable in which the traits and behaviors of leaders mediate between organizational culture and/or construct. Other scholars and theorists have constructed models based on the level of concern for people and productivity (Blake & Mouton, 1975; Blake & McCauley, 1991) and situational leadership lifecycles, whereby leaders match their behavior with the performance needs of followers (Blanchard & Hersey, 1996). Yukl (1981) argued that situational leadership research needs to look more at the macro environment, such as the type of organization and/or culture, not just specific situations.

The situational approach provides a model that suggests a leader should give attention to the demands of a particular situation. The situational model describes how different leadership styles can be applied to subordinates who have varying work experience. Effective leadership occurs when the leader accurately diagnoses the

development level of the subordinates in a task situation and then uses a leadership style that matches the situation (Blanchard, Zigarmi, & Nelson, 1993).

### **2.6.1.3 Behavioral Theory**

Behavioral theory assumes the opposite of the trait theory, that great leaders are made, not born. The behavioral theory argues that an individual can be trained to be a leader and does not have to have inherent characteristics (Russell et al, 2002). Fleishman et al. (1991) identified 65 distinct classifications of leader behavior, and subsequent reviews have only further highlighted the proliferation of leader behavior typologies and theories (Avolio et al., 2003; Pearce et al., 2003). One consistent theme in the literature is that behaviors can be fit into four categories: task-oriented, relational-oriented, change-oriented, and passive leadership.

### **2.6.1.4 Leadership Style**

Leadership style is a set of behavior patterns that occur during constant organizational work (Vigoda-Gadot, 2007). Researchers have identified at least three primary leadership styles: charismatic, transformational, and autocratic (Cherry, 2017).

#### **2.6.1.4.1 Charismatic Leadership**

##### **2.6.1.4.1.1 Concept of Charismatic Leadership and Its Characteristics**

Charismatic leaders are those individuals who are set apart from ordinary people through their exceptional powers and qualities (Judge et al., 2006). Charismatic leaders can also be described as those who communicate a realistic vision of the future that can be shared by their followers (Waldman et al., 2001). In general, there are at least three characteristics of charismatic leaders. First, they have high emotional sensitivity.

Second, they are able to influence others in an extraordinary manner. Third, they are not easily influenced by others (Conger, Kanungo, Menon & Mathur, 1997).

Charismatic leaders enhance followers' identification with and trust in the leader (Shamir et al., 1993). This means that followers of charismatic leaders are willing to engage in discretionary behavior because of their favorable perception of the leader brought about by their trust, loyalty, and obedience to the leader (Sosik, 2005). Charismatic leaders also enhance followers' identification with their task or role by stimulating their self-worth, self-perception, intrinsic motivation, and willingness to commit themselves to performing the task successfully (Dvir, Eden, Avolio & Shamir, 2002; Shamir et al., 1993). In addition, charismatic leaders put emphasis on the collective identity of the group or unit. They strengthen the followers' relationship collectively, increasing their identification with the group and attachment to it (De Cremer & Van Knippenberg, 2002). Moreover, charismatic leaders are visionary, showing high energy and action orientation (Lussier & Achua, 2004).

Conger and Kanungo (1998) described five behavioral attributes of charismatic leaders: (1) vision and articulation, (2) sensitivity to the environment, (3) sensitivity to members' needs, (4) personal risk-taking, and (5) performing unconventional behavior. Riggio (2010) identified the elements of personal charisma, such as emotional expressiveness (ability to express one's feelings spontaneously and genuinely); emotional sensitivity (ability to read and decode other's non-verbal communication); emotional control (ability to regulate emotional displays); social expressiveness (verbal communication skill to engage others in social interaction); social sensitivity (skill to read and interpret social situations and how to listen to others); and social control (ability to fit in and connect with all sorts of people).

#### **2.6.1.4.1.2 Theory or Model of Charismatic Leadership**

Conger and Kanungo (1998) developed a model of charismatic leadership that focuses on three stages of the leadership process. In the first stage, the leader assesses the environment for any growth opportunities for the organization (sensitivity to the environment) and carefully evaluates the needs of followers (sensitivity to members' needs). In stage two, the leader formulates a strategic vision which is constantly presented in an inspiring way (strategic vision and articulation). In the third and final stage, the leader provides a role model by demonstrating personal risk and unconventional behavior to followers.

#### **2.6.1.4.1.3 Significance of Charismatic Leadership**

Charismatic leaders are able to induce organizational change by creating a more committed workforce (Kahtani, 2013). Charismatic leadership is also capable of delivering remarkable changes in the organization's systems (Kakavogianni, 2009). Empirical evidence suggests that charismatic leaders are able to make their followers to trust and identify with them (Bass, 1991; Judge & Piccolo, 2004). Charismatic leadership is also positively related to organizational citizenship behavior and perception of job security (Wang, Zhou & Wen, 2014). More importantly, a charismatic leader is able to yield a greater impact on the organization's members (Lubatkin, Simsek, Ling, & Veiga, 2006) and the transformational process (Appelbaum, Berke, Taylor & Vazquez, 2008; Griffith-Cooper & King, 2007).

Karim (2020) found that the efforts for leaders to be a charismatic person are by having God's glory and God's blessings, obedience to God, prayer efficacy, being able to hide themselves away, self-confidence, and having the ability to predict/forecast the future. More than that, charismatic leaders make radical social changes

(Abbasiyannejad et al., 2015) and shape a regulative and assertive society's compliance (Ziemek, 1986). According to Abbasiyannejad et al. (2015), charisma cannot function without social relationships.

The charismatic leader has extraordinary power that can be felt, seen, trusted, and believed by those closest to them (Rohmah, 2020). Mulyadi (2017) found that the openness of a charismatic leader will lead to the development of effective leadership through clear and routine communication; explanation of the goal, mission statement and mission implementation in detail; involving subordinates in setting the destination or goal; giving authority to subordinates and building their responsibility; being responsible for any consequence of the policy undertaken; and being trustworthy and expanding trust to subordinates.

Charismatic leadership has also been found to be significant in the context of *pesantren*. Satwika and Himam (2014) stated that charismatic leadership would create horizontal accountability between the leaders and *pesantren* members. The *pesantren* would thus become an efficient, effective, and accountable educational institution that is responsive to the aspirations and interests of its members, for instance teachers, the *santri*, parents, and even society.

In Pesantren Harsallakum Al-Quran in Bengkulu, the charismatic leadership has allowed employees to evaluate their work processes. This has increased the effectiveness of its leadership and created trust between the leaders and followers. Consequently, the Pesantren has become one of the best in Bengkulu (Mulyadi, 2017).

Charisma emerges when there is a social crisis. A leader comes up with a radical vision that offers a solution to the crisis. The leader also attracts followers who believe in that vision and strive to achieve it. Followers can also trust that leader as a person with exceptional power. Charismatic leaders can be born because they receive God's

gift to maintain authority (Mardiyah, 2015). Dr. KH Ahmad Musthofa Kamal is a Kyai who, since his youth, has had a high charisma. As a result, the people in Pesantren Bidayatul Hidayah Pasuruan follows him passionately and is committed to him (Toyib, 217).

#### **2.6.1.4.2 Transformational Leadership**

##### **2.6.1.4.2.1 Concept of Transformational Leadership**

Transformational leadership can be defined as the process of persuading major changes in the attitudes, beliefs, and values of followers to a point where the goals of an organization and the vision of the leader are internalized. As a result, followers achieve performance beyond expectation (Bass, 1985; Yukl, 1999a; 1999b). Transformational leadership consists of four components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Idealized influence has been associated with an increased sense of connectedness with others (Zdaniuk & Bobocel, 2015). Feizi, Ebrahimi, and Beheshti (2014) suggested that idealized influence corresponds to the leader's charisma and the impression followers have about the leader's abilities. Idealized influence describes the reliability and strong model that a leader displays that result in the followers' reverence of the leader as he directs them toward the organization's vision and mission (Teymournejad & Elghaei, 2017). Idealized influence means that a leader models the achievement, values, and behavior that followers perceive as having the potential to advance their careers (Joo & Lim, 2013). The leader also sets self-interest aside to build follower loyalty, devotion, and identification (Ghadi et al., 2013). This model describes the extent to which the followers trust in, respect, and identify with the leader (Prasad & Junni, 2016). Jyoti and Dev (2015) suggested that leaders demonstrating idealized

influence focus on how their values, beliefs, and mission shape the decisions that they make and the actions that they take. Stempel, Rigotti, and Mohr (2015) posited that the factors of idealized influence have more to do with the impression followers have than on any characteristic of the leaders themselves.

Inspirational motivation leaders serve as a model for followers to achieve organizational goals, and they clearly and confidently communicate their vision optimistically and with enthusiasm (Jyoti & Dev, 2015). Inspirational motivation means that the leaders inspire motivation in followers by focusing on their emotions as opposed to daily interactions (Teymournejad & Elghaei, 2017). Through optimism and excitement, leaders displaying inspirational motivation lead followers toward the goals of the organization and give followers a reason to reach higher performance (Prasad & Junni, 2016). Inspirational motivation relays extraordinary expectations about performance, resulting in the acceptance of the important role employees play in contributing to the organization and in achieving their own career goals (Joo & Lim, 2013). Inspirational motivation promotes the participation of followers in the organization by creating an appealing vision (Ghadi et al., 2013). Inspirational motivation means that leaders use discussions and negotiations and emphasize a positive perspective of the future vis-à-vis the current state to encourage followers to support a common vision (Feizi et al., 2014).

Through intellectual stimulation, leaders encourage followers to question the values, way of thinking, and beliefs of themselves and their leader (Jyoti & Dev, 2015). They also encourage employees to question assumptions, think non-traditionally, innovate, be risk-takers, and display intellectual stimulation (Ghadi et al., 2013). Joo and Lim (2013) suggested that intellectual stimulation behaviors motivate employees

to seek out demanding assignments, new knowledge, skills, abilities, and balance in their personal and professional lives.

Individualized consideration means that leaders recognize the differences among followers and provide individualized attention that motivates them to exercise authority in their decision-making (Ghadi et al., 2013; Teymournejad & Elghaei, 2017). The leader recognizes followers as individuals, attends to their needs, shows concern for their feelings, and motivates followers to take responsibility for developing themselves (Jyoti & Dev, 2015; Prasad & Junni, 2016; Teymournejad & Elghaei, 2017). Leaders also provide practice, education, and training opportunities to followers to allow them to discover their capabilities and potential (Feizi et al., 2014). Joo and Lim (2013) suggested that leaders give attention to their employees to encourage them to find value in learning and develop their careers.

#### **2.6.1.4.2.2 Theory or Model of Transformational Leadership**

Bass developed the theory of transformational and transactional leadership. The transformational leadership concept was first coined by Downton in *Rebel Leadership*, published in 1973 (Bass & Avolio, 1994). It emerged as an important approach to leadership, as evidenced by the classic work of political sociologist James MacGregor Burns in 1978 entitled *Leadership* (Hughes, Ginnet & Curphy, 1999). Burns' theory laid a solid foundation for the work of other scholars regarding this perspective on leadership theory (Conger & Kanungo, 1998). Bass (1985) therefore built upon the earlier ideas of Burns (Engelbrecht, 2002; Yukl, 1998), although his theory is not necessarily consistent with Burns' (Northouse, 2001).

Bass identified four transformational leadership behaviors which represent four basic components or "I's" of transformational leadership (Avolio, 1999; Bass & Avolio,

1992). The four basic components are idealized influence, individualized consideration, intellectual stimulation, and inspirational motivation. Idealized influence arouses strong emotions from followers and identification with, and emulation of, the leader (Bass & Avolio, 2001; Yukl, 1998). Individualized consideration involves providing support, encouragement, coaching (Avolio, 1999; Bass, 1998; Yukl, 1998), delegation, advice, and feedback for use in the personal development of followers (Bass & Avolio, 1992). Intellectual stimulation increases awareness of problems and influences followers to view problems from a new point of view (Yukl, 1998). Inspirational motivation includes developing and communicating an appealing vision (Avolio, 1994).

#### **2.6.1.4.2.3 Significance of Transformational Leadership**

Thomson et al. (2016) found positive associations between transformational leadership and organizational citizenship, culture and vision, in addition to employee empowerment, satisfaction, trust, self-efficiency, beliefs, motivation. In contrast, transformational leadership is negatively associated with voluntary turnover. Mathew and Gupta (2015) indicated that the transformational leadership style is one that drives the emotions of followers and influences them to go beyond expectations. In addition, McCaffrey and Reinoso (2017) suggested that transformational leadership motivates people to desired changes using a strong vision, inspirational guidance, and intellectual stimulation. In other words, transformational leaders are associated with new idea creation, fundamental change in complex situations, and conflict resolution (McCaffrey & Reinoso, 2017).

Recent studies reported that this leadership style has a positive effect on the performance of employees (Kahai, Sosik & Avolio, 2000) and groups (Parry & Proctor & Thomson, 2003). Jung et al. (2003) believed that transformational leaders can

positively influence organizational creativity. Effelsberg, Solga, and Gurt (2014) suggested that transformational leadership is positively related to employees' willingness to display selfless pro-organizational behavior. Morton et al. (2010) suggested that transformational leadership is linked to higher employee self-efficacy, self-determination, and commitment.

Chan and Mak (2014) found that transformational leadership influences affective and normative organizational commitment. Empirical evidence has also shown significant positive relationships between idealized influence, inspirational motivation, and organizational commitment (e.g., Mehar et al., 2015; Feizi et al., 2014; Ioannouz, 2016; Ibrahim et al., 2014; Rai & Sinha, 2000; Aydin et al., 2013). Idealized influence is positively related to career satisfaction (Joo & Lim, 2013) and job involvement (Rana et al., 2016). The transformational style positively influences followers' performance (Dumdum et al., 2002). Transformational leaders also frequently give solutions to problems (Lawler, 2003).

Transformational leaders are likely to have members with a high levels of commitment, loyalty, and job satisfaction since they are inspired and stimulated and their individual potential has been developed (M. Bass & Riggio, 2006). In one *pesantren*, it was found that teachers do not consider the Kyai's transformational leadership as a determinant of their commitment to the *pesantren*. This is likely because the Kyai has a small role in managing technical issues, e.g., job assignment and academic supervision (Falaha, Alifahb & Rizal, 2021). The transformational leadership of a Kyai is positively related to Islamic organizational culture and Islamic work ethics, as perceived by teachers in a modern *pesantren*. These findings collectively support past evidence related to transformational leadership and organizational culture (Pratama, Sunaryo, & Yusnita, 2020; Schein, 2010; Jaskyte, 2004).

Umiarso and Muhith (2019) found that transformational leadership effectively influences a *pesantren*'s organizational culture development and ultimately improves its employees' performance and work outcome, specifically organizational commitment. Suradi and Surahman (2020) found that the Kyai of a *pesantren* in Banyuasin, Bengkulu, implements the transformational leadership style. Mahrum, Hajar, and Yusnita (2021) found that the Kiyai at Mafazah Modern Boarding School obtained good scores in the dimensions of individual consideration and inspirational motivation.

#### **2.6.1.4.3 Autocratic Leadership**

##### **2.6.1.4.3.1 Concept of Autocratic Leadership**

Nwakwo (2001) and Enoch (1999) described the autocratic style as a leadership style in which production is emphasized at the expense of any human consideration, and where decisions are made exclusively by the leader. Autocratic leadership also refers to the behavior of a leader to implement strong control over subordinates and require their unconditional obedience (Cheng et. Al., 2004). In other words, only one person has full authority and power over followers or employees (Adair, 2005). Farh and Cheng (2000) also argued that authoritarian leadership refers to a leader's behavior of asserting strong authority and control over subordinates and demanding unquestioned obedience from them.

According to Milgron and Holmstrom (1991), the autocratic style clearly defines the division between leaders and workers. Dawson (2002) stated that the autocratic style may show great results in the short term. However, excessive use of authority will hamper productivity in the long term. In addition, the autocratic leadership style promotes a one-sided conversation, restricting the creativity and leadership skills of

employees and causing their daily work to be repetitive (Ittner & Larcker, 2002). Under the autocratic leadership style, all decision-making powers are centralized in the hand of leaders (Heneman & Gresham, 1999). The followers of autocratic leaders have a low level of job satisfaction because they assert absolute power and influence (Afshinpour, 2014). The followers perform because of punishment for non-compliance (Burke et al., 2006; Rad & Yarmohammadian, 2006).

Autocratic leaders make decisions without the consent of team members. This style of leadership is usually applied when a quick decision is to be taken and team agreement is not important for successful results (Boehm, Dwertmann, Bruch, & Shamir, 2015). Few opportunities are given to staff and team members to make suggestions, even if it is in the best interest of the team or organization (Amanchukwu, Stanley, & Ololube, 2015). An autocratic leader mostly makes a decision on the basis of his own judgments and ideas, rarely including followers' advice, and the leader has absolute control over the group (Zareen, Razzaq & Mujtaba, 2015). According to Iqbal, Anwar, and Haider (2015), autocratic leaders give orders without explaining the reasons or future intentions.

Authoritarian leaders make all the important decisions in their teams and demand their subordinates to achieve the best performance (Wang et al., 2013; Zhang & Xie, 2017). Authoritarian leaders also typically enhance followers' sense of identity as group members, which further motivates employees to perform at a high level (Schaubroeck et al., 2017). As Rast III et al. (2013) argued, authoritative leaders are more likely to provide a clear, unambiguous, and direct prototype to their subordinates. They usually require subordinates to obey their rules completely and punish them if they do not follow their orders (Chan et al., 2013). As a result, employees could gain a better understanding of what they should do and should not do as team members. Prior

research also suggests that authoritarian leaders offer a better sense of what it means—in terms of identity, attitudes, and behavior—to be a member of the team (Rast III et al., 2013; Schaubroeck et al., 2017). Authoritarian leaders are uniquely effective in this respect because they offer an unambiguous identity to their team members (Rast, 2015).

#### **2.6.1.4.3.2 Theory/Model of Autocratic Leadership**

The basis of leadership theory is Douglas McGregor's (1957) Theory X and Theory Y. A Theory X leader typically exhibits an autocratic leadership style and permits little, if any, staff involvement in decisions (Shahzad, Rehman & Abbas, 2010). Theory X states that an average worker does not want to work and will avoid work if he can. Therefore, he must be forced to work using threats and punishment. Theory Y, on the other hand, states that employees for the most part are not lazy; they enjoy working and seeking responsibility. In addition, Theory Y states that most employees are creative and imaginative; some employees may not show interest in their workplace because of management's inability to provide suitable and enabling working environment (McGregor, 1957).

#### **2.6.1.4.3.3 Significance of Autocratic Leadership**

Authoritarian leaders usually set high performance standards and expectations for their subordinates (Aycan, 2006). Chen et al. (2017) argued that authoritarian leaders demand their subordinates to achieve the best performance by exercising strict control, setting clear rules, establishing job responsibilities, and issuing punishment and rewards. Consequently, employees are motivated to perform strongly and deliver excellent quality. Huang et al. (2015) also claimed that authoritarian leaders—who

emphasize discipline, obedience, and unity—are likely to achieve performance by fostering a highly centralized decision-making structure.

Authoritarian leadership may strengthen subordinates' learning goal orientation. Authoritarian leaders are highly competitive and set very high expectations for their teams (Wang et al., 2013; Zhang & Xie, 2017). Authoritarian leaders emphasize that their team members must have the best performance of all the teams in the organization (Cheng et al., 2000). Once the employees identify the gap between their performance and their leaders' expectations, they will build up their competence and pursue self-development by acquiring skills and accomplishing tasks (Gong et al., 2017).

Bhargavi and Yaseen (2016) suggested that the autocratic leadership style has a positive impact on organizational performance. This leadership style is more suitable when a project is to be completed within provided deadlines (Bhargavi & Yaseen, 2016). Igbaekemen and Odivwri (2015) also found the positive impact of the authoritarian leadership style on organizational performance.

Authoritarian leadership has also been applied in Islamic boarding schools. According to Rachman (2021), the Kyai of *Pesantren* Blok Agung, *Pesantren* Tebuireng, and *Pesantren* Paciran have autocratic leadership characteristics, in addition to other leadership characteristics. Arifin (2017) found three sources of traditional authority in the leadership of *Pesantren* Temboro: (1) the tradition of *pesantren* education, (2) the tradition of *Jamaah* Tabligh, and (3) the tradition of the *Naqsyabandiyah-Khalidiyah* congregation.

## **2.6.2 Job Satisfaction**

### **2.6.2.1 Concept and Determinants of Job Satisfaction**

According to Khalid (2010), job satisfaction means one's positive attitude towards work. Amah (2009) argued that job satisfaction is dependent on the employee's interaction opportunities with others in the workplace. Empirical evidence has shown that better relationships with co-workers will improve the job satisfaction of employees (Choo & Bowley, 2009). According to Rauter (2012), social relationships are an important part of the social climate in the workplace and provide a setting where employees can experience meaning and identity. In other words, a cohesive work group tends to be more effective, making work more enjoyable. An opposite situation would negatively affect the job satisfaction of employees. Luthans (2009) also argued that friendship at work is associated with higher job satisfaction, organizational commitment, and job involvement, in addition to lower turnover intention.

Working condition is another determinant of employee satisfaction (Luthans, 2009; Moorhead & Griffin, 2009). According to Luthans (2009), a person who works in a clean and environmentally friendly place will find it easier to come to work. Otherwise, he will find it difficult to complete tasks. Vorster (2011) also stated that working condition has a significant impact on job satisfaction, especially when the working condition is very good. Working conditions include the physical working environment, lighting, temperature and humidity, noise level, and storage of hazardous materials (Moorhead & Griffin, 2009). Other organizational aspects that can affect job satisfaction is reward for employee performance; opportunities provided by the organization for employees to develop their career; harmonious relationships with co-workers; good relationship with leaders; ability to complete high workload; constant

guidance from superiors; and payment of salaries and incentives according to employee expectations (Agustini, 2013).

The nature of work performed by employees has a significant impact on the level of job satisfaction (Joarder, 2010). As Nasrudin (2011) argued, the most important influence on someone's job satisfaction is the nature of work assigned to him. In other words, if the job is challenging and requires the employees to use a range of abilities and skills, they will likely feel satisfied with their job. Similarly, according to Luthans (2009), employees gain satisfaction from work that is interesting, challenging, and provides them with a job status. Task variety can also facilitate job satisfaction (Choo & Bowley, 2009). This is based on the view that the greater the variety of skills that the employees can make use of in their work, the higher their level of satisfaction (Khan, 2010). Another specific nature of work that can influence employee job satisfaction is job security. Chen and Wang (2010) found that job security is the most important factor of job satisfaction for managers.

Pay is also an important determinant of job satisfaction. Pay refers to the amount of financial compensation that individuals receive in return for their services. Rauter (2010) argued that monetary compensation is one of the most important predictors of job satisfaction. Taylor and West (2009) found that pay level affects job satisfaction. In other words, one's pay satisfaction (or dissatisfaction) leads to different output behavior (i.e., job satisfaction) (Crawford, 2010).

Supervision is another determinant of job satisfaction. Supervision is defined as a process to set performance measures in taking action that can support the achievement of expected results according to the specified level (Bilgin & Demires, 2009). Mathis and Jackson (2009) stated that supervision is a process of monitoring employee

performance based on performance measurement standards to ensure top quality performance assessment. Good supervisors treat subordinates fairly.

Opportunities for promotion are also likely to influence job satisfaction. Robbins (2009) stated that promotion gives opportunity for personal growth, increases responsibilities, and enhances social status. Bull (2009) postulated that many people experience satisfaction when they believe that their prospects are good (opportunities for progress and growth in their current place of employment). Similarly, according to Scott (2009), the satisfaction of employees depends on several factors, including the likelihood that employees will be promoted. In fact, James (2009) indicated that opportunities for promotion were found to be the best and only common predictor of job satisfaction at child welfare, mental health, community, and family service agencies.

#### **2.6.2.2 Model of Job Satisfaction**

Job satisfaction is a multidimensional construct that describes the emotional evaluation of an employee regarding his expectations and how they are met. Spector (1994; 1997) defined job satisfaction in nine dimensions: pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, co-workers, nature of work, and communication. Other scholars view job satisfaction as a two-dimensional construct of intrinsic and extrinsic satisfaction (Locke 1996; Kim & Han, 2013). Schnake (1983) conceptualized job satisfaction as a three-dimensional construct of intrinsic, extrinsic, and social satisfaction.

The intrinsic dimension of job satisfaction emphasizes psychological and emotional aspects. The sources of intrinsic satisfaction are a person's characteristics, such as attitude towards specific aspects ( Petrescu & Simmons, 2008; Bentley, Coates, Dobson, Goedegebuure & Meek, 2013; Höhle & Teichler, 2013), ability to use skills to

achieve the task, the nature of work itself (e.g., challenging, difficulty, and importance), and the employee's opportunity to accomplish something worthwhile.

Sources of extrinsic satisfaction are situational and depends on the environment, such as organizational climate. Extrinsic sources of motivation are based primarily on the work of economists (Petrescu & Simmons, 2008) because this extrinsic dimension emphasizes the reward aspect of work. Bentley et al. (2013) and Hhle and Teichler (2013) view extrinsic satisfaction as the satisfaction of an employee with work environment, the amount of pay and fringe benefits that he receives from an organization, and additional benefits provided by the organization.

Social satisfaction is an individual channel of assessment of the psychosocial aspects of his relationships, in which interactions with other partners are easy, gratifying, fulfilling and satisfactory (Geyskens & Steenkamp, 2000). According to this definition, an organizational member is satisfied with the results of social relationships, appreciates and communicates with his partner on a personal level, and loves to work together as a team because he believes this partner has the interest, respect, and willingness to interact and exchange ideas with others. Social satisfaction refers to the extent to which social relations in the workplace—such as the friendly treatment of individuals, the warmth and favor from management and co-workers, and the importance of respect and appreciation—are necessary in an employee's social and professional interactions with others (Cammann, Fichman, Jenkins & Klesh, 1983; Venkataramani, Labianca & Grosser, 2013). When an individual occupies a central position in the network of the work group, this means that he receives more attention and appreciation from other members in the work group because of his experience, knowledge, or personal characteristics. The central position of any network links is

associated with greater social prestige because it serves as the main link to many other group members.

## **2.7 Hypothesis Development**

### **2.7.1 Charismatic Leadership and Job Satisfaction**

Javidan and Waldman (2003) stated that most theoretical and empirical research on charismatic leadership suggests its positive effects, such as higher employee performance and motivation. The study also indicated that charismatic leadership could improve employee satisfaction. Similarly, Nguni et al. (2006) found that charismatic leadership has a significant influence on teachers' job satisfaction. According to Latif (2011), charismatic leaders may improve the satisfaction of their followers since their needs are fulfilled and they feel valued. In addition, the characteristics of charismatic leaders, including their educational background, length of tenure, gender, and culture, could influence employees' perception of job satisfaction (Amburgey, 2005). The following hypothesis was thus proposed:

**H1:** Charismatic leadership is positively related to job satisfaction.

### **2.7.2 Transformational Leadership and Job Satisfaction**

The relationship between transformational leadership and job satisfaction has been well established in previous studies (e.g., Koh et al, 1995; Bass, 1998; Ejimofor, 2007; Yusof & Shah, 2008; Laohavchien, 2009; Albion & Gagliardi, 2007; Shibru & Darshan, 2011; Omar, 2011). This relationship has been verified in various contexts, such as Norway (Hetland & Sandal, 2003), Cyprus (Mine, 2008), Libya (Zahari, 2012), India (Gill et al., 2010), Pakistan (Bushra et al., 2011), and Taiwan (Chi et. al., 2009).

In addition, it has been empirically verified in various sectors, such as public (Parry &

Proctor-Thompson, 2003), education (Mine, 2008), private (Hetland & Sandal, 2003), oil (Zahari, 2012), healthcare (Nielsen et al., 2009), banking (Bushra et al., 2011), non-profit organization (Chi et al., 2009) and restaurant (Gill et al., 2010). Voon et al. (2011) indicated that the transformational leadership style has a stronger relationship with job satisfaction. Transformational leadership explains 46.8 percent of variance in job satisfaction (Sarwar et al., 2015). Thus, the following hypothesis was proposed:

**H2:** Transformational leadership is positively related to job satisfaction.

### **2.7.3 Autocratic Leadership and Job Satisfaction**

Bhatti et al. (2012) surveyed teachers at public and private schools and found the significant effect of autocratic leadership style on job satisfaction. A similar result was found in Turkey by İnandi, Uzun, and Yeşil (2016). Autocratic leadership has the second highest effect on employee job satisfaction in the retail project environment context (Zhang, 2018). Based on these findings, the following hypothesis was proposed:

**H3:** Autocratic leadership is significantly related to job satisfaction.

### **2.7.4 Leadership Style and Organizational Commitment**

Leadership style is considered an antecedent of organizational commitment (Sabir, Sohail, & Asif Khan, 2011). A strong and positive relationship exists between leadership style and organizational commitment (Ekaterini, 2010; Sabir et al., 2011). Recent studies showed that charismatic (Mangundjaya, 2021), transformational (Khaola & Rambe, 2021), and autocratic (Ibrahim Radwan, 2020) leadership styles have a direct and significant impact on organizational commitment. Thus, the following hypotheses were proposed:

**H4:** Autocratic leadership is significantly related to organizational commitment.

**H5:** Charismatic leadership is positively related to organizational commitment.

**H6:** Transformational leadership is positively related to organizational commitment.

### **2.7.5 Job Satisfaction and Organizational Commitment**

The effect of job satisfaction on organizational commitment has been established by previous studies (Oyebi & Abubakar, 2012; Swarnalatha & Sureshkrishna, 2012; Fu & Deshpande, 2014; Neubert & Halbesleben, 2014). This relationship has been empirically verified in various sectors, such as retail (Pepe, 2010), health care (Redfern et al., 2002), restaurant (Kim et al., 2005), and high technology (Luthans, 2002). Based on these findings, the following hypothesis was proposed:

**H7:** Job satisfaction is positively related to organizational commitment.

### **2.7.6 Job Satisfaction as A Mediator**

Based on the discussion in Sections 2.7.1–2.7.5, there is a possibility that job satisfaction mediates between leadership styles (charismatic, transformational, autocratic) and organizational commitment. The discussion in those sections indicates that there is a strong potential link between leadership styles and job satisfaction. The discussion in Section 2.7.4 also suggests the potential link between leadership styles and organizational commitment. In addition, the discussion in Section 2.7.5 indicates the potential link between job satisfaction and organizational commitment.

Job satisfaction has been verified as a mediator in recent studies. Recent studies showed that job satisfaction mediates between transformational leadership and organizational citizenship behavior (Ahmad & Jameel, 2020); between safety climate and turnover intention (Balogun, Andel & Smith, 2020); between safety climate and turnover intention (Balagun, Andel & Smith, 2020); between conflict and job

performance (Ye, Liu & Gu, 2019); and between bullying in the workplace and job performance (Arifin, Nirwanto & Manan, 2019). Therefore, job satisfaction can potentially mediate between leadership styles and organizational commitment. This relationship has not been examined in the literature. Thus, the following hypotheses were proposed:

**H8:** Job satisfaction mediates the relationship between charismatic leadership and organizational commitment.

**H9:** Job satisfaction mediates the relationship between transformational leadership and organizational commitment.

**H10:** Job satisfaction mediates the relationship between autocratic leadership and organizational commitment.

## 2.7 Research Framework



**Figure 2.1:** Research Framework

Figure 2.1 illustrates the research framework that was developed based on the proposed hypotheses. It incorporates five variables. The independent variables are charismatic leadership, transformational leadership, autocratic leadership, and job

satisfaction, while the dependent variable is organizational commitment. Job satisfaction is assigned as the mediator. The research framework illustrates four paths. The first path is the factors (charismatic leadership, transformational leadership, autocratic leadership) that influence job satisfaction. The second path is the factors (charismatic leadership, transformational leadership, autocratic leadership) that influence organizational commitment. The third path is the effect of job satisfaction on organizational commitment. The fourth path shows job satisfaction as a mediator between charismatic, transformational, and autocratic leadership styles with organizational commitment.

## **2.8 Chapter Summary**

This chapter has reviewed the literature related to organizational commitment, covering its concept, theories, and significance. Then, the chapter explains the underpinning theories and the determinants of organizational commitment. It has also developed the research hypotheses based on previous studies. Finally, the chapter illustrates the proposed relationships with a research framework. Chapter 3 provides a detailed discussion about the methodological aspect of this study.