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Leadership: Implications for Organizational Commitment and Performance**



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## Comparing Leader and Follower Perceptions of Transformational Leadership: Implications for Organizational Commitment and Performance.

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### Abstract

**Purpose:** The transformational leadership paradigm has been a focal point in organizational research, but a critical methodological question remains: whose perception of transformational leadership should be relied upon for accurate evaluation? This study addresses this question by examining the differences that arise depending on whether the leader's or their followers' assessment of the leader's transformational leadership is used.

**Methodology:** Transformational leadership behaviour (TLB) perception data were collected from both leaders (n=372) and their followers (n=892) to analyze its impact on organizational commitment (OC) and organizational performance (OP). Structural equation modeling was employed to reveal the impact of TLB on OP from both leader and follower perspectives.

**Findings:** Both leader and follower perception models exhibit a significant positive effect of TLB on OP. However, the mechanisms differ substantially. In the follower perception model, the impact of TLB on OP is almost entirely mediated through OC. Conversely, in the leader perception model, the impact of TLB on OP is split between the direct effect of TLB on OP and the mediated effect through OC on OP.

**Unique Contribution to Theory, Practice, and Policy:** These findings have significant implications for interpreting past research on transformational leadership and future methodologies. The study contributes to the literature by offering a comprehensive understanding of the relationships between TLB, OC, and OP, particularly in the public sector, utilizing a large-scale sample.

**Keywords:** *Transformational Leadership Behaviors, Organizational Commitment, Organizational Performance, Leader-Follower Dyad*

## Introduction

In today's global economy, employee attitudes and behaviours are pivotal to an organization's success. One key aspect, organizational commitment, reflects employees' identification with, involvement in, and willingness to exert effort for their organization (Meyer & Allen, 1991). High organizational commitment is linked to superior performance and critical organizational outcomes, such as reduced turnover, increased altruistic behaviours, and reduced job (e.g., De Gieter et al., 2011; Mowday et al., 1974; Wasti, 2005). Furthermore, transformational leadership behaviors (TLB) positively influence organizational commitment (e.g., Avolio et al., 2004; Bono & Judge, 2003; Emery & Barker, 2007; Koh et al., 1995; Walumbwa et al., 2005).

While extensive research exists on the antecedents and consequences of organizational commitment (e.g., Iordanoglou, 2007; Meyer et al., 2002; Riketta, 2002; Wright & Bonett, 2002), gaps remain. One key gap is that many studies examine either leader or follower perceptions of transformational leadership in isolation. These perceptions can differ due to various follower characteristics, such as romanticizing leadership (Meindl et al., 1985) and the need for leadership (Felfe & Schyns, 2006). Studies show that individuals with a high tendency to romanticize leadership perceive leaders as more charismatic (e.g., Awamleh & Gardner, 1999). Followers with a high need for charismatic leadership tend to perceive their leaders as more transformational (e.g., De Vries, 1999; De Vries et al., 2002). This study aims to expose differences resulting from using either leaders' or followers' perceptions of transformational leadership in relation to organizational commitment and performance. Integrating both leader and follower responses into the same analysis is rare but considered superior (Favero et al., 2018; Jacobsen & Andersen, 2015; Muterera et al., 2018). Research linking TLB, organizational commitment (OC), and organizational performance (OP) in a single model is scarce. Steyrer et al. (2008) found correlations between leadership, organizational commitment, and performance in German companies, suggesting organizational commitment may mediate between leadership and performance. However, their study's small sample size (n=78) and reliance on leaders' estimates of OC raise concerns about generalizability and bias. This study addresses these gaps by using a large-scale sample (n=1,264) and gathering OC data from employees.

This study examines the relationship and relative contributions of TLB and OC to OP. Data on TLB was collected from the organization's chief executive and one to three direct followers. The chief executive provided data on OP, while followers provided data on OC. Having data from both sides of the leader-follower dyad allows for a comprehensive examination of these relationships.

## Theoretical Model and Literature Review

This study focuses on three constructs: transformational leadership behaviors (TLB), organizational commitment (OC), and organizational performance (OP). These constructs form the basis of the theoretical model illustrated in Figure 1: Structural Model and Hypotheses.

As depicted in the figure, the first hypothesis (H1) posits that transformational leadership behaviors lead to increased organizational commitment, represented by the arrow between TLB and OC. This hypothesis will be tested in each of the three models presented in the results section.

The second hypothesis (H2) concerns the impact of transformational leadership behaviors on organizational performance, represented by the arrow between TLB and OP. This hypothesis takes into account the direct effect of TLB on OP, as well as the indirect effect mediated through OC.

Finally, the third hypothesis (H3) examines the impact of organizational commitment on organizational performance, represented by the arrow between OC and OP. This hypothesis will also be tested in each of the three models in the results section. The following sections provide a comprehensive explanation of the key constructs in the theoretical model.

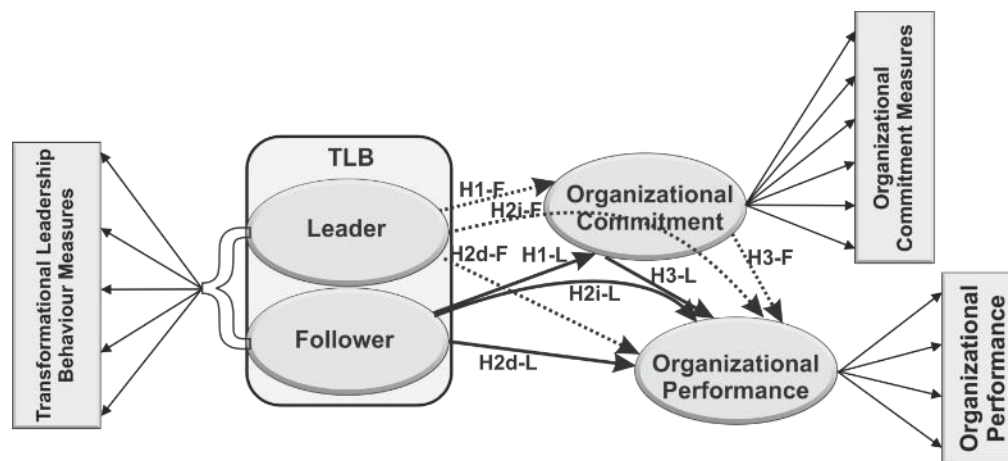


Figure 1: Structural Model and Hypotheses

### Transformational Leadership Behaviours (TLB)

Transformational leadership is defined by (Bass, 1985) as a leadership style where the leader possesses certain qualities that inspire followers to commit to organizational goals and perform beyond expectations. The five characteristics of transformational leadership behaviours (TLB), as operationalized by (Bass & Avolio, 2004) include Idealized Influence (attributed) (IIA), Idealized Influence (behaviour) (IIB), Inspirational Motivation (IM), Intellectual Stimulation (IS), and Individualized Consideration (IC). IIA refers to a follower's perception of the leader's traits, evoking trust and respect. IIB refers to the leader's charismatic actions that cause followers to act for the organization. IM refers to the leader's use of emotional appeals, symbols and communication to motivate and inspire followers. IS refers to the leader's use of intelligence, creativity and rationality to solve problems. IC refers to the leader's attention to followers' needs and provision of a supportive environment. However, a study by (Van Knippenberg & Sitkin, 2013) criticized TLB research for shortcomings in definition, conceptualization, and its

relationship to other variables. Despite the criticisms, transformational leadership remains the most extensively studied leadership theory (Bass & Riggio, 2006).

### **Organizational Commitment (OC)**

Organizational commitment has been viewed and quantified in several ways throughout social science, with numerous definitions having been identified. For instance, Mowday et al. (2013) found as many as ten different definitions of organizational commitment, and Morrow (1983) listed over twenty-five different concepts and measures relating to commitment in literature. Despite these various interpretations, they can be categorized into three main themes: normative commitment, continuance commitment, and affective commitment (as proposed by Allen and Meyer (1990); Meyer and Allen (1991)). Normative commitment refers to an individual's sense of moral duty to remain employed by the organization (Allen & Meyer, 1990). This means that employees with high normative commitment believe that staying with the company is the correct and ethical thing to do. Continuance commitment stems from an employee's awareness of the consequences of leaving work (Allen & Meyer, 1990). For example, an employee may be committed to the organization if they are making a profit or if the costs of leaving the organization are too high. Lastly, affective commitment refers to the degree to which an individual identifies with and is involved in the organization (Mowday et al., 2013). While the literature acknowledges these three broad conceptualizations of commitment, affective commitment is the most widely studied and prevalent form of commitment, particularly in the public sector (Allen & Meyer, 1996; Liou & Nyhan, 1994; Romzek, 1989, 1990). Kim (2005) found that public employees' commitment primarily stems from their emotional connection to and involvement in their public organizations. Similarly, Romzek (1990) stated that employees who feel committed to their agency do not make decisions based on what they have invested or what they may gain or lose. Instead, they continue working for an organization that aligns with their values, giving them a sense of personal satisfaction. Therefore, this study will concentrate on the affective aspect of organizational commitment.

### **Organizational Performance (OP)**

Many researchers have been focused on determining the ideal definition and measurement of performance in organizations. This has led to a vast amount of work on the topic, but also a multitude of conflicting definitions and models of organizational effectiveness (Quinn & Rohrbaugh, 1981, 1983; Rainey & Steinbauer, 1999; Selden & Sowa, 2004; Steers, 1975). In government organizations, there is no single measure, such as profit, to assess performance. This is because there are multiple stakeholders, such as citizens, political leaders, appointed officials, interest groups, and employees, each with their own criteria for evaluating performance. This raises the two fundamental questions posed by Zammuto (1984): whose preferences should be satisfied and how to reach judgments of overall organizational effectiveness given the differing constituent preferences for performance. To address these questions, Quinn and Rohrbaugh (1981,

1983) developed the competing values framework for measuring organizational performance. This framework recognizes that organizations are faced with conflicting criteria for effectiveness from their multiple stakeholders. It is based on four dimensions of effectiveness: rational goal (RG), open system (OS), internal process (IP), and human relations (HR). RG assesses an organization's effectiveness based on its ability to achieve desired goals. OS defines effectiveness as an organization's ability to acquire and utilize resources from its environment to support its functioning. IP stresses the importance of stable, controlled, and continuous internal processes like information management and communication. HR suggests that organizations are effective if they foster employee development through participation, openness, and group cohesion.

### **Relationship between Transformational Leadership Behaviours and Organizational Commitment**

Transformational leadership has been shown to significantly impact the emotional aspect of organizational commitment (Avolio et al., 2004; Bono & Judge, 2003; Bycio et al., 1995; Emery & Barker, 2007; Koh et al., 1995; Walumbwa et al., 2005). For instance, a study on hospital registered nurses found that transformational leadership positively affects affective commitment (Bycio et al., 1995). Other studies in education (Koh et al., 1995) and banking (Walumbwa et al., 2005) also support these findings. Specifically, within the public administration domain, other studies (e.g., Alharafsheh et al., 2023; Harb et al., 2021) have found a positive relationship between transformational leadership and commitment. Based on this research, the hypothesis is:

*H1: Transformational leadership has a positive impact on organizational commitment.*

### **Relationship between Transformational Leadership Behaviours and Organizational Performance**

Boyne (2003) reviewed the literature on organizational performance in government organizations and found that a few studies (Brewer & Selden, 2000; Meier & O'Toole Jr, 2002; Zigarelli, 1996) have established the relationship between leadership and organizational performance. Other studies have linked transformational leadership to organizational performance in local governments (Muterera, 2012), education (Avolio, Waldman, & Einstein, 1988), the financial sector (Geyer & Steyrer, 1998), Russian companies (Elenkov, 2002), and 170 companies in Singapore (Zhu et al., 2005). More recently, other studies have found that transformational leadership style improves organizational performance within the public sector (e.g., Asefa et al., 2023; Chau et al., 2022). Based on this literature, the hypothesis is:

*H2: Transformational leadership has a positive impact on organizational performance.*

### **Relationship between Organizational Commitment and Organizational Performance**

Organizational commitment of followers has a strong impact on organizational effectiveness. Previous studies show a connection between high levels of organizational commitment and high

levels of organizational performance (Conway & Briner, 2012; Kim, 2005; Meyer et al., 1989; Mowday et al., 1974; Somers & Birnbaum, 2000). For instance, Kim (2005) found that employees in the public sector who were emotionally committed to their organization also positively impacted its performance. This relationship has also been confirmed in other sectors such as health public sector (Somers & Birnbaum, 2000), private (Meyer et al., 1989), and banking (Mowday et al., 1974). Overall, followers who are dedicated to the organization are more likely to enhance its effectiveness. Therefore, the following hypothesis is proposed:

*H3: There is a positive relationship between organizational commitment and organizational performance.*

## **Methods**

### **Research Design and Participant**

The research design of this study is cross-sectional and descriptive. It examines the dynamics between chief executive officers (CEOs) and their direct reports within county governments in the United States at a single point in time. The study uses survey data from leaders and followers to measure constructs such as transformational leadership behaviours, organizational commitment, and organizational performance. The sample was drawn from 1,364 county governments, utilizing the National Association of Counties (NACo) database, and employed a combination of online and mail surveys to ensure a high response rate. The study emphasizes reducing common source bias by measuring variables from independent sources and employing strategies to assess and mitigate bias. A power analysis guided the sampling, achieving a 30.5% response rate from CEOs ( $n = 416$ ) and a 69.9% engagement rate from direct reports ( $n = 892$ ).

Most participants were male, with most leaders appointed county executives and direct reports serving as directors or department heads. Leaders' and direct reports' tenures ranged from one to ten years, with educational backgrounds predominantly at the bachelor's level or higher. To measure performance, the study used self-reported measures, independent sources for related variables, and specific questions to reduce common source bias and overestimations and empirically assessed any present biases.

### **Measurement of Model Constructs**

*Transformational Leadership Behaviours:* The study used 20 items from the Multifactor Leadership Questionnaire (MLQ) 5x Short to measure transformational leadership (Bass & Avolio, 1996). Leaders and followers rated the frequency of these behaviours on a five-point Likert scale. For example, leaders rated statements like "I instill pride in others," while followers rated their leaders on similar items. Followers' responses were averaged to ensure high agreement, with a strong inter-follower correlation ( $r = .93$ ,  $p < .01$ ). This instrument has been widely used and is

a standard in collecting information on leadership styles (Antonakis et al., 2003; Julian Barling et al., 1996; Gardner & Stough, 2002).

*Organizational Commitment:* OC was measured using the Affective Commitment Scale (ACS) by Allen and Meyer (1990). Followers were asked to rate their level of commitment to the organization on a five-point Likert scale ranging from "strongly disagree" to "strongly agree." To ensure a high level of agreement among the responses of the followers, data for organizational commitment was averaged after calculating the inter-follower correlation. The average inter-follower correlation for the organizational commitment construct was found to be strong with a correlation coefficient of  $r = .78$  ( $p < .01$ ).

*Organizational Performance:* Organizational performance (OP) was assessed using a 16-item questionnaire developed by Quinn (1988), which is based on the well-established competing values framework. This framework measures effectiveness across four approaches: rational goal, open systems, internal process, and human resource models. Leaders provided self-reported estimates of OP, aligning with previous research practices due to the challenge of obtaining objective data in public organizations (e.g., Botti et al., 2018; Chun & Rainey, 2005; Kalliath et al., 1999).

## Results

### Self-Estimates and Common Source Variance

To address concerns about overestimating self-reports and common source bias among variables, comparisons of estimates from the two different sources (leaders and followers) were undertaken. With respect to the overestimation of leader's transformational leadership scales, the averages of the overall scale, as well as each of the four subscales, were examined. The means of TLB for the leaders were as follows: IIA-L  $\bar{x} = 3.38$ , IIB-L  $\bar{x} = 3.65$ , IM-L  $\bar{x} = 3.53$ , IS-L  $\bar{x} = 3.50$ , IC-L  $\bar{x} = 3.57$ . The means for the TLB estimated by the follower were as follows: IIA-F  $\bar{x} = 3.77$ , IIB-F  $\bar{x} = 3.87$ , IM-F  $\bar{x} = 3.83$ , IS-F  $\bar{x} = 3.87$ , IC-F  $\bar{x} = 3.78$ . A t-test was used to test differences in the means for each pair of subscales as well as the overall measure, and in each case the TLB estimates of the followers were significantly higher ( $p < .05$ ) than the estimates provided by the leaders of their own TLB (e.g., IIA-L  $\bar{x} = 3.38$  vs. IIA-F  $\bar{x} = 3.77$ ). Thus, the overestimation of performance by leaders on the estimation of transformational leadership does not seem to be an issue. To examine concerns of common source bias (common variance error introduced by using a single source) we examined the correlation between the leader's and the follower's estimate of the leader's transformational leadership behaviours with the leader's estimate of organizational performance (if common source variance is a problem one would expect the leader bias in both estimates which would result in a higher correlation). Examining the results presented in Table 1 shows that the correlation between the leader's estimate of their own TLB and OP was significant ( $r = .37$ ,  $p < .05$ )



and similarly the correlation between the follower's perception of the leader's TLB and OP was also significant ( $r=.40, p<.05$ ). Since the magnitude of the correlation with respect to the follower's estimation was higher than the correlation based on the leader's estimates, common source bias does not appear to be a significant problem with. However, when we examine H1, the relationship between TLB and OC, there may be an effect of common source bias in the follower model. When we examine the correlation between these two constructs, we find that in the leader model the correlation (as seen in Table 1) is  $r=.21, p<.05$  whereas in the follower model, the correlation is  $r=.84, p>.05$ . A portion of this large discrepancy could be due in part to common source bias in the follower model where both TLB and OC are estimated by the followers in contrast to the leader model where TLB is estimated by the leaders. Thus, caution may be warranted when using a single-source survey methodology, as is common in public administration research.

To further explore any impacts of common method bias, we followed the prescriptions of Podsakoff et al. (2003) that the survey be anonymous and the measurement of the endogenous and exogenous variables be separated psychologically. Harman's single-factor test and a common latent factor were used to test for common method variance. The bias of the common method should be a challenge if only a single factor emerges or the first factor with the largest eigenvalue represents a significant amount (more than 50%) of the obtained variance.

With respect to hypothesis H1-F where the followers estimated both the TLB and OC, Harman's single factor test of common method bias found that the first component had an eigenvalue (11.603), explains approximately 44.6% of the total variance, which is significantly less than 50% of the obtained variance. In addition, all these five extracted factors could explain nearly 70.5% of the total variance. Next, hypothesis H2d-F, where the leaders estimated their own TLB and OP, Harman's single factor test of common method bias found that the first component had an eigenvalue (12.284), explains approximately 34.123% of the total variance, which is significantly less than 50% of the obtained variance. In addition, all these eight extracted factors could explain nearly 74.995% of the total variance. The results of these two analyses provide additional confidence that common method bias is not a major concern in this study.

**Table 1.** Inter-scale Correlations for Both Leader and Follower Perception Models

	TLB-L				TLB-F		
	TLB	OC	OP		TLB	OC	OP
TLB	1			TLB	1		
OC	.21*	1		OC	.84*	1	
OP	.37*	.43*	1	OP	.40*	.43*	1

\* Significant  $p<.01$

## Construct Validation

To validate the theoretical models presented in Figures 2, 3, and 4, we conducted a comprehensive evaluation of the psychometric properties of the scales used to measure the three key constructs in our study: transformational leadership behavior (TLB), organizational commitment (OC), and operational performance (OP). This evaluation included inter-item and inter-scale correlations, reliability tests, confirmatory factor analysis (CFA) (Arnold et al., 1998), and convergent validity tests. The CFAs were performed using multiple fit criteria to assess the suitability of the measurement models (Arvey, Bouchard, Segal, & Abraham, 1989).

*Scale Reliability:* The scale reliability indicates the level of consistency and uniformity among the elements of a scale, and it is determined by using Chronbach's alpha (Bass & Avolio, 2004). The alpha values for transformational leadership behaviors were 0.95 for leaders and 0.93 for followers, while the alpha values for OC and OP were 0.94 and 0.91, respectively, showing a high level of internal consistency. The composite reliability of all three scales was above the recommended 0.70 threshold (Avolio et al., 1999), demonstrating the strong reliability of the scales used.

*Inter-item Inter-scale Correlations:* The inter-item scale and inter-scale correlations were calculated for each set of items within each of the three scales. For the three scales, all inter-items were significantly correlated within their corresponding scales ( $p < .05$ ). The average inter-item correlations for the three scales were: TLB leader at  $r = .80$ , TLB follower  $r = .72$ , OC at  $r = .74$ , and OP at  $r = .72$  which was above the recommended value of  $r = .3$  (Awamleh & Gardner, 1999), indicating a strong inter-relationship among the measurement variables for each of the three constructs. The inter-scale correlations were calculated using the SEM x-measurement model ( $p < .01$ ) and the pairs of constructs and their associated measurement variables. The average inter-scale correlations presented in Table 1 for the four scales was  $r = .44$ . As seen in Table 1, in both the TLB-L and TLB-F models, TLB was significantly correlated with OC  $r = .21$  and  $r = .84$  respectively (note the large difference in the magnitudes). With respect to the correlation between TLB-L and TLB-F with OP were also significant but much closer in magnitude at  $r = .37$  and  $r = .4$  respectively. The correlation between OC and OP was significant at  $r = .43$ . Additionally, the correlation between the TLB-L and TLB-F constructs from the two models was also calculated and found to be significant at  $r = .56$ .

*Inter-follower scale correlations:* As mentioned in the methods section, both OC and TLB were estimated by 1 to 3 followers, corresponding to each leader. To obtain an average measure of these followers' estimates of the leader's TLB and their own OC, we averaged each construct's measurement items (20 items for TLB and 6 items for OC) into a single measure for each construct (TLB and OC). Since there were 1-3 followers for each leader, the next step was to ensure that there was a high level of inter-follower concordance among followers' responses calculated above. With respect to organizational commitment the average of the inter-follower correlations was strong ( $r = .78$ ,  $p < .001$ ). Similarly, the average of the inter-follower correlations for the

transformational leadership behaviour construct was also strong ( $r = .93, p < .001$ ). Thus, because of this homogeneity among followers, we then were able calculate a single composite value for each TLB and OC, averaged across each leader's followers as presented in Table 2.

**Table 2:** Inter-scale Correlations and Assessment of Discriminant Validity of the Constructs

	Correlation	Chi-Square statistic		Difference	p-value
		Unconstrained model (d.f.)	Constrained model (d.f)		
TLB Leader with:					
Organizational Commitment	.21*	202.55 (43)	312.44 (44)	109.89	0.000
Organizational Performance	.37*	139.03 (26)	249.91 (27)	110.88	0.000
TLB Follower with:					
Organizational Commitment	.84*	122.14 (43)	219.02 (44)	97.17	0.000
Organizational Performance	.40*	74.03 (26)	201.31 (27)	127.28	0.000
Organizational Commitment with:					
Organizational Performance	.43*	89.56 (43)	175.56 (44)	86.00	0.000

Note: \* Correlation is significant at the  $\alpha = .05$  level (two-tailed)

*Convergent Validity - Confirmatory Factor Analysis:* Convergent validity is demonstrated when a set of alternative measures accurately represents the construct of interest (Avolio et al., 1999). For this study, convergent validity was assessed by reviewing the level of significance for the factor loadings. If all the individual item's factor loadings are significant, then the indicators are effectively measuring the same construct (Arnold et al., 1998). For each of the three constructs the CFAs indicated a good fit. Specifically; **TLB Follower:**  $\chi^2 = 2.83, df = 2, NFI=1.00, NNFI=1.00, CFI = 1.00, IFI=1.00, RFI=0.99$ , **TLB Leader:**  $\chi^2 = 0.99, df = 2, NFI=1.00, NNFI=1.00, CFI = 1.00, IFI=1.00=1.00, RFI=1.00$  **OP** --  $\chi^2=0.99, df=1, NFI=1.00, NNFI=1.00, CFI=1.00, IFI=1.00, RFI=1.00$ , **OC** --  $\chi^2=9.99, df=5, NFI=1.00, NNFI=1.00, CFI=1.00, IFI=1.00, RFI=.99$ . The fit indices for the CFA showed values above or equal to the recommended minimum levels ( $NFI>0.90, NNFI>0.90, CFI>0.90, IFI>.90, RFI>.90$ ). The standardized loadings for the indicators ranged between  $lx=0.60$  and  $lx=1.00$  and all were significant ( $t$ -values $>2.576; p<.01$ ). These results provide satisfactory evidence of convergent validity of the indicators used to measure the constructs in this study.

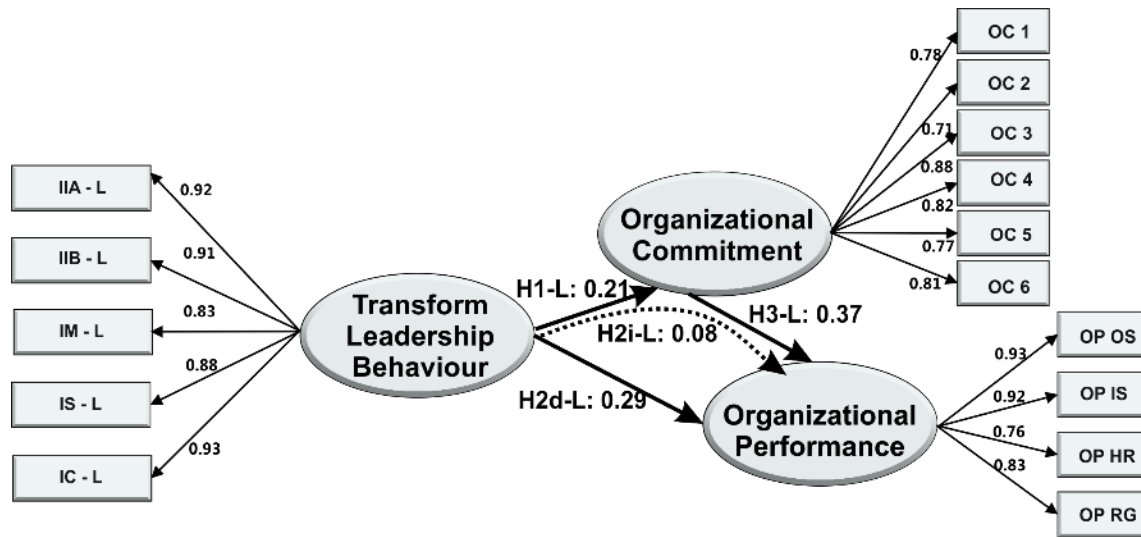


Figure 2: Leader Perception Model

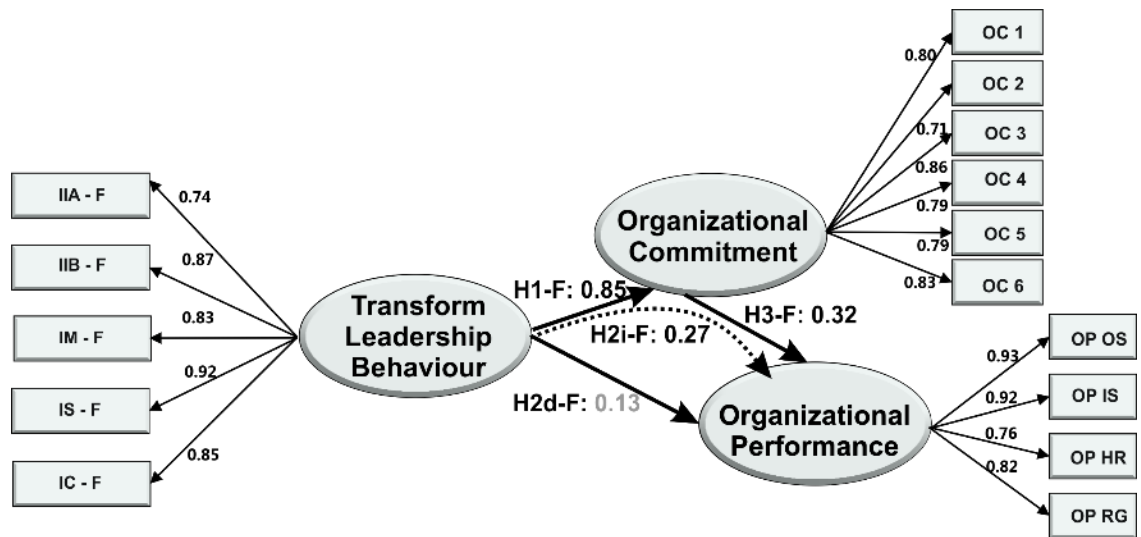


Figure 3: Follower Perception Model

Note: Values presented in grey are non-significant

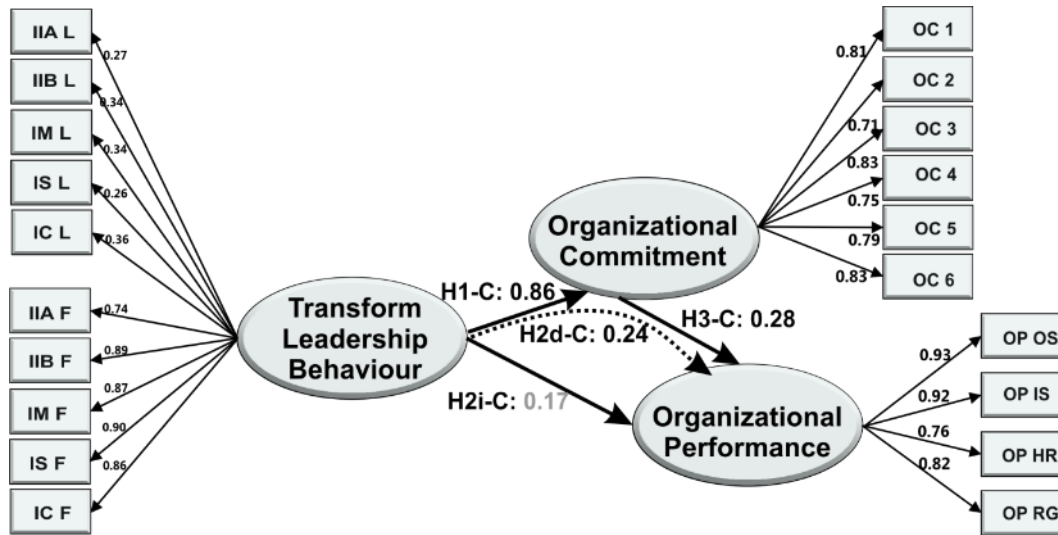


Figure 4: Consolidated Model

Note: Values presented in grey are non-significant

### Model and Hypotheses Testing

Prior to assessing the study’s hypotheses, the model’s overall fit must be established (Arvey et al., 1989). In all three of the models (leader and follower perception, consolidated models) the chi-square statistics were significant ( $p=.000$ ). However, the chi-square estimate has been shown to be oversensitive to small model discrepancies when sample sizes are larger than 200, or when the model contains a large number of variables (i.e., the model is complex) (Avolio et al., 1988; Bagozzi & Yi, 1988; Byrne, 1994). Thus, the fit indices need to be examined (J. Barling et al., 1996). With respect to the fit indices as presented in Table 3, the all three of the models had  $NFI>.90$ ,  $NNFI>.90$ ,  $CFI>.90$ ,  $RFI>.90$  which indicates that the models fit reasonably well (J. Barling et al., 1996).

**Table 3:** Fit statistics and parameter estimates of the leader perception, follower perception and consolidated structural equation models.

Model	TLB->OC	OC->OP	TLB->OP (direct)	TLB->OP (indirect)	TLB->OP (total)
Leader Perception	$\chi^2=139.66$ , $df=81$ , $p=.000$ , $NFI=0.98$ , $NNFI=0.99$ , $CFI=0.99$ , $IFI=0.99$ , $RFI=0.98$				
	$\gamma_1=0.21$ , $t=3.61$ , $p<.05$	$\beta_1=0.37$ , $t=5.44$ , $p<.05$	$\gamma_2=0.29$ , $t=4.98$ , $p<.05$	$\gamma_1\beta_1=0.08$ , $t=3.05$ , $p<.05$	Total=0.36, $t=6.04$ , $p<.05$
Follower Perception	$\chi^2=144.59$ , $df=81$ , $p=.000$ , $NFI=0.99$ , $NNFI=0.99$ , $CFI=0.99$ , $IFI=0.99$ , $RFI=0.98$				
	$\gamma_1=0.85$ , $t=13.55$ , $p<.05$	$\beta_1=0.32$ , $t=2.73$ , $p<.05$	$\gamma_2=0.13$ , $t=1.25$ , $p=.89$	$\gamma_1\beta_1=0.27$ , $t=2.83$ , $p<.05$	Total=0.40, $t=6.37$ , $p<.05$
Consolidated Model	$\chi^2=1156.40$ , $df=159$ , $p=.000$ , $NFI=0.92$ , $NNFI=0.92$ , $CFI=0.93$ , $IFI=0.93$ , $RFI=0.90$				
	$\gamma_1=0.86$ , $t=13.94$ , $p<.05$	$\beta_1=0.28$ , $t=2.29$ , $p<.05$	$\gamma_2=0.17$ , $t=1.57$ , $p<.05$	$\gamma_1\beta_1=0.24$ , $t=2.37$ , $p<.05$	Total=0.42, $t=$ , $p<.05$

Having established model fit, we can now look at the tests of the proposed hypotheses which are based on the direct and indirect effects of the structural model presented in Figures 2-4. The path coefficients between latent variables gives an indication of the relative strength of each relationship (Baron & Kenny, 1986). Each of the three hypotheses was tested at the significance level  $p<.05$ . All 15 measurement variables in the leader and follower perception models and all 20 in the consolidated model loaded significantly ( $p<.05$ ) on their respective constructs (TLB, OC, and OP), and their individual loadings can be seen in Figures 2-4.

The first hypothesis asserts that *transformational leadership behaviours have a positive direct impact on employee organizational commitment*. As seen in Table 3 and Figures 2-4, in each of the three models, (LP, FP and consolidated models) the path (standardized value) relating these two constructs was positive and significant. LP model  $\gamma_1=0.21$ ,  $t=3.61$ ,  $p<.05$ ; FP model  $\gamma_1=0.85$ ,  $t=13.55$ ,  $p<.05$  and consolidated model  $\gamma_1=0.86$ ,  $t=13.94$ ,  $p<.05$ . This provides strong evidence supporting hypothesis one and indicates that higher levels of transformational leadership behaviours would be reflected in higher levels of employee organizational commitment.

The second hypothesis states that *transformational leadership behaviours have a positive impact on organizational performance*. As seen in Table 3 and Figures 2-4, in each of the three models, (LP, FP and consolidated models) the path representing the total effect of TLB on OP was positive and significant. LP model standardized Total=0.36,  $t=6.04$ ,  $p<.05$ ; FP model standardized Total=0.40,  $t=6.37$ ,  $p<.05$  and consolidated model Total=0.42,  $t=6.77$ ,  $p<.05$ . This provides

strong evidence supporting hypothesis one and indicates that higher levels of transformational leadership behaviours would be reflected in higher levels of employee organizational performance. However, the way that this total effect was generated was completely different between the LP and FP/consolidated models. In the LP model the direct effect was significant  $\gamma_2=0.29$ ,  $t=4.98$ ,  $p<.05$  whereas in the FP and consolidated models is was non-significant  $\gamma_2=0.13$ ,  $t=1.25$ ,  $p=.89$  and  $\gamma_2=0.17$ ,  $t=1.57$ ,  $p<.05$ , respectively. However, with respect to the indirect effects, the LP model effect was much smaller  $\gamma_1\beta_1=0.08$ ,  $t=3.05$ ,  $p<.05$  where as both the FP and consolidated indirect effects were much larger at  $\gamma_1\beta_1=0.27$ ,  $t=2.83$ ,  $p<.05$  and  $\gamma_1\beta_1=0.24$ ,  $t=2.37$ ,  $p<.05$ , respectively. Thus, with respect to the impact of TLB on OP in the leader-perception model, the majority of the effect is direct whereas with the follower-perception/consolidated model, the majority of the effect is indirect and mediated through OC.

The third hypothesis asserts that *employee organizational commitment has a positive direct impact on organizational performance*. As seen in Table 3 and Figures 2-4, in each of the three models, (LP, FP and consolidated models) the path (standardized value) relating these two constructs was positive and significant. LP model  $\beta_1=0.37$ ,  $t=5.44$ ,  $p<.05$ ; FP model  $\beta_1=0.32$ ,  $t=2.73$ ,  $p<.05$  and consolidated model  $\beta_1=0.28$ ,  $t=2.29$ ,  $p<.05$ . This provides strong evidence supporting hypothesis one and indicates that higher levels of employee organizational commitment would be reflected in higher levels of organizational performance.

Finally, when we look at the x-measurement side (left side) of the consolidated model in Figure 4 we see that the loadings of the leader's perception of their own transformational leadership has lower loadings than the follower's perceptions. This difference was tested statistically by taking each pair (e.g., IIA L and IIA F) and equating (setting equal) their associated loadings and re-estimating the models. The difference between the chi-square of the equated (constrained) and unconstrained models were calculated (1 d.f.). For each pair of loadings, the chi-square differences were found to be significantly with the followers always being significantly higher. Thus, for each of the five measures of the follower estimates of the leaders' TLB, all were found to be significantly higher than the leaders' measures of their own TLB.

## Conclusion

The study achieved its four main objectives by testing three models representing the relationships among Transformational Leadership Behavior (TLB), Organizational Commitment (OC), and Organizational Performance (OP). The findings confirmed that TLB positively impacts OC across all models, positively affecting OP. Differences were observed in how TLB influences OP, with the follower-perception and consolidated models showing that TLB's impact on OP is primarily mediated through OC. In contrast, the leader-perception model indicated both direct and indirect effects. These results highlight the critical role of follower perceptions in understanding the impact of transformational leadership on organizational outcomes.

This research addresses the gap in single informant bias by incorporating data from leaders and followers, providing a more nuanced understanding of organizational dynamics. The study reinforces the significance of transformational leadership in enhancing organizational commitment and performance. It offers valuable insights for policymakers and practitioners by emphasizing the importance of developing transformational leadership skills to improve employee engagement and organizational outcomes. The findings support implementing policies and practices that prioritize leadership development and foster a culture of commitment and high performance.

Organizations should invest in developing transformational leadership skills to enhance employee commitment, which improves performance. Future research should adopt longitudinal approaches to examine how these relationships evolve over time and include a broader range of leadership behaviours to gain a more comprehensive understanding. Practitioners should utilize detailed diagnostic tools to identify specific areas for improvement in leadership and employee engagement. Collecting data from leaders and followers is essential to capture a holistic view of organizational dynamics and ensure accurate assessments of leadership impact.

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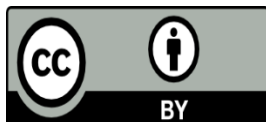
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