

## Impact of Transformational Leadership and Employee Commitment on Organizational Reputation

<sup>1</sup>Muhammad Zeeshan, <sup>2</sup>Shahid Bashir, <sup>3</sup>Farzeen Fatima, <sup>4</sup>Raza Alam Shah

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<b>Article History:</b>	<b>ABSTRACT</b>
<b>Received:</b> 14 Jan, 2019	<b>Purpose:</b> The purpose of the paper is to examine the effect of transformational leadership and employee commitment on the organizational reputation.
<b>Revised:</b> 5 Apr, 2019	<b>Methodology:</b> Data from 142 employees was analyzed using multiple regression analysis, descriptive and correlation analysis using Statistical Package for Social Sciences version 21.
<b>Accepted:</b> 7 Apr, 2019	<b>Findings:</b> The findings confirm that transformational leadership and employee commitment do effect the organizational reputation of the employees.
	<b>Implications:</b> This study provides the HR practitioner the underlying factors effecting the organization reputation as by empowering the leaders within the organization and by increasing the commitment of employees towards the organization can lead to good reputation of the organization in the market. Empirical findings of the study can provide help to the organizations to understand how retaining and attracting the good employees along with the transformational leadership style increase the reputation of the organization.
	<b>Keywords</b> - Organizational reputation, transformational leadership, employee commitment.

### 1. Introduction

“Leadership is the capacity to translate vision into reality.” Leadership is one of the major factors for engaging employees or subordinates to achieve organizational goals and objectives. Leadership is defined as “the behavior of an individual directing the activities of a group towards a shared goal” (Arnold et al., 2001). Another definition of leadership is as that “leadership is the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization” (Hamdia & Phadett, 2011). Leaders use different styles for directing, motivating and engaging subordinates. Recent studies narrate that using effective leadership styles can enhance employee commitment.

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<sup>1</sup> University of Central Punjab, Lahore, Pakistan: E-mail: [drzeeshan@ucp.edu.pk](mailto:drzeeshan@ucp.edu.pk)

<sup>2</sup> SZABIST- Islamabad, Pakistan, E-mail: [dr.shahid@szabist-isb.edu.pk](mailto:dr.shahid@szabist-isb.edu.pk)

<sup>3,4</sup> University of Central Punjab, Lahore, Pakistan.

In the era of 21<sup>st</sup> century would anyone deny the importance of organizations in our life? Organizations now a day holds almost all the aspects of human life and contributed a lot in development of a society or a country. Except all these contributions organizations have their own goals that needs to be fulfilled, for the purpose of achieving organizational goals organizations require committed human resource. Employee commitment is necessary for achieving organizational growth and attaining sustainable growth. Leaders can play a role in employee commitment. Employee commitment means that employee with his/her full internal intentions and with higher involvement wants to achieve organizational goals and build an emotional relationship with the organization (Jyoti & Bhau, 2016). Leaders can effectively create organizational commitment. Various studies conducted that determine the relationship among leadership and organizational commitment. Some of these narrate that leadership style positively influencing organizational commitment (Wiza & Hanganipai, 2014).

Many researchers focus on the concept of organizational reputation in last decade. Organizational reputation is one of the aspects in public relation, because overall objective of an organization is to attract public. So if an organization has a good reputation among public it can help organization to achieve goals and sustain growth. Organizational reputation defined as “knowledge of shareholders, psychological and emotional reaction aspect of an organization that is formed with time” (Yahaya & Ebrahim, 2016). Organizational reputation depends on many factors like customer loyalty, customer retention, and employee empowerment. And by linking leadership style and employee commitment with organizational reputation has its own importance in the body of knowledge. Previous studies examine relationship among organizational commitment with reputation and leadership style with commitment separately with different context. This research fulfils the gap between leadership and commitment in context of organizational reputation and internal effectiveness of achieving organizational reputation.

The objective of this study is to illustrate the relationship among transformational leadership, employee commitment and organizational reputation by empirically testing the hypothesized model of leadership and commitment. First of all we study the link between transformational leadership on employee commitment and then test the impact of both (transformational leadership and employee commitment) on organizational reputation. At the end of the study it is justified whether both of these constructs have a significant impact in achieving organizational reputation or they have no contribution in achieving organizational reputation.

## **2. Literature Review**

### **2.1 Organizational Reputation**

Organizational reputation is in developing stage in the context of management studies. Many researchers have contributed in the field of organizational development (Jackson et al., 2013;

Jyoti & Bhau, 2016). These researchers generally agreed that organizational reputation is the shareholder's knowledge about the organization and the sentimental-emotional reactions of public about the organization (Jogulu & Wood, 2006).

Organization reputation considered as an important aspect of organizational performance. Some presumes reputation as a tight coupling between past actions of an organization and future expectations along with organizational evaluation. According to Knippenberg and Sitkin (2013) organizational reputation is the comprehensive knowledge that stakeholders have about the overall features of an organization. Some define organizational reputation as the organizational past behavior that shows organizational ability to deliver remarkable results to the shareholders (Nkosi, 2015). A good reputation protect organization from negative results or gossips during the crisis time period (Jogulu, 2010). Reputation is all about perception of people and the process includes creating and sustaining positive people perception (Laohavichien et al., 2009).

Organizational reputation is the organizational behavior that shows in everyday decisions or activities (Krishnan, 2004). From all above discussion is it presumed that organizational reputation is a strategic resource of the firm? According to Jaskyte (2004) organizational reputation is an intangible resource of a firm that represents the overall current position and future expectations of the firm. Hellriegel and Slocum (2006) proposed that organizational reputation is an important strategic asset of the company. Furthermore, Knippenberg and Sitkin (2013) in their study of organizational reputation suggested that organizational reputation is best achieved by management competencies and a remarkable leadership.

What are the perception of stakeholders about the organization to meet the prescribed goals and expectations? In this regard Jogulu and Wood (2006), explains the organizational reputation as a reputed and distinct feature of an organization that evaluates the organization's stakeholders, this evaluation is based on live experiences of the stakeholders with the organization. According to Gatling et al. (2016) organizational reputation consist of six components. These components are used to measure the organizational reputation these are services, leadership, products, social responsibility, organizational image and social identity.

## **2.2 Transformational Leadership**

The concept of transformational leadership was first defined by Hartog et al. (1997). The study described transformational leadership as a positive relationship among leader and subordinate and said that they both interact with each other to achieve high level of performance and motivation. Transformational leaders match the abilities and self-concepts of the subordinates with the vision and mission of the organization and transform their activities with loyalty by promoting the culture of respect for the leaders (Gupta, 2015). Leaders by using transformational style of leadership encourages subordinates to purely work for the favor of the organization and put all their efforts to accomplish the organizational goals (Glavas & Godwin, 2013). Researchers found that there is a

positive relationship among transformational leadership and subordinate's attitude and behavior toward organization (Jaros et al., 1993).

### **2.3 Transformational Leadership and Organizational Reputation**

“A good Reputation is more valuable than money” stated by roman writer, PubliliusSyrus. Reputation is an intangible asset of an organization, according to the latest statistics 53% of Fortune 500 companies' worth may consist of intangible assets – 25% of the world's wealth may be tied up in intangibles, reputation is well-defined by Epiritropaki and Martin (2005), it's an evaluation and judgment of firm in relative to provide esteem results to its agents. Reputation depends on level of goodwill that has been built up in the market by organization's representatives (top management/leaders, employees and clients), and it is believed that what workers utter about the firm is often perceived to be much more reliable, trustworthy and authentic as compared to what top and senior management convey therefore there's strong association between organizational reputation and two internal predecessor features called leadership and employee empowerment.

To combat twenty first century's increased contingencies and run successfully along with others, an organization require efficient and effective leaders because leaders/top management paly a salient character to achieve the ultimate success in relative to motivated environment which influence and enhance the employee's efficiency, attitude and behavior as stated by Dhawan and Mulla (2011) that leadership motivate, influence and enhance its supporters. In this context other social scientists delineated leadership that effective leader is one who empowers his workforce which leads towards ultimate success so it is asserted that there's strong relationship between leadership and reputation of firm and to attain the good and effective reputation internally and externally, firm need charismatic leaders as transformational leaders are charismatic in nature, according to Bahrami et al. (2016), transformational leaders create motivated environment in accordance to employees values and norms which ultimately push them towards to achieve their vision of success.

Transformational leaders generate emotional attachment with co-workers as they are cordially interested in employee's well-being which is strikingly delineated by Avolio et al. (1999), identification, thoughtfulness, concern, kindness and construct a strong association with employees is one of the basic concern and element of transformational leaders. As mentioned earlier that there's robust association between firm's reputation and leadership and transformational leaders are the ones who genuinely fight for the success of an organization along with their charismatic characteristics. i.e. Transformational leaders appreciate and practice two way communication, maintain good relationship with employees, being role-models, trustworthy environment, focus on developing advance skills and capabilities and involve the employees in decision-making process which ultimately leads towards maximum revenue generation.

Transformational leadership and organization reputation move parallel as it is shown by famous and well-reputed organizations along with their leaders i.e. Steve Jobs: Apple, Richard Barson: Virgin, Jack Welch: General Electric because a great collaboration always makes things easier in spite of contingencies and challenges and there are many benefits of having a good reputation i.e. better competitive advantage in the market, attracting top talent and better collaboration and partnerships consequent to transformational leadership. Therefore, this study hypothesized that:

H1: There is a relationship between transformational leadership and organization reputation.

## **2.4 Employee Commitment**

Commitment can be defined by different researchers and practitioner in different ways and it changes from time to time. As Abdel and Rizkallah (2015) defined commitment as personal interest and consistency. According to Carlos and Filipe (2011) commitment is the emotional affiliation, involvement and identification of an employee within a company. A committed employee wants to contribute in the overall success of company and achieved it through the process of learning (Chung, 2013). Organizational commitment sometimes refers to the employee's perception of their affiliation with the organization (Adesola et al., 2103).

There are different models for commitment i.e. three component model presented by Reilly and Chatman, Allen and Meyer model and other dimensional models. According to these models commitment is divided into different dimensions that affect the organization in different ways. These are identification, moral and complain (Bahrami et al., 2016). Some said that affective commitment is the employee's psychological affiliation with the organization. Aydogdu and Asikgil (2011), presented a theory of commitment called Becker's bet theory according to him employee put a large investment in term of time spend in the organization so leaving the organization resulted in loss for the employee so he/she shows commitment and remain attached with the organization.

Individual with high commitment are more attached with the organization and feel happy to be the part of the organization (Dias & Silva, 2016). Commitment is divided into three sub categories i.e. affective commitment means the employees affiliation, involvement and attachment with company and his desire to remain the part of that company. Continuous commitment an employee's feeling that he/she has no other option except this specific organization. In this situation employee thought that there is no other perfect match for his/her capabilities and competencies than this organization (Chung, 2013) and finally normative commitment which means employee's individual attachment towards a good deed of an employer.

Organizational commitment is the capacity of an employee to remain loyal and performed his/her duties and responsibilities in best regard of the organization (Epitropaki & Martin, 2005). Organizational commitment is the strong attachment of an employee with the organization and the extent to which the employee feels pleasure with being a part of that particular organization. Gross

(2015) argued that employees with low emotional stability have more stress, fear or feeling of helplessness in dealing with the challenges occurred in the organization. Consequently, the level of commitment in these employees is very low and they have negative feelings about the organization.

Some researchers emphasized that employee commitment is one of the most important measure of organizational success. Worker's commitment results in improved organizational performance. As a study examined that high level of commitment is associated with 11% boost in the productivity of an organization (Gatling et al., 2016). Another study about commitment showed that an organization with committed employees have experienced 34% employee turnover that explains the cost to the organization 100% and 15% of annual salary of departing employees. Employees who are committed and loyal with the organization adopts the organizational goals and values and shows their full intentions to remain the part of that organization and proved to be the most efficient resource and increase productivity of the organization. This can also help to promote employee performance and decreases employee absenteeism that ultimately results in organizational growth (Jogulu & Wood, 2006).

## **2.5 Transformational Leadership and Employee Commitment**

Leadership is one of the most important functions of organizational management. A strong leadership can help organization to be more competitive and achieve its goal through the most effective and efficient use of people, timings and resources. Transformational leadership plays a vital role in developing personal skill, rewards and self-esteem enhancement that in result enhances employee commitment (Avolio et al., 1999). Carlos and Filipe (2011) narrated that Social exchange theory (SET) is among the most powerful theoretical models for understanding workplace performance. Though diverse opinions of social exchange have developed, theorists generally agree that social exchange contains a sequence of communications that produce responsibilities. Within SET, these communications are frequently seen as dependent and depending on the actions of another individual (Dias & Silva, 2016). Therefore, researchers proposed that SET is most appropriate to the nature of this research which is related to the association between organizational commitment and transformational Leadership (Gupta, 2015).

Employee's commitment can best achieved by effective leadership behavior. Hellriegel and Slocum (2006) suggested a positive relationship among leadership and commitment. According to Jyoti and Bhau (2016) leadership behavior is positively associated to employee's affective and normative commitment while reverse in relation with continuous commitment. Some of the researchers that have their research in the field of employee commitment suggested that many of the employees left the job due to the poor behavior of their leaders.

Laohavichien et al. (2009) found a well build relationship between affective commitment and transformational leadership. He derived that transformational leadership develop strong

affective commitment the reason behind is that it enhances employee emotions and create a vision and fulfill the self-esteem of the employee and satisfy the needs of the employee by combining the interests that results in good perception about the organization. Researchers concluded that organizations should have to build leadership structure and adopt transformational leadership to enhance employee commitment and retain the talent that best matches with the organization (Yahaya & Ebrahim, 2016).

Transformational leadership can enhance employee's organizational commitment in different ways as Krishnan (2004) narrated that transformational leaders treated employees on the basis of their emotions rather than rational. Firstly transformational leadership inspires employees by giving them a vision that encourages them and increases the employee's confidence. Transformational leaders develop employee's loyalty and became the role models so the employees remain committed to the head and the organization as well. According to Knippenberg and Sitkin (2013) transformational leadership unites employees towards a common goal in other words employees work for the common good of the organization. By this they motivate employee to get more attached with the organization. In last transformational leader encourages employee to ask questions and challenge the leaders in any field by developing innovative approaches whether to follow indistinctively. So by processing these ways transformational leaders generate an environment that is more innovative and encourages employees to get involved in the operations to achieve organizational goals by solving complex problems through innovation that ultimately enhances employee commitment with the organization (Jogulu & Wood, 2006). Therefore, this study hypothesized that:

H2: Transformational Leadership and employee's commitment to the organization are related to each other.

## **2.6 Employee Commitment and Organizational Reputation**

Employee commitment is one of the crucial factors to increase organizational efficiency and productivity (Jackson et al., 2013). A good reputation beneficial for the development of belonging an employee has with the organization. According to Jyoti and Bhau (2016) an individual working in a firm with high or favorable reputation have perceived a positive self-esteem by generating a positive image of the organization so he/she strongly attached with the organization, Jogulu (2010), said that employee's perception about organization relates positively with the organizational commitment.

Employee commitment possess that employees feel proud to work with the organization and perform extra responsibilities for the organization (Arnold et al., 2001). Affiliation with a reputed organization enhances self-esteem of an employee. If we talk about job seeker's perspective then a good reputation develops a good and positive word of mouth that enhances intentions to work with that organization (Abdel & Rizkallah, 2015). The positive relationship among employee

commitment and organizational reputation is examined by many researchers through an empirical investigation. If we talk about a study conducted by Adesola et al. (2103), the study revealed a positive relationship among employee commitment and organizational reputation by examining 527 French managers. According to Bahrami et al., (2016) high level of organizational reputation increases organizational commitment and also affects the entry of employees in the organization and the percentage of leaving the organization decreases.

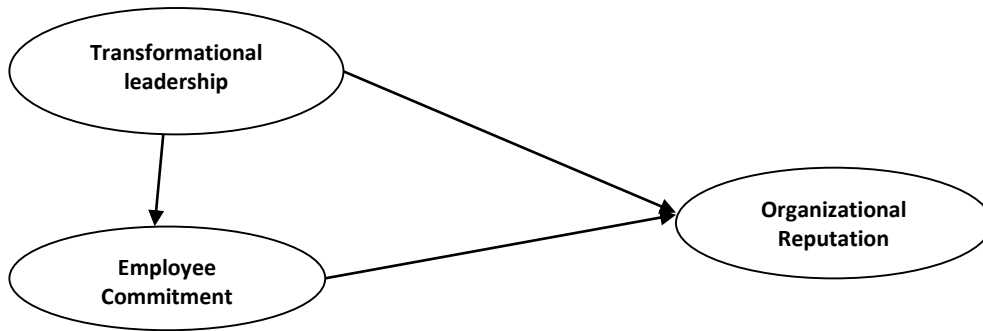
Employee commitment effect on costs that occurred by leaving the organization a committed employee will never leave the organization with a good reputation because he has a positive affiliation with the organization. Chung (2013) argued that commitment as a type of employee's psychological affiliation with the organization. This affiliation described as the damage an employee have by leaving that organization. In other words commitment is termed as the cost that occurs due to absence from the organization. This type of commitment means that the individual thought about the benefits that will occurred to him by remaining the part of that organization (Carlos & Filipe, 2011). Normative commitment is referred as the employee's perception about the obligations and feeling of being the part of the organization. Individuals with this dedication trust that proceeding with movement in association is their commitment and they presumed to be the part of the organization. As already discussed issues and exploration of some researchers like Jaros it is observed that these two factors have negative connection among them. At end note it is stated that if we increase the normative commitment of an employee the employee turnover ratio decreases (Dhawan & Mulla, 2011). Therefore, this study hypothesized that:

H3: There is a relationship between employee commitment and organizational reputation.

## **2.7 Research Model**

Based upon the literature review and the hypothesis the following model is developed, that is shown in the figure 1. This model shows two independent variables that are transformational leadership and employee commitment are associated with each other and also have an impact on the organizational reputation that is the dependent variable.





**Figure 1:** Research Framework

### **3. Research Methodology**

#### **3.1 Instrument**

A self-administrated questionnaire was used for the purpose of data collection. A questionnaire method is preferred because it allows gathering a larger number of responses in short time period (Gross, 2015). Firstly using convenience sampling and then snowball sampling a sample of 180 is drawn from the employees of 3 private academic organizations that include UCP, Imperial College of business studies and Sharif engineering college. For the survey purpose a scale was constructed that reflects (a) the items are simple and easy to understand. (b) A brief questionnaire reducing the burden of the respondent. Likert scale was used ranging from 1 to 5, “1 representing strongly disagree” to “5 representing strongly agree” for each item.

#### **3.2 Data Collection Procedure**

The data was collected in a time period of 2 weeks. Potential participants were requested to fill the form by personally contacting them. Some of the respondents were reached by sending an online link of the questionnaire of Google docs. Total 180 questionnaires were distributed and from them 143 responses were received. According to Roscoe (1975) a sample size of 30-500 samples is consider to be reasonable. The questionnaire consisted of two sections. Section A includes the demographics while in section B it was required by the respondents to examine certain factors regarding the transformational leadership and employee commitment affecting the dependent variable (organizational reputation). Primarily the sample includes female respondents (53.6%) and male respondents (46.4%). One response was excluded with missing values. So, the tests were applied on the data from 142 responses.

### 3.3 Data Analysis

All the final responses were aggregated on SPSS. And the data was analyzed using correlation analysis, multiple regression analysis and descriptive statistics on statistical Package for Social Sciences version 21. To measure the correlation between the variables; Pearson correlation was used. To check the impact of independent variables (Transformational leadership, Organizational commitment) on the dependent variables (Organizational reputation) regression analysis was used.

### 3.4 Measures

Organizational reputation was measured by using seven-item scale that was sourced from Fombrun et al. (2000). The internal reliability of the items was 0.9. Transformational leadership was measured using a scale consisting of nine-items. The internal reliability of the items was 0.8. Employee commitment items were adapted from Porter et al. (1974). Organizational commitment was measured using seven-items having internal reliability of 0.7. Demographic Variables include gender, education, experience and position that were included in all analysis. The demographic profile is summarized in the table 1.

## 4. Results

Demographic summary of the respondents is represented in the [Table 1](#). Out of 142 respondents there were 56 percent male and 45 percent female. Respondents were the employees that belong to academic and non-academic staff. Mostly the respondents were those who had an experience of 1-2 years (34%), 3-4 years (26%) and there were 24% were those who had an experience of less than 1 year and 16% having an experience of 5 years or more.

**Table 1: Demographic Profile of Respondents**

Demographic variables	Frequency	%
<b><i>Gender</i></b>		
Female	64	45
Male	78	56
<b><i>Education</i></b>		
Metric/Intermediate	0	0.0
Bachelors	38	26.8
Masters	74	54.9
PhD	18	12.7
Other	12	8.5

<b>Position</b>		
Academic	102	71.8
Non-academics	39	27.8
Other	1	0.7
<b>Experience with this organization</b>		
Less than 1 year	34	24
1-2 years	48	34
3-4 years	37	26
5 years and above	23	16
<b>Note: Sample size = 142</b>		

#### **4.1 Reliability Analysis**

The internal consistency of the scale was measured by doing reliability analysis. According to Hair et al. (2010), if value of Cronbach’s alpha exceeds 0.7 that shows no problem with the reliability of the construct. [Table 2](#) shows the value of Cronbach’s alpha of all the variables. 1 item is dropped from the employee commitment that is ‘ ‘ I feel very little loyalty to this organization ’ ’. After dropping 1 item, the value of Cronbach’s alpha exceeds the cut-off point that is > 0.70.

**Table 2: Cronbach’s Alpha**

Variables	No. of items	Cronbach’s alpha
Transformational Leadership	7	0.88
EmployeeCommitment	7	0.71
Organizational Reputation	10	0.91

#### **4.2 Correlation analysis**

To test the correlation between the variables (i.e., transformational leadership, employee commitment and organizational reputation) Pearson correlation is being used. Correlation is considered to be strong when the values are  $r = 0.5$  to  $1.0$  or  $-0.5$  to  $-0.1$ . Table 3 shows that the inter-correlation between transformational leadership and employee commitment with organizational reputation are significant at  $p < 0.01$  and are positively correlated. Correlation between employee commitment and organizational reputation is ( $r = 0.498$ ,  $p < 0.01$ ) showing the relation is significant and positively correlates with each other. Also, correlation between transformational leadership and organizational reputation is positive and significant ( $r = 0.431$ ,  $p < 0.01$ ).

**Table 3: Correlations**

Constructs	1	2	3	Mean	SD
Transformational Leadership	1			3.84	0.721
Employee Commitment	0.527**	1		3.57	0.643
Organizational Reputation	0.431**	0.498**	1	3.81	0.757

Note: \*\*correlations is significant at the 0.01 level (two-tailed)

### 4.3 Test of Hypothesis

Regression analysis was used in this research to test the three proposed hypotheses. Two separate models run for this purpose. In the first model the dependent variable is regressed against two independent variables. Table 4 demonstrates the output of regression analysis. Multiple regressions were performed on organizational reputation as dependent variable with the transformational leadership and employee commitment as independent variables. Value of  $R^2$  is 0.29 indicating that 29% variance in the dependent variable (Organizational Reputation) is being explained by two independent variables (Transformational Leadership and Employee Commitment). The collinearity statistics shows the tolerance value greater than 0.1 and VIF value less 10 indicating that there is no multi-collinearity problem existing in the independent variables. Second model ran to check the relation between independent variables. So, here the employee commitment is taken as dependent variable and is regressed against the transformational leadership as the independent variable. Table 4 shows the output according to which value of  $R^2$  is 0.27 indicating that 27% variation in the dependent variable is being explained by independent variable.

The value of unstandardized b coefficients of the regression analysis shows that; the entire posited hypotheses in this research were supported at value  $p < 0.05$ . The hypothesis H1 posited that 'there is a relationship between transformational leadership and organization reputation'. The Table 4 shows that the results are significant ( $\beta_1=0.237$ , sig.= 0.01 < 0.05). Thus, H1 is accepted. H2 posited that 'transformational Leadership is associated with employee's commitment to the organization'. Results are significant here and support the hypothesis ( $\beta_2 = 0.470$ , sig. = 0.000 < 0.05), thus accepting it. H3 posited that 'there is a relationship between employee commitment and organizational reputation', results in table 4 shows that the results are significant here also ( $\beta_3 = 0.446$ , sig. = 0.000 < 0.05) so, H3 is also accepted.

**Table 4: Results**

	Unstandardized b coefficients	T	Sig.	Tolerance	VIF
<b>TL → OC</b>	0.237*	2.61	0.010	0.700	1.429
<b>EC → OC</b>	0.446*	4.38	0.000	0.704	1.420
<b>R square</b>	0.29				
<b>TL → EC</b>	0.470*	7.345	0.000	1.0	1.0
<b>R square</b>	0.27				

Note: VIF: Variance Inflation Factor, \*p < 0.05.

## 5. Discussion and Conclusion

The statistical results suggested that there is a positive relationship between transformational leadership and organizational reputation. This study has shown that transformational leadership is directly influencing organizational reputation. Because by using transformational leadership style, leaders are able to achieve success through their subordinates by empowering them; that results in increased reputation (Jyoti & Bhau, 2016). First, as leaders preferred to use transformational leadership style it cause to increase organizational reputation and secondly if they tend to lose this style of leadership then organizational reputation can reduce to the extent at which they could lack in empowering subordinates and dealing with them for high motivational activities. As study revealed and through the authentication of the proposed hypothesis that there is an association between transformational leadership and organizational reputation it is examined that there exists a positive relationship among these two variables (Yahaya & Ebrahim, 2016).

Further investigating the relationship between the independent variables it is revealed that there also exist a strong positive relationship among the independent variables and the study empirically accepted our second hypothesis H2 that there is an association among transformational leadership and employee commitment. Based on positive relationship it is further explored that transformational leadership plays its role in achieving employees commitment by empowering them by matching their self-esteem with the organizational vision and mission and motivate them to work purely for the betterment of the organization. So there exists a direct positive relationship among employee commitment and transformational leadership.

Next the hypothesis three postulates that there is a relationship between employee commitment and organizational reputation. The above results show that there exist a direct positive relationship between employee commitment and organizational reputation. As the commitment of employee with the organization increases the organizational reputation may also increase (Knippenberg & Sitkin, 2013). One of the factors to increase organizational reputation is positive

word of mouth that is spread across the outside environment by a positively committed employee. Secondly if an employee is committed with the organization he/she work for the betterment of the organization that at the end will result in increased organization reputation. So by empirically testing it is revealed that all of the three hypotheses are accepted and shows significant results in the body of literature.

This study concludes that transformational leadership and employee commitment do have an impact on the organizational reputation. Also, it shed light on the association between the independent variables; that transformational leadership is associated with the employee commitment.

### **5.1 Implications for Practitioners**

The present study provide many useful implications for the indutry people like human resource (HR) manager and also the higher management. HR practitioner can focus on attracting the qualified employees by increasing the reputation of the organization through the leadership style (Wiza & Hanganipai, 2014). According to the findings there is association between the employee commitment and the organizational reputation. The employees feel more committed towards an organization with higher reputation as compared to the organization with less reputation. Consequently, management can use this study to increase the commitment of the employees by studying the underlying factors discussed.

### **5.2 Limitations**

Regardless of the explorations of the present study there are some limitations. The first possible limitation is that sample size is not much large that restricts the generalizability and the half of the data was collected through online survey using snowball sampling technique. This could cause some biasness by the respondents. Second, the results are not much generalizable because the data was collected from only three private academic organizations situated in one city; Lahore, excluding the corporate sector. Thirdly, the data was collected only from the employee's perspective but to understand the impact on the reputation of the organization the insights from the leadership style must also be incorporated.

### **5.3. Future directions**

This study can be expanded by including academic organizations (public also) from other major cities of Pakistan. Future research could be carried out by studying the corporate sector along with the academic organizations. This is a cross sectional study, but to examine the behavior of the respondents in future a longitudinal study could be conducted. The present study uses the quantitative methodology; in future different methodology like qualitative research can be used that

includes focus groups and in-depth interviews; with the leaders and employees can give an explanation of the underlying perspective of the research problem. Further some moderator such as 'public relations' can be included in the present study to know that whether it further strengthens the relationship between the current variables.

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