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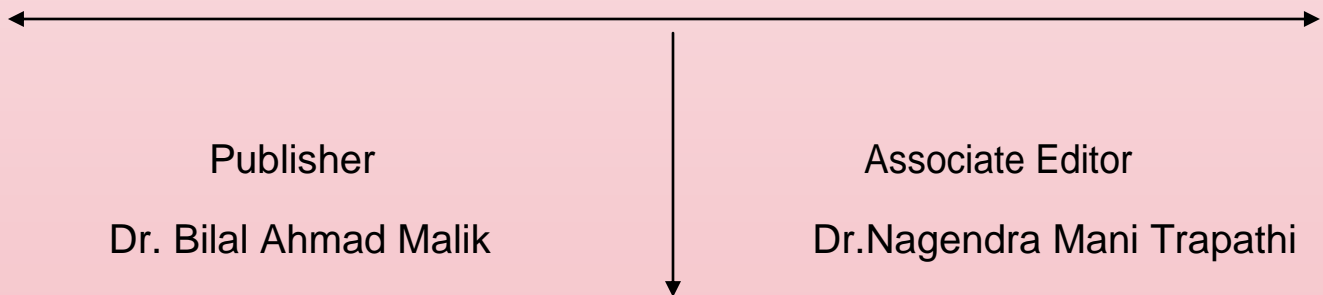
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THE EMPIRICAL STUDY ON RELATIONSHIP OF TRANSFORMATIONAL LEADERSHIP WITH ORGANIZATIONAL COMMITMENT AND EMPLOYEE'S PERFORMANCE

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➤ This article is dedicated to my loving parents Mr. Satpal & Mrs. Chotto Devi Bhardwaj

ABSTRACT:

World is changing more quickly than whatever we can imagine. The amount of Indian citizen and the growth of manufacturing industry in each province have been growing rapidly. The study aims to explore the effects of transformation leadership on Employee performance. The research subjects are the industrial employees who work in the different performing industrial units of Haryana states. The purposes of the study are to understand the different response of transformation leadership, organization commitment and employee performance to supervisors, to examine the relationship among transformation leadership, organization commitment and performance, and to investigate whether transformational leadership will affect organizational commitment and employee's performance in industrial units. The findings showed that there is a significant correlation between transformational leadership, organizational commitment and employee performance. Transformational leadership enhances direct and indirect to organizational commitment and employee performance at all industrial level.

Key words: Transformational Leadership, Organizational commitment, employee performance

1. INTRODUCTION:

World is changing more quickly than whatever we can imagine. India as a developing country is faced with different challenges in industrial sector of changing India. To be confronted with challenges of 21st century the Haryana government has set out an ambitious vision for the state, namely vision Development in industrial sector 2020, which based on that, the state should be a fully developed state by 2020. One of the industrial sectors that has strategic role of Transformational Leader's which enhance the positive commitments among employee and enhance work performance to full fill vision 2020 of Haryana state Industry. Leadership plays an important role



for the development of industrial commitments and performance. Transformational leadership style also plays a very important role to successes industrial performance which is possible through transform knowledge and god commitment.

The success of an industrial unit is reliant on the transformational leader's ability to optimize human resources. A good leader understands the importance of employees in achieving the goals of the organization, and that motivating the employees is of paramount importance in achieving these goals. A transformational leader is one who creates a vision for a company and then inspires the staff to achieve that vision. It is the process of transforming a work group from a state of inactivity to success .It attempt to turn employees into managers which operates primarily through motivation. Transformational leader encourages employees to succeed them to take on responsibility and improve themselves through training and hard work. This continues to encourage an employee through inspiration and praise for the employee's performance. Actually, the employee lacks the skills to perform the tasks assigned and the transformational leader Gives encouragement and provide training whenever it is needed. In fact it is a process of personal coaching and contact that inspire and reaches out to employees to help them improve their skills and get excited about achieving goals. This also attempts to energized staff members for the best possible outcomes. The transformational leader gets the entire staff involved in envisioning company objectives and then motivating staff members to exceed their personal expectations to achieve objectives. The employee's value to the company is consistently reinforced by the transformational leader who inspires staff members to go beyond what is expected of them to advance their own careers as well as help the company reach new levels of growth. (Bono & Judge, 2003, 2005; Yukl,1989). It is the interaction styles which represent the values and motivations, the aspiration and expectation of both leaders and followers (Howell and Avolio, 1993; Hartog, Muijen and Koopmans, 1997). It can create significant organizational change and act as change agents, foster higher level of intrinsic motivation and loyalty among followers, and generate a commitment among followers (Kinickian &Kreitner, 2008). Idealized influence describes the degree in which leaders are perceived as an inspiring role model (Moss &Ritossa, 2007). These leaders are admired, trusted and respected. The followers identify and pursue their leaders (Bass et al, 2003). Idealized influence consists of two forms; idealized influence attribute in which leaders receive trust.

Inspirational Motivation: Leaders with this factor share high expectations with followers and motivate them to share in the organization's vision with a high degree of commitment. These leaders encourage followers to

achieve more in the interests of the group than they would if they tried to achieve their own self-interests. These leaders increase team spirit through coaching, encouraging, and supporting followers (Yukl, 2006).

Intellectual Stimulation: Leaders with this factor encourage subordinates to be innovative and creative. These leaders support followers as they challenge the deeply held beliefs and values of their leaders, their organizations, and themselves. This encourages followers to innovatively handle organizational problems (Yukl, 2006).

Individualized Consideration: Leaders with this factor are very supportive and take great care to listen to and understand their followers' needs. They appropriately coach and give advice to their followers and help them to achieve self-actualization. These leaders delegate to assist followers in developing through work-related challenges and care for employees in a way appropriate for each employee. Transformational leadership achieves different and more positive outcomes than others style of leadership. The latter achieves expected results while the former achieves much more than expected. Under transformational leaders, followers are inspired to work for the good of the organization and subordinate their own self-interests to those of the organization.

Sundi(2013) concluded that the transformational leadership has significant and positive effect on employee's working performance. Tatilu, et al (2014) mentioned that transformational leadership has an effect on employee's working performance which is quite effective applied to industries that want to grow. Maharani et al. (2015) in her research concluded that transformational leadership significantly affects on the performance of the employees, the stronger the leadership the higher employees' performance. Meyer and Allen (1991) advanced a three-component model of organizational commitment. The first is affective commitment, which refers to an employee's "emotional attachment to, identification with, and involvement in an organization" (Meyer & Allen, 1991, p. 67).

2. REVIEW OF LETRATURE

2.1 Transformational Leadership

The concept of transformational leadership was initially introduced by James Macgregor Burns (1985). According to him, (Burns, J.M. 1978) transformational leadership can be seen when "leaders and followers make each other to advance their level of moral and motivation." Through the strength of their vision and personality, transformational leaders are able to inspire followers to change expectations, perceptions, and motivations to work towards common goals. Later, researcher Bernard M. Bass (1995) expanded upon Burns' original ideas to

develop what is today referred to as Bass' Transformational Leadership Theory. According to Bass, transformational leadership can be defined on the basis of the impact that it has on followers. The concept of transformational leadership seems to be a promising approach when it comes to responding to dynamics by respective transformations in organizations and societies. Already, in today's world, business leaders need to steer their organization through increasing volatile environments and keep track of new opportunities resulting from a larger degree of global connectivity. The concept of transformational leadership is vital in the light of the challenges we face ahead and as well in the actual leadership tasks, (Avolio & Yammarino, 2002). How workers interact with one another in an organization system is very important. Transformational leadership was first mentioned in 1973, in the sociological study conducted by the author Downton (1973), "Rebel Leadership: Commitment and Charisma in the revolutionary process".

Previous research also found followers' self-efficacy beliefs (Kirkpatrick & Locke, 1996; Alumba *et al.*, 2004), intrinsic motivation, agreement on values (Jung & Avolio, 2000), as well as trust and satisfaction to influence performance. Empirical studies on the relationship between transformational leadership and organizational performance focus primarily on constructs like followers' trust, agreement on values, group cohesion, satisfaction, self-efficacy beliefs and followers' intrinsic motivation (Charbonneau, Barling & Kellow performingay 2011). According to Bass (1985) idealized influence, or charisma, refers to the attributes ascribed by followers to their leader, according to their perceptions of the leader's power, confidence and transcendent ideals. These perceptions are driven by specific behaviors of the leader that reflect his/her values and beliefs. It is this emotional component of leadership that drives followers to forgo their own comfort in favor of the collective interest, that is, in the search for a greater good. Inspirational motivation refers to leader's behaviors aimed at inspiring and motivating followers to attain ambitious and challenging goals, or even apparently unattainable ones. Intellectual stimulation refers to the way a leader questions the status quo and appeals to the intelligence of followers to prompt them to question their own ideas, thus motivating innovative and creative decision-making. Individual consideration refers to the socio-emotional support given by a leader to his/her followers, in response to their specific needs, which promotes their development and empowerment.

2.2 Transformational Leadership and Organizational Commitment

Avolio *et al.* (2004) conducted a study on staff nurses and found that transformational leadership positively affects organizational commitment. Limsili and Ogunlana (2008) observed that transformational leadership is a better leadership style in followers' productivity and organizational commitment. Ismail and Yusuf

(2009) studied the impact of transformational leadership on followers' commitment and concluded that there is significant positive relation between these two variables. Transformational leadership is the most effective leadership style in determining organizational commitment of employees. (Bushra, 2011). Transformational leadership is probably display a strong positive relationship with affective aspects, as it gives a strong feeling and adequate support to motivate subordinates staying in the organization, while contingent reward is probably positively related to continuance commitment because there is an anxiety of losing benefits while leaving the organization (Bycio and Allen, 1995).

Transformational leadership encourages the subordinates and gives way of critically thinking which affect the employee commitment (Avolio & Bass, 1994). Transformational leadership is considered as one of the most influencing factor which has a positive effect on employee commitment in Indian bank's employees (Rai and Sinha, 2000). Various studies conducted on leadership style (Bateman and Strasser, 1984; Decotiis and Summers, 1987; Mathieu and Zajac, 1990) stated that there is a strong positive relationship between leadership and organizational commitment. Price (1999) through his research study suggested that subordinates confidence and trust on leader leads to the increase the commitment of the employees with the organizations. Aronold, Basling and Kelloway (2001) claimed that transformational leadership style helps the leader in enhancing their employees' trust and commitment. Transformational leader gives the solution of the problems frequently, which enhances motivation and commitment of employee (Lawler, 2003).

2.3 Transformational Leadership and Employee Performance

Based on the results of Luthan (2010) literature overview, transformational leader is often use legitimate tactics and result on higher identification and internalization, having better performance and develop their follower.

Literature reviews and studies accumulated in recent years on transformational leadership show its positive association with performance outcomes (Avolio, 1999; Avolio, Bass, & Jung, 1995; Low *et al.*, 1996), Similarly, meta-analyses covering empirical studies indicate that there is a strong connection between transformational leadership and subordinates' formal task performance and contextual performance; i.e., undertaking actions that go beyond formal roles, but that also contribute to the good functioning of the company (Judge & Piccolo, 2004). Schermerhorn (1989) found that Employee performance is one of the most notable indicators in evaluating organizational performance. Wall *et al.* (2004) observed that employee performance as

quality and quantity achieved by individuals or groups upon fulfilling a task. Munchinsky (2003) proposed that employee performance is a set of employee behaviors that can be measured, monitored and evaluated in terms of achievement at the individual level. According to Schermerhorn (1989), job performance is the result of quality and quantity once employees complete a mission. Several studies have been conducted to explore ways of enhancing employee performance. (Park *et al.*, 2003; Tessema and Soeters, 2006). Kahya, (2009) found that performance can be described as the duties performed by the employees in organizational working environment. According to Amos *et al.* (2004), the effective management of individual performance is essential to the implementation of organizational strategies.

Howell and Frost (1989) from the studies concluded that individuals working under a transformational leader had higher task performance (in terms of the number of courses of action suggested and quality of performance), higher task satisfaction and lower role conflict and ambiguity in comparison to individuals, working under considerate leaders or under structuring leaders. A leader's vision implementation through task cues affects performance and many attitudes of subordinates (Kirkpatrick & Locke, 1996). Baum, Locke, and Kirkpatrick (1998) found additional support for this in their study.

Hence, from the above discussion it could be inferred that Transformational leadership may be the factor responsible for higher organizational commitment among the employees and in turn, the performance of the high industrial organization and it may be the missing factor in the low performing industrial organization. Therefore, the present research was designed to see the magnitude and direction of transformational leadership in relation to the organizational commitment and performance of high and low performing industrial units.

3. AIMS AND OBJECTIVE

The present study is an attempt to explore the transformational leadership in relation to the organizational commitment and performance among employees of the high and low performing industrial organizations with the follow performing objectives and **Hypothesis:**

3.1 Objective

- To see the relationship of transformational leadership (along with its sub factors i.e., idealized influence attribute, idealized influence behavior, inspirational motivation, intellectual stimulation, individualized

consideration)with the organizational commitment of their employees of high and low performing industrial units.

- To see the relationship of transformational leadership (along with its sub factors i.e., idealized influence attribute, idealized influence behavior, inspirational motivation, intellectual stimulation, individualized consideration)with the performance of their employees of high and low performing industrial units.
- To see the difference between of high and low performing industrial units in terms of transformational leadership, organizational commitment and employee performance.

3.2 Hypothesis

1. Transformational leadership(along with its sub factors i.e., idealized influence attribute, idealized influence behavior, inspirational motivation, intellectual stimulation, individualized consideration) would be significantly and positively related to organizational commitment of their employees.
2. Transformational leadership(along with its sub factors i.e., idealized influence attribute, idealized influence behavior, inspirational motivation, intellectual stimulation, individualized consideration) would be significantly and positively related to the performance of their employees.
3. There would be a significant difference between of high and low performing industrial units on their transformational leadership along with its sub factors, i.e., idealized influence attribute, idealized influence behavior, inspirational motivation, intellectual stimulation, individualized consideration, organizational commitment and performance of their employees.

4. METHODOLOGY

Research design and sample

4.1 Design

In the present study correlation design was used to see the relationship of transformational leadership with organizational commitment and employee performance in high and low performing industrial units. Further t-test was computed to see the difference between high and low performing units in terms of transformational leadership, organizational commitment and employee performance.

4.2 Sample

The sample of the study involved 200 managers and 200 workers in total. 20 each from 10 high performing and 10 low performing industrial units along with their 100 workers each directly working under them.

4.3 Tools Used

The following tools have been used in the present study to observe the transformational leadership, organizational commitment and employee performance of High and Low performing industrial units.

Transformational Leadership Scale (Dubey and Pal, 2004).

Transformational leadership scale is a standardized five point scale developed by Dubey and pal (2004), containing 16 items comprising five sub factors i.e. idealized influence (attribute), idealized influence (behavior), inspirational motivation, intellectual stimulation, individualized consideration that describe the qualities of Transformational leadership with adequate reliability (71 to.93) and validity and widely used in research work.

Administration and Scoring of Transformational Leadership Scale

This scale was administered to the subjects individually, following the instruction of the scale as mentioned by the author. After obtaining the responses, the item assigned to the sub factor were added to get the score of that sub factors and finally the sub factor scores of each sub factors were added to get the overall score of the participants on the transformational leadership. The higher the score of the participants on the scale indicate higher the level of highly transformational leadership and lower the score of the participants on the scale indicate lower the level of transformational leadership.

Organizational Commitment Scale (Upender Dhar , Parshant Mishra, D.K Sharivastav)

Organizational commitment scale developed by Upender Dhar , Parshant Mishra, D.K Sharivastav) is a standardize scale to assess the organizational commitment of the participants. The reliability co-efficient of the whole scale was found to be 0.6078 and the index of reliability of this scale is as 0.7796 and is a valid scale of organizational commitment.

Administration and Scoring

It is Five point Scale ranging from, 0 (Not at all), 1 (Once in a while), 2 (Sometimes), 3 (Often) and 4 (frequently). The sum of the scores of all the items was taken as the organizational commitment of the participants. Higher score on the scale indicate higher commitment and the low performing lower score indicate low performing lower commitment.

Employee Performance review (EPR) Form

The employee performance review has been designed by the organizations and is standardized scale applicable for any organization. It is widely used by the organization to evaluate the performance of their employees. This review has 15 performance evaluation skills related to performance. This is a three point scale. These categories of response are scored as 3 for excellent, 2 for good, 1 for fair and 0 for poor performance in organization showing the performance of employee in group and individually. The sum up high score shows the high performance and low performing score indicates low performing performance.

5. RESULTS AND CONCLUSION

The present investigation was undertaken to explore the relationship of transformational leadership with organizational commitment and performance of the employees in high and low performing industrial units. In order to observe the relationship of transformational leadership with organizational Commitment and the performance of the employees of high and low performing industrial units. Correlation analysis was applied on the scores of the participants of high and low performing industrial units separately followed by the t-test to see the difference between the employees of high and low performing industrial units in terms of transformational leadership, organizational commitment and performance of their employees and the result was analyzed as:

Correlation analysis

- Transformational Leadership and Organizational Commitment

The result of the present study showed that the scores of the overall transformational leadership is positively and significantly correlated with scores of organizational commitment of their employee ($r=.729^{**}p<.01$).

The 'r' value also came out significant and positive with the sub factors of transformational leadership and organizational commitment of their employee i. e. idealized influence (r=.707** p<.01) attribute, idealized influence behavior(r=.615**p<.01), inspirational motivation (r=.692**p<.01), intellectual stimulation(r=.707**p<.01), individualized consideration(r=.684p<.01) and positively significance overall transformational leadership(r=.729**p<.01) in High Performing industrial Units (see table 5.1)

Whereas in case of Low performing units industrial Units, the correlation of overall transformational leadership and organizational is also significant and positive with the organizational commitment of their employee (r = .719** p<.01).

The correlations values of the sub factors, idealized influence (r=.747** p<.01) attribute, idealized influence Behavior(r=.665** p<.01), inspirational motivation (r=.652** p<.01), intellectual stimulation (r=.687** p<.01), individualized consideration (r=.704** p<.01) of transformational leadership is also came out significant and positive with organizational commitment of their employee (See Table 5.2).

Table 5.1
Correlation Table of High Performing industrial Units

| Sr. No. | II(A) | II(B) | IM | IS | IC | OTL | OC | P |
|-------------------------------------|-------|--------|--------|--------|--------|--------|--------|--------|
| Idealized Influence (Attributes) | 1 | .583** | .539** | .802** | .994** | .738** | .707** | .763** |
| Idealized Influence (Behaviour) | | 1 | .451** | .524** | .575** | .542** | .615** | .647** |
| Inspirational Motivation | | | 1 | .370** | .503** | .625** | .692** | .673** |
| Intellectual Stimulation | | | | 1 | .804** | .674** | .707** | .683** |
| Individualized Consideration | | | | | 1 | .732** | .684** | .784** |
| Overall Transformational Leadership | | | | | | 1 | .729** | .635** |
| Organizational Commitment | | | | | | | 1 | .195 |
| Performance | | | | | | | | 1 |

* =.01 level of significance

- Transformational Leadership and Performance

The result of the present study showed that the scores of the overall transformational leadership is positively and significantly correlated with scores of Performance of the employee ($r = .635^{**}$ $p < .01$).

The ‘r’ value also came out significant and positive with the sub factors of transformational leadership and the performance of their employee i.e. idealized influence ($r = .763^{**}$ $p < .01$) attribute, idealized influence behavior ($r = .647^{**}$ $p < .01$), inspirational motivation ($r = .673^{**}$ $p < .01$), intellectual stimulation ($r = .683^{**}$ $p < .01$), individualized consideration ($r = .784^{**}$ $p < .01$) in high performing industrial units (see table 5.1). Whereas in case of low performing industrial units, the correlation of overall transformational leadership and is also significant and positive with the performance of their employee ($r = .695^{**}$ $p < .01$).

The correlations values of the sub factors, idealized influence ($r = .701^{**}$ $p < .01$) attribute, idealized influence behavior ($r = .724^{**}$ $p < .01$), inspirational motivation ($r = .637^{**}$ $p < .01$), intellectual stimulation ($r = .642^{**}$ $p < .01$), individualized consideration ($r = .694^{**}$ $p < .01$) of transformational leadership is also came out significant and positive with performance of their employee.

Table 5.2
Correlation Table of Low performing industrial Units

| Sr.no | II (A) | II (B) | IM | IS | IC | OTL | OC | P |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Idealized Influence(Attributes) | 1 | .922** | .775** | .842** | .958** | .782** | .747** | .701** |
| Idealized Influence(Behaviour) | | 1 | .670** | .793** | .881** | .728** | .665** | .724** |
| Inspirational Motivation | | | 1 | .632** | .693** | .687** | .652** | .637** |
| Intellectual Stimulation | | | | 1 | .869** | .709** | .687** | .642** |
| Individualized consideration | | | | | 1 | .667** | .704** | .694** |
| Overall Transformational Leadership | | | | | | 1 | .719** | .695** |
| Organizational Commitment | | | | | | | 1 | .637** |
| Performance | | | | | | | | 1 |

** =.01 level of significance

‘t’ Test analysis

Further in order to see the difference between high and low performing industrial units employees in terms of transformational leadership, organizational commitment and performance of their employee t-test was computed (See Table 5.3). The results showed the significant differences between high and low performing industrial units employees on the score of idealized influences attributes ($t=16.87^{**}p<.01$), idealized Influence behavior ($t=10.183^{**} p<.01$), inspirational-motivation($t=4.684^{*}p<.01$), Individual consideration($t=8.742^{**}p<.01$), overall transformational leadership ($t=12.130^{**}p<.01$), Organizational commitment($t=20.318^{**}p<.01$) and the performance of their employee except intellectual stimulation($t=62.591^{**}p<.01$).

Further the mean value scores of overall transformational leadership ($M=66.28$) of high industries and its sub factors idealized influence ($M=15.40$) attribute, idealized influence Behavior ($M=15.08$), inspirational motivation ($M=8.14$), intellectual stimulation ($M=10.56$), individualized consideration ($M=16.38$) organizational commitment ($M=32.50$) and performance of their employee ($M=40.12$) is higher than the mean value scores of the overall transformational leadership ($M=47.52$) low performing industrial units and its sub factors idealized influence ($M=11.16$) attribute, idealized influence behavior ($M=11.04$), inspirational motivation ($M=4.54$), intellectual stimulation ($M=10.24$), individualized consideration ($M=10.18$) organizational commitment ($M=25.10$) and performance of their employee ($M=20.76$).

Table 5.3
t - test table of High and Low performing industrial units

| Variables | Industrial Units | Mean | Std. Deviation | t-test |
|-------------------------------------|------------------|-------|----------------|----------|
| Idealized influence (Attributes) | Low performing | 11.16 | 1.31491 | 16.872** |
| | High performing | 15.40 | 1.19523 | |
| Idealized influences (Behaviour) | Low performing | 11.04 | 1.32419 | 10.183** |
| | High performing | 15.08 | 2.47304 | |
| Inspirational Motivation | Low performing | 4.54 | .73429 | 4.684* |
| | High performing | 8.14 | .51985 | |
| Intellectual Stimulation | Low performing | 10.24 | 1.25454 | 1.332* |
| | High performing | 10.56 | 1.14571 | |
| Individualized Consideration | Low performing | 10.18 | 1.28873 | 8.742** |
| | High performing | 16.38 | 1.22708 | |
| Overall Transformational Leadership | Low performing | 47.52 | 5.49716 | 12.130** |
| | High performing | 66.28 | 4.60350 | |
| Organizational | Low performing | 25.10 | 1.29756 | 20.318** |

| | | | | |
|-------------|-----------------|-------|---------|----------|
| commitment | High performing | 32.50 | 2.22463 | |
| Performance | Low performing | 20.76 | 1.43655 | 62.591** |
| | High performing | 40.12 | 1.64924 | |

**=.01 level of significance.

*=.05 level of significance.

In nutshell, the result of the present study showed that:

1. The scores of overall transformational leadership in terms of its sub factors are significantly and positively correlated with score of organizational commitment of their employees of both high and low performing industrial units.
2. The scores of sub factors of transformational leadership i.e., idealized influence (attribute), idealized influence (behavior), inspirational motivation, intellectual stimulation, individualized consideration are significantly and positively correlated with score of organizational commitment of their employees of both high and low performing industrial units.
3. The scores of overall transformational leadership in terms of its sub factors are significantly and positively correlated with score of performance of their employees of both high and low performing industrial units.
4. The scores of sub factors of transformational leadership i.e., idealized influence (attribute), idealized influence (behavior), inspirational motivation, intellectual stimulation, individualized consideration are significantly and positively correlated with score of performance of their employees of both high and low performing industrial units.
5. There is significant difference between high and low performing industrial units on their practices of overall transformational leadership in terms of its sub factors.
6. The mean values scores on transformational leadership of high performing industrial units are higher than the mean value scores of low performing industrial units.
7. There is also significant difference between high and low performing industrial units on the sub factors of overall transformational leadership i.e., idealized influence (attribute), idealized influence (behavior), inspirational motivation, intellectual stimulation, individualized consideration.
8. The mean values scores of the sub factors of transformational leadership i.e., idealized influence (attribute), idealized influence (behavior), inspirational motivation, intellectual stimulation; individualized consideration of high performing industrial units is higher than the mean value scores of the employees of low performing industrial units.

9. There is significant difference between high and low performing industrial units on the organizational commitment of their employees.
10. The mean values scores of high performing industrial units on the organizational commitment of their employees are higher than the mean value scores of low performing industrial units.
11. There is significant difference between high and low performing industrial units on the performance of their employees.
12. The mean values scores of high performing industrial units on the performance of their employees are higher than the mean value scores of the employees of low performing industrial units.

The results of the present study do find support from earlier study directly and indirectly. Various studies conducted on leadership style (Bateman and Strasser, 1984; Decotiis and Summers, 1987; Mathieu and Zajac, 1990) claimed that there is a strong positive relationship between leadership and organizational commitment. Aronold, Basling and Kellow performingay (2001) claimed that transformational leadership style helps the leader in enhancing their employees' trust and commitment. Transformational leader gives the solution of the problems frequently, which enhances motivation and commitment of employee (Lawler, 2003). Leadership style is considered as antecedent of commitment (Willims and Hazer, 1986). Riaz and Haider (2010) in his studies concluded that transformational leadership is significantly and positively related to with job success and career satisfaction. The Sub elements of transformational leadership such as intellectual stimulation, inspiration, idealized influence are significantly correlated with the organizational affective and normative commitment. Inspirational motivation and idealized consideration are not correlated significantly with continuous commitment while inspirational motivation and individual consideration has significant and positive relationship with organizational continuous commitment (Lo, Ramayah, Min & Songan, 2010). Most recent researches on the leadership style and organizational commitment (Marmaya, Torsiman and Balakrishnan, 2011) showed that transformational and transactional leadership have positive relationship with employees' organizational commitment.

Thus the result of the present study confirms the **hypotheses no. 1 i.e. Overall Transformational leadership along with its sub factors i.e., idealized influence (attribute), idealized influence (behavior), inspirational motivation, intellectual stimulation, individualized consideration is significantly and positively related to organizational commitment of their employees.**

The result of the present study corroborates the result of the earlier work done in the field directly and indirectly. Luthan (2010) transformational leader is often resulting on higher identification and internalization, having better performance. Literature reviews and studies accumulated in recent years on transformational leadership showed its positive association with performance outcomes (Avolio, 1999; Avolio, Bass, & Jung, 1995; Low performing *et al.*, 1996; Dumdum, Low performing & Avolio, 2002). Schermerhorn (1989) found that Employee performance is one of the most notable indicators in evaluating organizational performance. Wall *et al.* (2004) found that Employee performance achieved by individuals is contingent upon fulfilling a task. Munchinsky (2003) proposed that employee performance is a set of employee behaviors that can be measured, monitored and evaluated in terms of achievement at the individual level.

A study by Howell and Frost (1989) concluded that individuals working under a transformational leader had higher task performance (in terms of the number of courses of action suggested and quality of performance), higher task satisfaction and low performing lower role conflict and ambiguity in comparison to individuals working under considerate leaders or under structuring leaders. A leader's vision and vision implementation through task cues affects performance and many attitudes of subordinates (Kirkpatrick & Locke, 1996). Baum, Locke, and Kirkpatrick (1998) found additional support for this in their study. They concluded that vision and vision communication have positive effects upon organizational level performances. Strength of delivery of vision by the leader is an especially important determinant of perceptions of transformational leader and the relationship between a leader's personal attributes.

Hence, the result of the present study confirms the **hypotheses no. 2 i.e. Overall Transformational leadership along with its sub factors i.e., idealized influence (attribute), idealized influence (behavior), inspirational motivation, intellectual stimulation, individualized consideration is significantly and positively related to performance of their employees.**

In the correlation Analysis results clearly showed that transformational leadership is positively and significantly correlated with performance with good organizational commitment in the whole sample and both high and low performing industrial units. This showed that transformational leadership is significantly and positively correlated with employee's performance. Further, the results of t-test also showed that there is a significant difference between high and low performing industrial units' employees on the score of transformational leadership and as well as on performance. Further as far as the mean values of transformational

leadership and employees performance of high and low performing industrial units' employees are concerned the mean values of transformational leadership is high organization whereas the mean value of employees performance is higher in high organization than the mean value of low performing organization's employees. Those organization's employees were found high and more than the average transformational almost same employees were also found low performing(having average score) of performance and those who were found low performing or no transformational leadership and same employees were found better performance than low performing.

Thus indicating that higher the transformational leadership among low performing organization higher the employees performance with good commitment among them and vice versa i.e. low performing lower the transformational leadership among high organization, low performing lower the performance with not good commitment them and hence confirm positive and significant relation between transformational leadership and employees performance.

Hence the results of the present study revealed the significant and positive relation between transformational leadership and employee's performance i.e. higher the transformational leadership higher the employees' performance of organization vice a versa and confirmed hypothesis 2 (i.e., transformational leadership and employees performance have a positive relationship) and 3(i.e. employee performance and organization commitment have a positive relationship).

6. LIMITATION AND IMPLICATION OF STUDY

As it is true for every research, certain limitations were there in the present study as well. The study was conducted at some particular organizations of the state. Therefore, generalization of findings to the total population of the organization from Haryana is limited. Further, the study investigated the impact of transformational leadership on organizational commitment and employees' performance. There are more psychological economical and environmental variables that could be affected on performance.

The present study would be implacable at all levels of industries. It's helpful for the leaders to create a positive commitment to their employees for enhancing the performance and competing their mission and vision of organization. This study conclude that a transformational leader inspire, innovating, motivating, considering and helping to improving employee intellectual stimulation in a sound.

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