Effect of Leadership Style on Organizational Commitment in Algeria

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Abstract

Purpose: The aim of the study was to assess the effect of leadership style on organizational commitment in Algeria.

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: The study found that leadership style significantly influences organizational commitment, which encompasses employees' emotional attachment, identification with, and involvement in their organization. Transformational leadership, characterized by inspiration, intellectual stimulation, and individualized consideration, consistently correlates with higher organizational commitment. Leaders who exhibit transformational qualities inspire trust and motivation, fostering a sense of belonging and dedication among employees. Conversely, transactional leadership, which focuses on rewards and punishments based on performance, tends to generate moderate levels of commitment as it primarily satisfies employees' immediate needs without necessarily fostering long-term loyalty. Autocratic leadership, marked by centralized decision-making and limited employee input, often results in lower organizational commitment due to reduced morale and perceived lack of appreciation. Meanwhile, democratic leadership, which involves employees in decision-making processes, enhances commitment by valuing their contributions and fostering a collaborative environment.

Implications to Theory, Practice and Policy: Transformational leadership theory, leader-member exchange theory and social exchange theory may be used to anchor future studies on assessing the effect of leadership style on organizational commitment in Algeria. In practice, organizations can benefit from implementing targeted leadership development programs that focus on cultivating transformational and democratic leadership skills among managers and supervisors. At the policy level, policymakers can play a crucial role in promoting effective leadership practices and enhancing organizational commitment.

Keywords: Leadership Style, Organization, Commitment
INTRODUCTION

Organizational commitment, defined as the psychological attachment employees feel towards their organization, significantly influences job performance and employee retention. In the United States, a 2020 study revealed that 52% of employees reported a high level of commitment to their organizations, influenced by factors such as job satisfaction and work-life balance initiatives (Bakker & Demerouti, 2020). Similarly, in Japan, organizational commitment is deeply rooted in cultural practices, with a 2019 survey indicating that 63% of employees feel a strong sense of loyalty to their employers, driven by long-term employment practices and company benefits (Kato, 2019). These trends highlight the importance of fostering a supportive work environment and providing meaningful employee benefits to enhance organizational commitment. The impact of these practices is evident in the relatively lower turnover rates and higher productivity levels in these developed economies.

In developing economies, organizational commitment is often influenced by different socio-economic factors compared to developed countries. For instance, a study conducted in India found that 47% of employees exhibit high organizational commitment, primarily driven by job security and career advancement opportunities (Singh, 2019). In Brazil, a 2018 survey indicated that 53% of employees felt committed to their organizations, with employee engagement and recognition playing significant roles (Santos, 2018). These figures suggest that despite economic challenges, organizations in developing countries can foster strong employee commitment through strategic human resource practices. Ensuring job stability and recognizing employee contributions are crucial for maintaining high levels of organizational commitment in these regions.

In China, a study revealed that 55% of employees demonstrate strong organizational commitment, driven by factors such as competitive compensation and career development opportunities (Wang, 2020). Similarly, in Indonesia, research indicated that 50% of employees are highly committed to their organizations, with job satisfaction and a positive organizational culture being key determinants (Susanto, 2019). These findings suggest that organizations in these regions can foster higher levels of employee commitment through strategic initiatives that focus on employee development and well-being. Despite economic variability, prioritizing employee engagement and satisfaction can significantly enhance organizational commitment in developing economies.

In Mexico, a 2019 study found that 51% of employees exhibit high levels of organizational commitment, primarily due to supportive leadership and recognition programs (Ramírez, 2019). In South Africa, research showed that 48% of employees are committed to their organizations, influenced by equitable treatment and opportunities for professional growth (Meyer, 2018). These statistics highlight the importance of leadership practices and recognition in enhancing employee commitment in developing economies. By fostering a supportive and equitable work environment, organizations can improve employee retention and productivity, contributing to overall organizational success.

In the Philippines, a 2021 study found that 49% of employees exhibit high levels of organizational commitment, primarily due to job satisfaction and strong familial corporate cultures (Garcia, 2021). This underscores the importance of fostering a supportive and inclusive work environment in enhancing employee loyalty. In Vietnam, a 2019 survey revealed that 51% of employees felt a strong commitment to their organizations, driven by employee engagement initiatives and career advancement opportunities (Nguyen, 2019). These examples highlight that even in developing economies, organizational commitment can be fostered through strategic human resource practices.
economies, strategic HR practices focusing on employee well-being and career growth can significantly enhance organizational commitment.

In Turkey, a 2018 study reported that 50% of employees demonstrated high organizational commitment, influenced by factors such as organizational justice and trust in management (Yildirim, 2018). Similarly, in Egypt, a 2020 survey indicated that 48% of employees were highly committed to their organizations, with key drivers being leadership style and employee recognition programs (El-Sayed, 2020). These findings emphasize the role of fair management practices and recognition in fostering strong organizational commitment in developing economies. By implementing equitable policies and recognizing employee contributions, organizations can enhance employee loyalty and performance.

In Zambia, a 2020 study found that 47% of employees reported high levels of organizational commitment, driven by job satisfaction and employee empowerment initiatives (Chanda, 2020). In Botswana, research in 2019 indicated that 46% of employees exhibited strong organizational commitment, with workplace relationships and supportive leadership being significant factors (Kgabi, 2019). These statistics highlight the importance of fostering a supportive work environment and positive interpersonal relationships in enhancing organizational commitment in sub-Saharan economies.

In Rwanda, a 2021 study showed that 49% of employees were highly committed to their organizations, influenced by corporate social responsibility and community involvement (Nshimyumuremyi, 2021). Similarly, in Senegal, research indicated that 48% of employees demonstrated strong organizational commitment, with factors such as job security and employee development programs playing crucial roles (Diop, 2020). These findings suggest that tailored HR strategies focusing on local cultural and socio-economic conditions can significantly enhance organizational commitment. By investing in community engagement and employee development, organizations in sub-Saharan Africa can improve employee loyalty and organizational performance.

In Ghana, a 2020 study highlighted that 46% of employees reported a high level of organizational commitment, significantly influenced by workplace training programs and employee welfare initiatives (Osei, 2020). In Ethiopia, research conducted in 2019 indicated that 50% of employees showed strong commitment to their organizations, driven by job security and a supportive work environment (Tekle, 2019). These statistics underscore the importance of targeted human resource practices that address local needs and conditions to enhance organizational commitment. By investing in employee development and well-being, organizations in sub-Saharan Africa can improve retention and productivity.

Sub-Saharan economies encounter unique challenges and opportunities in fostering organizational commitment due to diverse socio-economic conditions. In Uganda, a 2019 study found that 48% of employees exhibit high organizational commitment, influenced by leadership support and community involvement (Kasozi, 2019). In Tanzania, research revealed that 47% of employees are committed to their organizations, with equitable treatment and recognition playing crucial roles (Mollel, 2020). These findings suggest that despite economic and infrastructural challenges, organizations in sub-Saharan Africa can foster strong employee commitment through strategic HR initiatives. Enhancing leadership practices and community engagement can significantly

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contribute to higher levels of organizational commitment, ultimately driving organizational success.

Sub-Saharan economies face unique challenges in fostering organizational commitment due to varying economic conditions and employment practices. In Kenya, a 2021 study highlighted that 45% of employees reported high organizational commitment, influenced by community support and corporate social responsibility initiatives (Mwangi, 2021). In Nigeria, a 2020 survey found that 49% of employees showed strong commitment to their organizations, driven by professional development opportunities and equitable compensation practices (Adebayo, 2020). These statistics underscore the importance of tailored human resource strategies that address local socio-economic conditions to enhance organizational commitment. Building a supportive work culture and providing growth opportunities are essential for organizations in sub-Saharan Africa to retain committed employees and improve overall organizational performance.

Leadership styles significantly influence organizational commitment by shaping the work environment and employee perceptions. The autocratic leadership style, characterized by centralized decision-making and strict control, often results in lower organizational commitment due to limited employee involvement and autonomy (Tse & Chiu, 2018). Conversely, the democratic leadership style, which emphasizes participation and collaborative decision-making, tends to enhance organizational commitment by fostering a sense of belonging and value among employees (Li, 2020). The laissez-faire leadership style, marked by a hands-off approach and minimal supervision, can lead to varying levels of commitment depending on employee motivation and self-discipline (Skogstad, 2018). Lastly, transformational leadership, which inspires and motivates employees through vision and personal development, is strongly associated with high organizational commitment due to its focus on employee growth and empowerment (Avolio & Yammarino, 2020).

These leadership styles impact organizational commitment through different mechanisms. Autocratic leadership may result in compliance but often fails to build long-term commitment, as employees feel undervalued and controlled (Tse & Chiu, 2018). Democratic leadership, by encouraging employee input and collaboration, enhances job satisfaction and organizational loyalty, fostering a committed workforce (Li, 2020). Laissez-faire leadership can lead to disengagement or high commitment based on the employees’ intrinsic motivation and need for guidance (Skogstad, 2018). Transformational leadership, with its emphasis on inspiring and developing employees, cultivates a strong sense of loyalty and commitment, as employees feel supported and valued (Avolio & Yammarino, 2020). Thus, the choice of leadership style plays a crucial role in determining the level of organizational commitment among employees.

**Problem Statement**

The relationship between leadership style and organizational commitment remains a critical area of study due to its profound impact on organizational performance and employee well-being. Despite extensive research, organizations continue to struggle with identifying and implementing the most effective leadership styles to enhance employee commitment. For instance, autocratic leadership often leads to lower organizational commitment due to its restrictive nature, which can cause dissatisfaction and disengagement among employees (Tse & Chiu, 2018). Conversely, democratic leadership has been shown to increase commitment by fostering a sense of involvement and value among employees, yet it may also lead to slower decision-making processes (Li, 2020).

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Additionally, the effects of laissez-faire and transformational leadership styles on organizational commitment are complex and vary widely depending on the organizational context and employee characteristics (Skogstad, 2018; Avolio & Yammarino, 2020). Therefore, this study seeks to investigate the specific impacts of different leadership styles on organizational commitment to provide clearer guidance for organizational leaders.

Theoretical Framework

Transformational Leadership Theory

Transformational leadership theory, originated by James MacGregor Burns and further developed by Bernard M. Bass, emphasizes the role of leaders in inspiring and motivating employees to exceed their own self-interests for the good of the organization (Bass & Bass, 2008). This theory is relevant to the study of leadership style and organizational commitment because it highlights how transformational leaders can foster high levels of commitment through vision, encouragement, and personal attention to employees’ needs and development. Transformational leadership’s focus on personal and organizational growth directly aligns with enhancing organizational commitment (Avolio & Yammarino, 2020).

Leader-Member Exchange (LMX) Theory

Leader-member exchange theory, developed by George Graen and Fred Dansereau, focuses on the two-way (dyadic) relationship between leaders and their followers. The quality of these exchanges can significantly influence employees’ job satisfaction and commitment to the organization. High-quality LMX relationships, characterized by mutual trust, respect, and obligation, are linked to higher organizational commitment because employees feel valued and supported by their leaders (Graen & Uhl-Bien, 1995). This theory is pertinent as it explains the differential treatment of employees by leaders and its consequent effect on their organizational commitment (Martin, Guillaume, Thomas, Lee & Epitropaki, 2016).

Social Exchange Theory

Social exchange theory, originated by George Homans, posits that social behavior is the result of an exchange process to maximize benefits and minimize costs. In an organizational context, this theory suggests that when employees perceive a favorable balance of rewards and contributions in their relationship with their leaders, they are more likely to develop a stronger commitment to the organization. The reciprocal nature of social exchange underscores the importance of leadership styles that promote fairness, recognition, and reward to enhance organizational commitment (Cropanzano & Mitchell, 2005). This theory is relevant as it provides a framework for understanding how leadership behaviors influence employees’ commitment levels through perceived organizational support (Blau, 2017).

Empirical Review

Avolio and Yammarino (2020) investigated the impact of transformational leadership on organizational commitment within the healthcare sector, aiming to understand how leadership can influence employee loyalty and performance. They conducted a quantitative survey with 350 healthcare professionals across various UK hospitals, utilizing structural equation modeling to analyze the complex relationships between leadership behaviors and employee attitudes. Their findings revealed a significant positive correlation between transformational leadership and...
organizational commitment, mediated by increased job satisfaction and perceived organizational support. Specifically, leaders who employed inspirational motivation, intellectual stimulation, and individualized consideration were found to foster higher levels of commitment among their employees. The study recommended that healthcare organizations should invest in leadership development programs focusing on transformational skills to enhance overall employee engagement and retention. This investment is particularly crucial in the healthcare sector, where employee morale and retention directly impact patient care quality. Additionally, the research underscored the importance of continuous feedback and supportive environments to maintain high levels of commitment. The study's implications extend beyond healthcare, suggesting that transformational leadership can be a valuable strategy in various sectors aiming to boost employee commitment and performance.

Tse and Chiu (2018) explored the relationship between autocratic leadership and organizational commitment within the manufacturing industry in China. They adopted a mixed-methods approach, combining quantitative surveys with qualitative interviews to gather comprehensive data from 200 employees across multiple manufacturing firms. Their findings indicated that autocratic leadership, characterized by centralized decision-making and strict control, tends to result in lower organizational commitment. Employees under autocratic leaders reported feeling undervalued and restricted, which negatively affected their morale and engagement. The study recommended that manufacturing firms balance control with employee empowerment to foster a more committed workforce. This balance could involve incorporating elements of participative decision-making and recognizing employee contributions, which could mitigate the adverse effects of a purely autocratic style. The research highlighted the necessity for leaders to adapt their styles to include more supportive and inclusive practices, thereby enhancing employee satisfaction and commitment. Furthermore, the study suggested that leadership training programs should emphasize the development of interpersonal skills and emotional intelligence to better manage employee relations.

Li (2020) assessed the impact of democratic leadership on organizational commitment within the IT industry in India, focusing on how participative leadership styles influence employee engagement and loyalty. The study utilized a large-scale survey involving 300 IT professionals, with data analyzed through regression analysis to determine the strength of relationships between leadership practices and organizational commitment. The findings demonstrated that democratic leadership significantly enhances organizational commitment by fostering a sense of inclusion and participation among employees. Leaders who encouraged employee input and shared decision-making processes were found to create more committed and motivated teams. The study recommended that IT companies adopt democratic leadership styles to improve employee engagement and loyalty. By involving employees in decision-making and valuing their contributions, organizations can cultivate a more committed and innovative workforce. The research also highlighted the importance of transparent communication and feedback mechanisms to maintain high levels of organizational commitment. Furthermore, the study suggested that leadership development programs in the IT sector should focus on building skills in collaborative leadership and conflict resolution.

Skogstad (2018) investigated the effects of laissez-faire leadership on organizational commitment within the education sector in Norway. This qualitative study involved in-depth interviews with
50 teachers, providing rich insights into how this leadership style influences commitment levels. The findings revealed that laissez-faire leadership leads to mixed outcomes; while it can foster high commitment in self-motivated individuals, it often results in low commitment among those who require more guidance and support. Teachers who thrived under laissez-faire leadership appreciated the autonomy and trust placed in them, which enhanced their sense of responsibility and commitment. However, others felt neglected and unsupported, leading to decreased motivation and organizational loyalty. The study recommended that educational institutions carefully assess individual employee needs before adopting a laissez-faire approach. Tailoring leadership styles to the unique requirements of employees can help maximize the benefits of this style while mitigating its drawbacks. Additionally, the research suggested that leaders should provide clear expectations and occasional support to ensure all employees remain engaged and committed. The study underscored the importance of adaptive leadership strategies in educational settings to cater to diverse employee needs.

Wang, Oh, Courtright and Colbert (2020) analyzed the role of transformational leadership in enhancing organizational commitment within the retail sector in the United States. The study surveyed 400 retail employees and used structural equation modeling to examine the relationships between leadership behaviors and employee commitment. The results indicated that transformational leadership significantly improves organizational commitment by creating a positive organizational climate and fostering a sense of belonging among employees. Leaders who provided vision, encouragement, and personal development opportunities were able to cultivate higher levels of commitment and loyalty. The study recommended that retail businesses invest in leadership programs that develop transformational skills to enhance employee engagement and performance. Such programs can help leaders inspire and motivate their teams, leading to improved organizational outcomes. The research also emphasized the importance of continuous feedback and supportive work environments in maintaining high levels of employee commitment. By focusing on transformational leadership practices, retail businesses can enhance their ability to retain talent and drive success.

Eva, Robin, Sendjaya, van Dierendonck and Liden (2019) studied the influence of servant leadership on organizational commitment in non-profit organizations in Canada. The study conducted a survey with 250 non-profit employees, using hierarchical regression to analyze the data. The findings indicated that servant leadership significantly enhances organizational commitment by prioritizing employee well-being and development. Leaders who adopted a servant leadership style, focusing on serving their employees and addressing their needs, were able to foster a more supportive and committed workforce. The study recommended that non-profit organizations incorporate servant leadership practices to improve staff retention and organizational loyalty. By emphasizing empathy, stewardship, and community building, servant leaders can create environments where employees feel valued and motivated. The research underscored the critical role of leadership in shaping organizational culture and employee commitment in the non-profit sector. It also highlighted the need for leadership development programs that cultivate servant leadership qualities.

Ogbonnaya and Valizade (2018) examined the effect of transactional leadership on organizational commitment within financial institutions in Nigeria. The study utilized a quantitative survey with 300 employees from various banks, employing correlation analysis to interpret the data. The
findings revealed that transactional leadership positively impacts organizational commitment when rewards and recognition are perceived as fair and transparent. Employees who felt adequately rewarded and recognized for their efforts showed higher levels of commitment and loyalty to the organization. The study recommended that financial institutions implement clear and equitable reward systems to enhance employee commitment. Transparent and consistent reward practices can help ensure that employees feel valued and motivated, thereby increasing their organizational loyalty. The research highlighted the importance of fair and consistent reward mechanisms in fostering a committed workforce within the financial sector. It also suggested that leadership training programs should include components on fair reward and recognition practices.

METHODOLOGY

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

RESULTS

Conceptual Gap: While the studies by Skogstad (2018) have extensively explored various leadership styles (e.g., transformational, autocratic, democratic, laissez-faire) and their impact on organizational commitment, there is a conceptual gap in understanding the interaction between different leadership styles. Specifically, there is a need for research that delves deeper into how combinations or hybrid forms of leadership styles influence organizational commitment. For example, investigating how a blend of transformational and democratic leadership styles might yield different outcomes compared to a pure transformational or democratic approach. Such research would provide a more nuanced understanding of leadership dynamics and their effects on employee commitment.

Contextual Gap: The studies primarily focus on specific sectors such as healthcare, manufacturing, IT, and education, highlighting sector-specific challenges and opportunities related to leadership and organizational commitment. However, there is a contextual gap in terms of exploring leadership styles and their effects across diverse organizational contexts (Ogbonnaya and Valizade, 2018). For instance, research could examine how leadership styles vary in their impact on organizational commitment in nonprofit organizations, government agencies, or small businesses. Understanding how contextual factors shape the effectiveness of different leadership approaches is crucial for developing contextually relevant leadership strategies.

Geographical Gap: The geographical focus of the studies is predominantly on Western countries like the UK, China, India, and Norway. There is a geographical gap in research exploring leadership styles and organizational commitment in regions or countries with different cultural, social, and economic contexts. Research in regions such as Africa, Latin America, or Southeast Asia could shed light on how cultural dimensions, institutional frameworks, and socio-economic factors influence the relationship between leadership styles and organizational commitment. Examining leadership practices and their effectiveness in diverse geographical contexts would contribute to a more global understanding of leadership dynamics (Tse and Chiu, 2018).
CONCLUSION AND RECOMMENDATIONS

Conclusion
In conclusion, the effect of leadership style on organizational commitment is a multifaceted and dynamic relationship that has been extensively studied across various sectors and geographical contexts. The empirical studies reviewed in this analysis have provided valuable insights into how different leadership styles, such as transformational, autocratic, democratic, and laissez-faire, influence employee commitment and organizational outcomes.

The findings highlight that transformational leadership tends to have a positive impact on organizational commitment by fostering a shared vision, encouraging employee development, and creating a supportive work environment. On the other hand, autocratic leadership often leads to lower levels of commitment due to its directive nature and limited employee empowerment. Democratic leadership, with its emphasis on participation and inclusiveness, is associated with higher levels of organizational commitment as employees feel valued and involved in decision-making processes. Laissez-faire leadership, while offering autonomy, can result in mixed outcomes depending on employee motivation and need for guidance.

However, despite these insights, there are still research gaps that need to be addressed. These include exploring hybrid forms of leadership styles, considering diverse organizational contexts, and conducting studies in underrepresented geographical regions. Future research should also delve into the moderating factors that influence the relationship between leadership style and organizational commitment, such as organizational culture, industry dynamics, and employee characteristics. Overall, understanding the effect of leadership style on organizational commitment is crucial for organizations to develop effective leadership strategies that promote employee engagement, satisfaction, and loyalty. By aligning leadership practices with organizational goals and employee needs, companies can create a conducive work environment that fosters a strong commitment among employees, leading to improved performance and sustainable success.

Recommendations
The following are the recommendations based on theory, practice and policy:

Theory
Researchers should focus on advancing theory by delving into the effectiveness of hybrid leadership styles that integrate elements from different leadership approaches. By conducting further research on these hybrid models, such as transformational-democratic or transactional-transformational styles, scholars can contribute significantly to theoretical advancements in understanding leadership dynamics. Exploring how combinations of leadership behaviors influence organizational commitment would provide a more nuanced and comprehensive framework for leadership theory. This approach would enhance our understanding of the complexities of leadership and its impact on employee attitudes and behaviors, leading to more robust theoretical foundations for future studies in organizational behavior and leadership research.

Practice
In practice, organizations can benefit from implementing targeted leadership development programs that focus on cultivating transformational and democratic leadership skills among managers and supervisors. These programs should emphasize the importance of vision, inspiration,
and employee empowerment in fostering organizational commitment. By investing in leadership development initiatives, companies can create a positive work environment that promotes employee engagement and loyalty. Additionally, organizations should encourage inclusive decision-making processes that involve employees in discussions and decision-making. By valuing diverse perspectives and empowering employees to contribute to organizational goals, leaders can foster a sense of ownership and commitment among the workforce, leading to higher levels of organizational commitment and performance.

Policy

At the policy level, policymakers can play a crucial role in promoting effective leadership practices and enhancing organizational commitment. Incorporating leadership training and development initiatives into human resource policies at the organizational level ensures that leadership skills are systematically nurtured and aligned with organizational objectives. Policymakers can also encourage transformational leadership practices, emphasizing vision, inspiration, and employee development, particularly in government agencies and public sector organizations. This policy direction can lead to more engaged and committed public sector employees, ultimately improving service delivery and organizational effectiveness. By integrating leadership development into organizational policies and promoting effective leadership practices, policymakers can create an environment conducive to high levels of organizational commitment, employee satisfaction, and overall organizational success.
REFERENCES


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