

## **Organizational Justice as a Moderator of Relationship between the Transformational Leadership and Organizational Commitment**

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### **Abstract**

*This study investigates on 4000 employees in several enterprises through questionnaires, analyzes Impacting Mechanism of Transformational Leadership on Employee Organizational commitment with SEM analysis. The result shows that transformational leadership behavior is positive with organizational commitment. Organizational justice is related with those of organizational commitment. And the relationships between the transformational leadership and organizational commitment will be partially mediated by organizational justice. Finally, indicate some limitations of the research and give some suggestion of future research.*

**Key words:** transformational leadership; organizational justice; organizational commitment

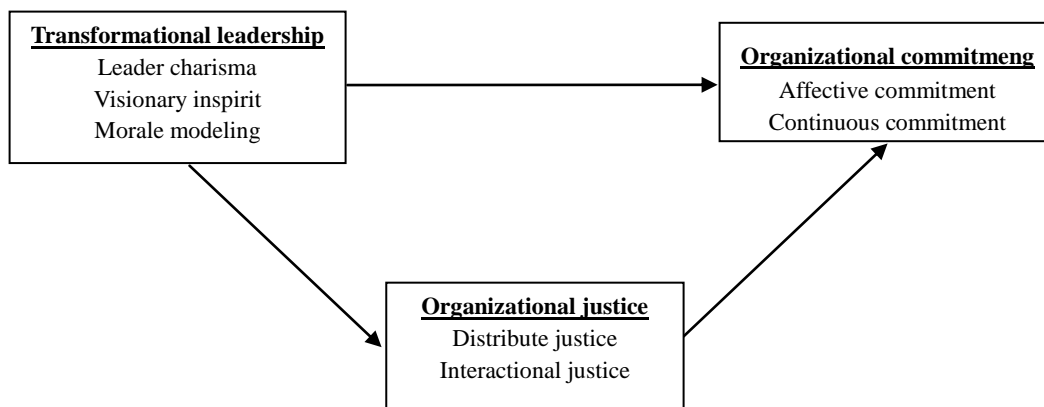
### **Introduction**

The system research on leadership theory can be traced back to the beginning of the twentieth century. The transformational leadership theory lead to the revolution of leadership theory research. According to the analysis of the political leadership, Burns points out that the leadership is a continuum, one is transformational leadership, transactional leadership is one end. Bass points out that the transformational leadership and transactional leadership are not a continuous, and should be two independent concept. Bass(1985), who further refined the construct, held that transformational leaders had an ability to inspire and activate sub-ordinates to perform beyond all expectations and achieve goals beyond those originally set. On the relationship between the transformational leadership and employee behavior, researchers use different variables to measure employee behavior. A large number of studies prove that transformational leadership is positively related to employee behavior.

This article chooses organizational commitment as employee behavior variables, trying to explore the relationship between transformational leadership and organizational commitment in Chinese situation. Organizational commitment is defined as ‘the relative strength of an individual’s identification with and involvement in a particular organization’. Allen Meyer and put forward the concept of organizational commitment and structure, they thought that the organization commitment has three dimensions, namely the emotional commitment continued commitment and normative commitment. In particular, there is considerable research now available suggesting that transformational leadership is positively associated with organizational commitment in a variety of organizational settings and cultures. At present, the research focus on the direct relationship between the transformational leadership behavior and organizational commitment, the middle section of the study of the opposite less, in domestic the study less. Meng Hui discusses the relationship between transformational leadership and organizational commitment in Chinese situation. Chen Yong Xia find the mediating effect of psychological empowerment in the relationship between the transformational leadership behavior and organizational commitment. Based on social exchange theory, and mutual trust and fair is the important factors of affect the employee –organization and lead relationship, and should be the direct factors of affecting employee organizational commitment. Therefore, researching the mediating effect of organizational justice in the relationship between the transformational leadership behavior and organizational commitment in Chinese situation have important significance to organizational theory development and enterprise practice.

## Research model and hypothesis

A theoretical perspective of understanding effect mechanism of leadership on employee's work attitude is that take the leader-employee relationship as social exchange relationship. Burn points out that the social exchange is a refinement relationship, when one party give the other party help or grace, he would expect rewards in the future. Settoon and Bennett put forward that the essence of social exchange is trust of getting the rewards in future. In the social exchange process, more people expect long-term of fairness, the short fair expectation is the typical features of the economic exchange. Therefore, fair is the important influence factor of exchange relationship. Organizational justice refers to the individual or group's cognition to the fairness of organization's treatment. Organizational justice has three forms. First, distributive justice refers to the fairness of outcomes employees receive, such as pay or promotion opportunities. Second, procedural justice can be defined as the fairness of procedures used to determine these outcomes. Third, interactional justice is related to the quality of the interpersonal interaction or treatment people receive as procedures are enacted. Leadership has obvious effects on the organizational justice. The organization's goodwill behavior or voluntary behavior makes employee to produce organizational justice, resulting in a trust, deepen their perception on organizational support, employees will bear the corresponding duties for the return of the organization kindness, even pay extra effort and show positive work attitude and work behavior. Therefore, this study tries to expand past research results on leadership theory and set the theory model of transformational leadership behavior affect organizational commitment with social exchange theory, explore the affect mechanism of transformational leadership on employee organizational commitment through organizational justice.



**Figure 1 theoretical model**

Shamir and colleagues suggest that transformational leaders are able to influence followers' organizational commitment by promoting higher levels of intrinsic value associated with goal accomplishment, emphasizing the linkages between follower effort and goal achievement, and by creating a higher level of personal commitment on the part of the leader and followers to a common vision, mission, and organizational goals. Transformational leaders influence followers' organizational commitment by encouraging followers to think critically by using novel approaches, involving followers in decision-making processes, inspiring loyalty, while recognizing and appreciating the different needs of each follower to develop his or her personal potential. Therefore, the author make the following hypotheses:

H1a: Transformational leadership will be positively related to affective commitment

H1b: Transformational leadership will be positively related to continuous commitment

Transformational leadership can be defined as the relationship between higher economic contract besides. For motivating employee, leader must getting the employee's accept. Some research shows that employees will have to put other people how to deal with their characteristics as justice deciding factor, fairness and then can influence their behavior. If leader can treat subordinates Fairly, he will win the trust of the staff, and meke employee produce outstanding performance. Therefore, the author make the following hypotheses:

H2a: Transformational leadership will be positively related to distribution justice

H2b: Transformational leadership will be positively related to interactional justice

Organizational justice had been thought the primary fact influencing organizational efficiency. Some research indicated that distribute justice was positively related to organizational commitment. Therefore, the author make the following hypotheses::

H3a: Distribute justice will be positively related to affective commitment

H3b: Interactional justice will be positively related to affective commitment

H3c: Distribute justice will be positively related to continuous commitment

H3d: Interactional justice will be positively related to continuous commitment

Based on social exchange theory, when employees can feel the charm of leadership and care, will show the corresponding attitude and actions to return the organization and leadership, which will show some roles as organizational commitment. The author believes that the influence of transformational leadership behavior on organizational ommitment is not directly, organizational justice will play a mediating role.,in this process. Therefore, the author make the following hypotheses:

H4: The relationship between transformational leadership and organizational commitment will be partially mediated by organizational justice.

### **Sample**

This study was conducted in some enterprise of Si-chuan. A total of 3193 completed surveys were returned out of the 4000 that were distributed for a response rate of about 80%

### **Measures**

The twenty items developed by Chao-ping Li was employed to measure the transformational leadership. Respondents were asked to describe the behaviors of their supervisors in their current work situation using a seven-point scale ranging from “strongly disagree” to “strongly agree”<sup>[8]</sup>. The three key leader behaviors identified by Bass were leader charisma and Visionary inspirit and Morale modeling .

Organizational justice is the fair feeling that individual is on the organizational system and measure relation to his benefit. The justice scale consisted of distribute justice and interactional justice. Distribute justice was measured using five items assessing the fairness of different work outcomes, including pay level, work schedule, work load, and job responsibilities. Interactional justice(five items) measured the degree to which employees felt their needs were considered in, and adequate explanations.

The seven items were employed to measure organizational commitment. Respondents were asked to describe the behaviors of their extra-role in their current work situation using a seven-point scale ranging from “strongly disagree” to “strongly agree”. The two key dimensions of organizational commitment were affective commitment and continuous commitment., developed by Allen and Meyer (1990)。

### **Factor analyses**

For each of confirmatory factor analyses reported, we use SPSS for Windows 17.0 to analyses date. Table 1 shows the transformational leadership and suggests support for the three dimension model of transformational leadership. The three facts of transformational leadership are leader charisma and visionary inspirit and morale modeling.

Table 2 shows the factor analysis for the organizational justice scale and suggests support for the two-dimension model of organizational justice. The two facts are distribute justice and interactional justice.

Table 3 shows the factor analysis for the organizational commitment scale. The two facts are affective commitment and continuous commitmen.

**Table 1: Results of factor analysis for transformational leadership**

Items	Fact 1	Fact 2	Fact 3	Alpha
The lead can be incorrupt to receive , not diagram private interest	.85			0.956
The lead can bear suffering previously, enjoy at after	.90			
Lead don't care for personal gain and loss, work with all one's heart	.92			
Lead can sacrifice personal benefits for the sake of the unit benefits	.88			
The lead puts personal benefits at collective with the others benefits after	.89			
The lead will not appropriate to oneself the other people's labor result	.90			
The lead can share both prosperity and adversity with employee	.87			
The lead can make the employee understand the development foreground of unit and section			.81	0.832
The lead can make the employee understand the principle of management and the development target of unit and section			.82	
The lead will explain the farsighted meaning of work toward the employee			.85	
Lead describes a ream that a person to look forward to toward everyone			.80	
The lead can indicate to struggle a target and go forward a direction for the employee			.88	
The lead usually analyzes the influence with employee together that his work is to the total target of the unit and section			.86	
The lead is good at the business work		.89		0.890
The lead is progressive, and has stronger innovation consciousness		.92		
The leadership has a passion for an own work, having the very strong business heart and spirit of enterprise		.92		
The lead throws in very much to the work, and keeps high enthusiasm always		.90		
The lead can study continuously to improve himself		.82		
The lead dares to grasp to dare a tube, and presumes to begin to handle a tough problem		.89		

**Table 2 results of factor analysis for the organizational justice**

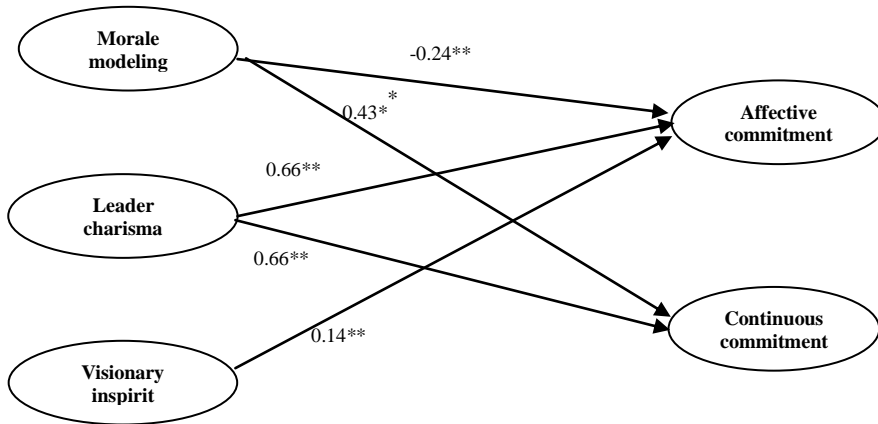
Items	Fact1	Fact2	Alpha
I think that my level of pay is fair		.82	0.880
Overall, the rewards I receive here are quite fair		.90	
I consider my work load to be quite fair		.90	
My work schedule is fair		.87	
When decisions are made about my job, the manager treats me with respect and dignity	.66		0.932
When decisions are made about my job, the manager is sensitive to my personal need.	.91		
When decisions are made about my job, the manager deals with me in a truthful manner.	.75		
When decisions are made about my job, the manger will consider me.	.91		

**Table3 results of factor analysis for the organizational commitment**

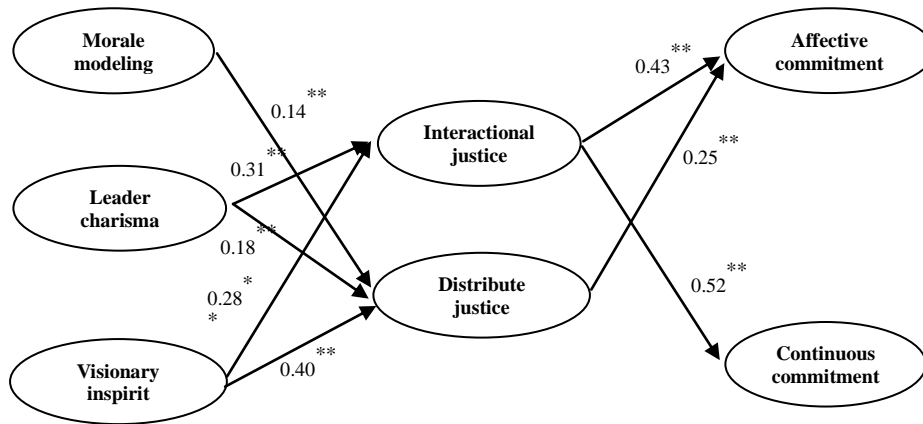
items	Fact1	Fact2	Alpha
If leave the present work , will lose a lot of welfare treatment , for example the house, the child going to school, retired insurance ,etc.	.87		0.786
If leaving present enterprises will bring a lot of losses to my family.	.95		
Because I throw the work now into too much ( For instance time , efforts , money ,etc.) , I cann't to give up.	.76		
I really care about the future and destiny of this enterprise very much		.74	0.758
I will often tell others proudly , I am a member of this enterprise		.60	
I am full of enthusiasm to job now		.90	
I think that one's own value criterion and value criterion of enterprises are unanimously		.64	

**Model analysis and results**

In this study, we pose a theoretical model to explore the mechanism that transformational leadership affects the organizational commitment through organizational justice. The structural equation model will be used for analysis of the theoretical model. Model analysis results and the fitting index in Figure 2 figure 3 and Table4below:



**Figure 2 Model-1 analysis results**



**Figure3 Model-2 analysis results**

**Table 4 Model fitting index**

Model	X2	df	X2/df	NFI	CFI	GFI	RMR	SRMR	RMSEA
Model-1	9420.06	482	19.5	0.98	0.98	0.89	0.16	0.089	0.076
Model-2	5257.33	266	19.7	0.98	0.98	0.88	0.20	0.067	0.077

In table 4, X2/df has a large value because this study has a large quantity sample , and the indicators are in line with the requirements of the model fit. Other indicators of the model such as GFI, RMR can achieve the requirements of the model fit ,these showing very good results. Theoretical model shows that ransformational leadership has the impact of organizational commitment partly through the organizational justice. The mediate effect of organizational justice is shown in Table 5.

**Table 5: The analysis results of organizational support's mediate effect**

Independent variable	dependent variable			
	Interactional justice	Distributive justice	Affective commitment	Continuous commitment
<b><u>Morale modeling</u></b>				
direct effect		0.14**	-0.24**	0.43**
indirect effects	-		0.04**	-
total effects	-		-0.20***	0.43**
Indirect/ total effects	-		100%	-
<b><u>Leader charisma</u></b>				
direct effect	0.27**	0.20**	0.66**	0.66**
indirect effects	-	-	0.18**	0.16**
total effects	0.27**	0.20**	0.84**	0.82**
Indirect/ total effects	-	-	21%	20%
<b><u>Visionary inspirit</u></b>				
direct effect	0.27**	0.27**	0.14**	-
indirect effects	-	-	0.22**	0.16**
total effects	0.27**	0.27**	0.36**	0.16**
Indirect/ total effects	-	-	29%	100%

### Discussion

As shown in Figure 2 and Figure 3, hypothesis H1a is supported and hypothesis H2b is partially supported. Clearly, transformation leadership's three dimensions (visionary inspirit, leader charisma, and morale modeling) have significant positive relationship with organizational commitment. Our results show that both leader charisma and visionary inspirit are positively related with organizational commitment, which is consistent with the prior studies. If leaders give the subordinates enough support, guidance and respect, the subordinates will think organization respect him very much because the leadership behavior has played a positive incentive effect. Therefore, leader charisma is positively related with emotional commitment. Also, leaders can motivate the subordinates by structuring organizational vision and unfolding the organization's bright future. The subordinates under transformational leadership will internalize the values and job objectives of their leaders, which motivates them to exceed personal immediate benefits and pursue the organizational mission and objective. Transformational leadership can selectively arouse subordinates' achievement, affiliate and power motivations. These motivations can enhance subordinates ability of self-monitoring and self-assessment, and eventually enhance subordinates' organizational commitment. Under such organizational climate, subordinates will feel themselves as a part of the organization and be respected by organization, which motivates them to show commitment and loyalty to organizations. In addition, the results also show that the morale modeling is negatively related with affective commitment, which is inconsistent with the prior studies. We suggest that the relationship between morale modeling and affective commitment is indirect. Morale modeling affects affective commitment through some middle variables such as organizational justice.

As shown in Figure 2, there is a significant positive relationship between interactional justice and two dimensions of organizational commitment. Distribute justice is only positively related with affective commitment and has no effect with continuous. Thus, these results suggest that our hypotheses H3a and H3b are supported, and hypothesis H3c is rejected. Justice theory tells that when employee made his achievement and obtained income, he not only care about the absolute income, but also care about the relative income. The employee estimates whether his income is fair or not by comparing his income with others, and the comparative results will directly affect his affective commitment on organization. If the employee thinks his income is fair, he will naturally increase his job satisfaction and organizational loyalty, evenmore, he will show some extrarole behavior to repay organization (e.g. affective commitment). In addition, there is no significant relationship between distribute justice and continuous commitment. The viable explanation is the continuous commitment is heavily with economic characteristic. So the internal distribute justice will not affect the employees' continuous commitment.

Table 5 shows that organizational justice mediates the relationship between transformational leadership and organizational commitment. Distributive justice plays a partial mediating role in the relationship between leader charisma (visionary inspiration) and affective commitment (continuous commitment). Interactional justice plays a full mediating role in the relationship between morale modeling and continuous commitment. The effectiveness of transformational leadership depends on the staff's recognition and trust. Only if the staffs can really feel and recognize leader's transformational leadership, they will show good work attitude and behavior to repay organizations. Based on social exchange theory, only when the staffs feel leaders' charm and care, they will show a higher organizational commitment. So the effectiveness of transformational leadership is closely related with the staffs' psychological feelings. Actually, when leaders show some positive behavior, such as strict with himself setting an example, etc, the employees not only feel these actions, but also care about the fairness of these actions. Therefore, the relationship between transformational leadership and organizational commitment is not directly organizational justice play a mediating role in this relationship.

Because of the time and resource constraints, we cannot measure all the variable dimensions in this paper., which at some extent reduce our the comprehensiveness of this paper. The variables in this paper are all measured by self-rating scale, which may induce some measure bias and reduce the credibility of this paper. Future researches can use multi-level analysis method to examine the mechanism of different leadership and the possible mediating and moderator variables in order to enhance the effectiveness of leadership. Since the priors studies are all using the cross sectional data, it will have more significantly if future research can use indepth data.

All in all, a great deal of researches shows that organizational commitment closely related with organizational performance and efficiency. So our studies will provide much helpful for enterprises' operation and management. If enterprise managers can reference the research idea of organizational commitment and results, it will eventually help enterprise to mobilize the enthusiasm of the employees innovative from the new Angle, let them to better develop the master spirit making new contribution to enterprise management practice.

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