The Relationships among Different Organizational Culture and Leadership Types with Organizational Commitment: A Field Study on Logistics Firms

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Extensive Summary

1. Introduction

Despite the changes and developments in context of telecommunication and transportation technologies logistics industry is still having a labor-intensive structure. According to the literature, desirable work outcomes of employees are related with their organizational commitment behavior to their organizations. Moreover in logistics firms, to adapt competitive environment and to create organizational capabilities through employees, leaders have to demonstrate leadership behaviors as forming and supporting a capability creating organizational culture. Based on empirical evidences in the literature, leadership is an important component in the organizational commitment process, as well. Moreover, leadership is crucial for the organizational effectiveness, and the development and the changes of organizational culture. Whether the literature abounds of evidences about the positive effects of both leadership styles and organizational culture on organizational commitment, the logistics industry seems to be neglected. Thus the aim of this study is to explore the effects of organizational culture and leadership styles on employees’ commitment in logistics firms.

2. Methodology

2.1. Measurement Instrument

The revised three dimensioned organizational commitment scale (Meyer, Allen and Smith, 1993) according to Allen and Meyer (1990) typology was used to assess organizational commitment level of our sample. The Multifactor Leadership Questionnaire (Bass and Avolio, 1993; 1994; Avolio, Bass and Jung, 1999) was used to distinguish transformational and transactional leadership styles. The revised model of the Organizational Culture Assessment Instrument based upon the Competing Values
Framework (CVF) (Cameron and Quinn, 1999; Cameron et al., 2007) was used to determine the cultural dimensions.

2.2. Sampling
This empirical study was carried out on logistics firms in Turkey. 100 logistics firms located in Istanbul which have ECMT (European Conference of Ministers of Transportation) multilateral quota certificate are chosen as research sample. The data was gathered from 448 employees of 39 firms by applying a structured questionnaire.

2.3. Conceptual Framework
In the literature leadership and its styles have been regarded and empirically supported as an important factor effect on commitment behavior of employees (see Mathieu and Zajac, 1990; Allen and Meyer, 1990). Thus, based on these suggestions three hypotheses (H1, H2, H3) which propose “leadership styles positively affect employees’ organizational commitment (AC, NC, and CC) level” are generated.

However there is no empirical evidence, a relationship between organizational culture and commitment has often been theoretically proposed. According to those studies, organizations which have constructive cultural orientations are more likely to induce high emotional and normative ties to their employees. And, it also seems reasonable to suggest that employees who attribute to their organization a constructive orientation are likely to perceive that the risk of leaving the organization are high (Simosi and Xenikou, 2010). Based on these suggestions three hypotheses (H4, H5, H6) which propose “organizational culture types positively affect employees’ organizational commitment (AC, NC, and CC) level” are generated.

According to the literature (Denison, 1990; Hofstede et al., 1990; Schein, 1997) it is suggested that action of the organizational founders and/or leaders have a potential to create and impact to shape the organizational culture. Current role of leaders to implement a change of direction dictated by a vision (Bryman, 1992, p.175) has a clear potential to maintain and shape an organization’s culture. Additionally, the survival of an organization depended upon the change and responsiveness of a culture as influenced by effective leadership (Bass, 1998; Schein, 1997). Based on these suggestions four hypotheses (H7, H8, H9, H10) which prose “leadership styles positively affect shaping organizational culture (adhocracy, clan, hierarchy and market)” are generated.

3. Findings
In current study, the entire scale reliability coefficient has been determined a satisfactory level. According to the PCA results (see Table 1) it’s found out that all factors are separated to their estimated dimensions without any cross loading. During the PCA procedure one item from organizational culture and organizational commitment scales and three items from leadership styles scale are deleted. Moreover, based on the psychometric properties of the constructs Laissez-faire dimension is removed from research model.

According to the descriptive statistics it is found out that the dominant organizational cultures in firm level are Market and Adhocracy cultures. Three of the most seen leadership styles in research sample are Charisma, Intellectual Stimulation, Individualized Consideration and inspirational motivation. This finding pays a special
attention because of all of those styles are sub-dimensions of Transformational Leadership style.

Results of correlation analysis revealed that all constructs which differed from each other are also correlated with each other positively and significantly. According to the results of regression analyses, it is found out that inspirational motivation and individualized consideration dimensions of the Transactional Leadership factor have positive effect on AC. On the other hand it is found out that Management-by-exception has positive on the CC, and Inspirational motivation and Contingent Reward have positive effect on NC. Thus, H1, H2 and H3 hypotheses are partially supported (Table 2). After performing a regression analysis it is found out that Clan and Adhocracy cultures have positively affects both AC and NC, and Market culture has positively affect CC. So, H4, H5 and H6 hypotheses are partially supported (Table 3). According to the results of regression analyses it is found out that Charismatic leadership has positive effects on all types of organizational culture, while Intellectual stimulation has no effect on them. Inspirational motivation and Contingent Reward have positive effects on Clan and Hierarchy cultures. Management-by-exception has positively effects both Hierarchy and Market cultures, while Individualized consideration positively affects only Market culture (Table 4).

4. Results and Discussion

This study is representing the results of a questionnaire survey on logistics firms with aim to reveal the relationships among different organizational culture and leadership types with organizational commitment. The results of the analyses are appropriate with the nature of logistics industry. This kind of dynamic workplace enforces employees to be entrepreneurial, competitive, creative and innovative. So it is reasonable to find young and educated employees get into exiting to satisfy their individual aims parallel with their firms through acting in commitment behavior.

Transformational leaders, most seen leadership style among logistics firms, encouraged followers to perform within the differentiate and competitive cultures. So findings of current research is meaningful because of to support and match with the findings of cultural types in present study. And, the results of the analyses denote that the employees of the logistics firms tend to affectively committed to their firms under transformational leaders. On the other hand, it is proved again that when employees feel free to take decisions and implement some individual policies on their work they can feel a barrier when they think to leave their work. Additionally, the findings reveal the importance of role and goal clarity as it is found before (Meyer and Allen 1997; Swailes 2002), and economic exchange between leader and followers for the initiation of normative commitment (Simosi and Xenikou, 2010).

The results of this study have several implications for theory and future research. First, this empirical study gives evidences about appropriateness of three behavioral and cultural measurement instruments to the Turkish business culture as mostly seen in the Western world. Thus the present study continues and extends this line of inquiry by examining the effects of leadership styles and organizational culture types on organizational commitment behavior in non-Western societies and cultures by taking Turkey as a case study. Additionally, as mentioned earlier, no research studies have systematically examined the effect of leadership styles and organizational culture on organizational commitment behavior of employees in context of logistics industry, nor
in Turkish context. Nevertheless, this is a small step to contribute research efforts in the logistics industry in order to understand employees’ behaviors among the concepts of organizational commitment, organizational culture and leadership.