

The Relationship between Leadership and Employee's Organizational Commitment

Case Study: Organizational in Thailand Convenience Store Business

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Abstract

The research aims to investigate the relationship between leadership and organizational commitment of employees working in convenience store. The samples used in this study were 323 employees by accidental sampling. The data from questionnaire were analyzed by t-test, One-Way ANOVA, and Pearson's Correlation. The result proved that employees have a high level of transformational leadership, while their transactional leadership and laissez-faire leadership were at moderate level. The organization commitment by employees was moderate. Employee's personal characteristics: gender, age, status, educational level, and experience with the current job do not affect organization commitment. The analysis on personal characteristics of store manager reveals that difference in age, status, educational level, experiences and, duration of current positions related to the organization commitment at the 0.05 statistically significant levels. The research also indicated that the transformational leadership had a positive relationship with organization commitment.

Experiences

1. Introduction

Nowadays, the economic development of a country is faced with changeable environment both locally and internationally. We need to prepare the country's economy to be competitive with others. (The Eleventh National Economic and Social Development Plan) Many industries will be faced with steadily increasing competition. Any organizations can adapt and effectively manage themselves to fit with changeable business condition. It is the way that the organization

can stable survives in changeable business environment. (Fred, Norman, Avolio, and Avey,2008)
Human resources are considering as the key factor of both private and government organizations.
It is the important part to help organizations to achieve their goal and successful in running their
businesses. (Mohammad, Sayyed, and Reza, 2013)

A modern trade convenience store is a one type of retail store business. There is highly
competitive in this market segment, and also trends in the expansion of this type business will
increase. Whenever the number of new stores increases, the more labor is needed to operate in
this business. Staffs are the important part in every business. It is the most valuable asset.
Efficient staffs will contribute to the success and growth for the organization. Therefore,
supervisors must understand and acknowledge the needs of their subordinates. It can create the
job satisfaction, employee engagement and still lead to the good relationship with organization.
(Artittiya Duangsuwan, 2008) Organizational Commitment is also important. It improves the
performance of the employee. (Bakker, Schaufeli, Leiter and Teris, 2008, p.187-200) The result
of organization commitment can minimize absent and turnover rate. The resignation of staffs can
generate the cost of business in recruiting and training new staff. The cost of training new
employees is high. It is important to take time to train new employees with the new knowledge
and skills equivalent to employee who have resigned. (Kaiser,2008) However, supervisors must
have strong leadership characteristics as basic factors. They will have leadership styles that they
want to be and also use them to compete with others. (Koontz O Donnell,Wehrich, 1994,p.121)
Furthermore, the supervisors can motivate and guide the staffs for getting the organization goal
and objective. (Lussier, 2010, p.385) The best leader must balance between own objectives and
teamwork in organization. The effective leaders must let the staffs to do on their guideline
instructions and still beat the obstacles to achieve the organizational mission. (Kurt,2002)

Company A is one of the well-known organizations in Thailand convenience store Business. This company has a good vision and suitable marketing plan. The company can expand new branches for serving customers and also highly successful in business. This research studied about the relationship between leadership and organizational commitment. The research work concept based on leadership theory of Bass and Avolio (1994), and organizational commitment theory from Allen and Meyer (1990). The sample group is operation level staffs in company A.

2. Research Objective

- 2.1) To study the leadership level of managers and organizational commitment of employees working in convenience stores, Thailand
- 2.2) To study organizational commitment of employees working in convenience stores, Thailand that depend on personal characteristics and personal characteristics of store managers
- 2.3) To study the relationship between leadership of store managers and organizational commitment of employees working in convenience stores, Thailand

3. Research Hypothesis

- 3.1) Personal characteristics of operational level affect employees' organizational commitment
- 3.2) Personal characteristics of store manager affect employees' organizational commitment
- 3.3) The full range leadership has relationship with employees' organizational commitment

4. Literature Review

Leadership theory

Nowadays every organization has to confront with the changeable world. Not even the retail business also competes with competitors. However the businesses must adapt themselves to match with changeable environment. So, the leader in organization is the important factor that makes staffs to do what the leader want or cooperate until achieving the target results. The good leaders must have vision, good communication skill, trustable, empower above group of people (Northouse,2001) Besides the leaders are able to control emotions and persuade others (Ivancevich, Matteson, 2002) Bass and Avolio (1994) develop Full Rang Leadership Model. It includes Transformational Leadership, Transactional Leadership and Laissez-faire Leadership.

Organization Commitment Theory

Organizational commitment has positive feedback for effectiveness and efficiency. It is important to organizational success (Bakker et al, 2008) Organizational commitment has positive feedback for effectiveness and efficiency. It is important to organizational success (Bakker et al, 2008) Organizational commitment is the relationship between staffs and organization. Allen and Meyer theory (1990) has been accepted as perfect organization commitment theory. It is used to apply for various researches. This theory can divide into three characteristics as follows:

- 1) Affective commitments are the emotional attachment to an organization. Employees devote themselves for organization and willing to stay. If they have a high level of affective commitment, they enjoy their relationship to the organization and are likely to stay.

- 2) Continuance commitments are the degree with which employee believes that leaves the organization would be costly. Employees have the relationship of their work often. If they have a high level of continuance commitment, they will stay with an organization because they feel that they must stay.
- 3) Normative commitment is degree employees feel obligated to the organization or believe that staying is the right thing to do. Employees also get good jobs or high position in organization. It can create organization loyalty.

5. Methodology

5.1) Population and sample size

A population of this research is the operation-level staffs of company A. Company A is one of well-known business in Thailand convenience store Business. In this research, we cannot get the information about exactly a number of operation staffs from company A. It is the unrevealed information. So we have to use the formula from W.G. Cochran to calculate the sample size because we don't know the number of a population. The sample size in this research is 323 staffs by accidental sampling.

5.2) Research tools

In this research, we use questionnaires as a research tool for collecting data. It divides into three parts 1) Personal Characteristics of respondent 2) Personal Characteristics of store managers and leadership evaluation 3) Information on organization commitment.

5.3) Testing research tool

Let the experts to check the questionnaire. The pilot tests of 30 sample populations of checking reliability of questionnaires by calculating correlation coefficient (Cronbach, 1978) and alpha coefficient is 0.89

5.4) Collecting data

In this research, we collected data by mail the letter of a permit and questionnaires to Company A. The company helps researcher to distribute questionnaires to operation staffs, let them fill up and then sending all questionnaires back. Lastly, analyze the questionnaires and conclude the results.

5.5) Analysis data

In this research, we use Descriptive statistics to analyze data and explain the characteristic of sample group by using frequency, percentage, and standard deviation. For testing hypothesis, we use t-test, one-way ANOVA and Pearson Correlation.

6. Research results

This research has studied on employees of company A. who has worked in convenience store business, Thailand. Most of them are female (65%), age average more than 25 years (37.5%), single status (86.3%), graduate level is high school (40%), work experience more than 3 years (30%), average income more than 12,000 bath (35%), and major position is assistant manager (33.5%) Personal characteristic of store manager, major group is female (67%), age average between 31-35 years (46.5%), single status (50%), graduate bachelor degree (64.5%) and work experience between 5-10 years (52.5%)

The analysis result of store managers from Full Range Leadership model found that Company A has Transformational Leader characteristic in high level are 4.13. Transactional Leadership and Laissez-faire Leadership characteristic are in moderate level. The score are 3.62 and 2.64 respectively.

The average score of organization commitment in company A. is 3.04. When focus on different area 1) Affective commitment got score of 3.03. 2) Continuance commitment got score of 2.94. and 3) Normative commitment got score of 3.14 as follows table 1.

Table 1: store manager Leadership Level

Variables	x	S.D	Level
leadership			
- Transformational Leadership	4.13	0.61	High
- Transactional Leadership	3.62	0.61	Moderate
- Laissez-faire Leadership	2.64	0.68	Moderate

The average score of organization commitment in company A. is 3.04. When focus on different area 1) Affective commitment got score of 3.03. 2) Continuance commitment got score of 2.94. and 3) Normative commitment got score of 3.14. as follows table 2.

Table 2: Organizational Commitment Level

Variables	x	S.D	Level
Organizational Commitment	3.04	0.97	Moderate
- Affective Commitment	3.03	0.88	Moderate
- Continuance Commitment	2.94	0.96	Moderate
- Normative Commitment	3.14	0.83	Moderate

On the statistical t-test to test the organizational commitment by personal characteristics found that personal characteristic factors are not affecting to organization commitment as follows table 3.

Table 3: Personal Characteristics of Employee

Personal Characteristics	t-test and One-Way ANOVA	S.D
Gender	0.82	0.42
Age	1.00	0.41
Status	0.84	0.44
Educational Level	0.19	0.83
Experience with the current job	2.11	0.07

On the statistical t-test to test the organizational commitment by personal characteristics of store managers found that only gender characteristic factors is not affecting to organization commitment as follows table 4. Store managers who age between 31-35 years have more influenced with employee's organization commitment than age below 26 years or age higher than 41 years respectively. The results also showed that the status of the store managers with marital status affect employee's organization commitment. In addition, the store manager who got bachelor degree has more influenced with employee's organization commitment than another educational level. For duration of current positions factor, the results showed that the store managers who worked between 7 months to 1 year have major impact on employees' organization commitment than others. Finally, for work experience factor, the results showed that the store managers who worked between 6-10 year have major impact on organization commitment than other work experiences.

Table 4: Employees' Organization Commitment depend on Personal Characteristics of Store Manager

Personal Characteristics of Store Manager	t-test and One-Way ANOVA	S.D
Gender	0.92	0.35
Age	2.87	0.02*
Status	3.85	0.03*
Educational Level	4.05	0.02*
Duration of current positions	3.50	0.01*
Experiences	3.30	0.02*

* Statistically significant level of 0.05

The analysis result of Coefficient of Correlation between leadership and employee's organization commitment found that transformational leadership style had a positive relationship to organizational commitment at 0.05 was Statistically significant as follows table 5.

Table 5: Employees' Organizational Commitment depend on leadership Characteristics of Store Manager

Full Rang Leadership Characteristics of Store Manager	r	Sig.
-Transformational Leadership	0.45	0.00*
- Transactional Leadership	-0.01	0.85
- Laissez-faire Leadership	-0.01	0.15

*Statistically significant level of 0.05

7. Conclusion and Discussion

The results of the analysis can be discussed as follows:

1. Hypothesis 1.

The testing result is not accords to hypothesis. It showed that personal characteristics of staffs did not affect the organization commitment. It also included gender, age, status, education level and Experience with the current job. Furthermore, we found that the analysis result from of gender factors is the same as the research of Thanasit Poempear(2011) and Varunee Dabsungnean (2011) The gender factor did not affect with organization commitment. Moreover, the result of studying in age factors does not affect with organization commitment. It is different from Nidakwang, Rommuang. (2012). She studied about Employee Engagement: A case study of Thidamaepra School, Suratthani Province. This research result showed that age differences can effect on various organization commitment. Pawan Wattarat. (2007) studied the relationship between quality of work life and organizational commitment: a comparative case study of the three large hospitals in the area of Ubonratchathani municipality. He found that age factors has effect on organization commitment. Senior workers always have more relationship of organization than young workers. Also status factors does not affect with organization commitment. It means that it does not matter marriage, single or divorce. They don't get any affect with corporate engagement. This is the same result as research of Saeree sajjaterakol.(2007)

However the research result from Varunee Dabsungnean (2011) is different. Her research topic is quality of work life, organizational commitment, empowerment and job quality of nursing services at the operational level: Private Hospital in Bangkok. The results showed that personal status characteristics have affected with organization commitment. The educational factor does not affect with organization commitment. It means that the different educational background of staffs did not get any affect with organization commitment. This result is the same as the research from Sasithon Tunruangwong. (2005). That studies about the study of job satisfaction and organizational commitment of employees in the Semiconductor Industry located at the Central Zone. Besides the work experience factor does not affect with organization commitment. This result is different from Thanasit Poempear (2011).

2. Hypothesis 2

The research result reject on the second hypothesis that focus on gender factor. Both male and female store manager do not affect with organization commitment. On other hand, the result of testing other factors accepted the second hypothesis. Store managers who age between 31-35 years have more employees' organization commitment than age below 26 years or age higher than 41 years respectively. Status factor of store manager has various affect of employee's organization commitment. In addition, the store manager who got bachelor degree has more influenced with employees 'organization commitment than another educational level. For duration of current positions factor, the results showed that the store managers who worked between 7 months to 1 year have major impact on employees' organization commitment than others. Finally, for work experience factor, the results showed that the store managers who

worked between 6-10 year have major impact on organization commitment than other work experiences.

3. Hypothesis 3

The testing on this hypothesis accepted that there are relationships between full range relationship of store manager and organization commitment of company A.

The research indicated that the transformational leadership had a positive relationship with organization commitment. The results of this study that in according with the research of Judge and Piccolo (2004).

8. Research Limitations

The sample of this study was employees working at one Thai chain of convenience stores. This study examined the impact of supervisor's full range of leadership on organizational commitment. But other organizational variables can also affect the organizational commitment. In this study, the Allen and Meyer's Organizational Commitment Questionnaire was used. While there are many questionnaires can also be used.

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