



HOW TRANSFORMATIONAL LEADERSHIP CONTRIBUTES TO EMPLOYEES' COMMITMENT TO AN ORGANIZATION VIA THE MEDIATING EFFECT OF MOTIVATION WITHIN TAIWAN'S NURSING HOMES

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Abstract

The purpose of this study was to investigate the degree to which the top administrators at nursing homes for disabled people in Taiwan demonstrate transformational leadership and how this is correlated with employees' organizational commitment via the mediating effect of extrinsic motivation. SPSS 18 was utilized to analyze the data and descriptive statistics, Person correlation coefficient, and sequential multiple regression analysis were used to examine the hypothesis. One of the results for this study indicated that gender was not correlated with organizational commitment and that top administrators should recruit married employees and employees with college degrees in order to enhance more organizational commitment. Another result also presented that physical care employees' commitment, compared with the commitment of social workers, special education teachers, and other professionals in nursing homes of Taiwan, was low. The top administrators, therefore, should conduct official self-assessments and two-way communication with them to understand which factors lead to their stress and, ultimately, their intention of leaving the organization. The data further addressed that deploying transformational leadership practices would be an inevitable trend in order to increase organizational commitment and lower turnover rates aggressively. Lastly, the results indicated that transformational leadership contributed to the variability of organizational commitment significantly and that extrinsic motivation was the important factor of shared variability of organizational commitment.

Keywords: Transformational Leadership, Motivation, Organizational Commitment, Disability, Nursing Home

Introduction

In 2015, about 6.4% of Taiwanese people qualified as having a disability; a disability is classified as having mild, moderate or severe, and in some cases, extremely severe intellectual disabilities or having multiple disabilities (Ministry of the Interior, Department of Statistics, 2015). In 2015, there were 466 nursing homes for people with disabilities that were registered and approved with the Social and Family Administration at the Ministry of Health and Welfare in Taiwan (Ministry of Health and Welfare, 2015). In view of the current problems in Taiwan's nursing homes for the disabled include overworked employees, employees with a poor work-life balance and excessive job stress, ineffective leadership, poor communication among administrators, and little or no staff support (Lee, 2007; Lin, 2008; Tseng, 2013). This negative cycle has led to employees' high turnover rates and minimal retention and has had crippling effects on the organizations (Chou, 2005; Lee, 2007; Lee, Lin, & Chu, 2013).

Context of the Study

Leadership has always played an important role in human resources because leadership involves the process of influencing a changing environment through leaders' behaviors, which affect employees' job-related behaviors and attitudes (Slack, 1997). Leaders need to exhibit an effective leadership style to motivate, organize, and direct tasks of subordinates. They also need to build up teamwork to improve morale and cohesion within organizations (Yukl, 2002). Several studies have been

conducted to decipher the best methodologies to affect positive change in leadership at social welfare institutions in Taiwan. These studies were conducted in a variety of industries including, business, military, high-tech industrial systems, and educational fields (Podsakoff, MacKenzie, & Bommer, 1996; Seltzer & Bass, 1990). Specifically, social welfare institutions for disabled people in Taiwan also have an emergent need for effective leadership training to improve the service quality and morale within the work environment. The leaders in Taiwan's nursing homes need to acquire effective leadership training in order to meet the demands of the rapidly changing environments of social welfare systems (Liu, 2006). Notably, leaders of nursing homes for disabled people in Taiwan are facing unexpected and unprecedented challenges in their positions that often make them feel overwhelmed, so positive reinforcement delivered under transformational leadership is necessary (Lee, Lin, & Chu, 2013). Much literature on work motivation and organizational commitment has increased during the past two decades (Joo & Park, 2010), however the relationship between leadership styles, work motivation, and organizational commitment has not been well described in social welfare institutions for disabled people in Taiwan.

Research Framework

To examine the relationships between leadership styles of the top administrators and their employees' organizational commitment via the mediating effect of employees' work motivation, 400 full-time employees were

selected from 70 nursing homes for disabled people that currently own certificates of registration with Social and Family Affairs Administration at the Ministry of Health and Welfare in Taiwan as the study sample. In addition, a path analysis model was first developed to find out whether transformational leadership can have direct or indirect effects on organizational commitment via the mediation effect of extrinsic motivation after controlling for the covariates. Before testing the effect of extrinsic motivation in this study, the following relationships were confirmed: 1. Transformational leadership is a significant predictor of extrinsic motivation after controlling for the covariates. 2. Extrinsic motivation is a significant predictor of organizational commitment after controlling for the covariates. 3. Transformational leadership is a significant predictor of organizational commitment after controlling for the covariates. Since the above path analyses were significant, the hypothesis of mediating effect was tested.

Descriptive statistics were used to characterize the sample, and Pearson correlation coefficients were used to examine the relationships among these variables. Additionally, sequential multiple regression was used to predict whether transformational leadership can have direct or indirect effects on organizational commitment via the mediation effect of extrinsic motivation after controlling for the covariates.

Literature Review

The specific areas of this literature

review contain the following five main topics: (a). organizational characteristics of nursing homes in Taiwan, (b). leadership in the evolution of long-term care nursing homes, (c). transformational leadership in nursing homes, (d). motivation, and (e). organizational commitment.

Organizational characteristics of nursing homes in Taiwan. Nursing homes are defined as long-term, institutional, or community-based professional welfare care facilities or institutions for disabled residents with chronic mental or physical conditions (Gerteis, Gerteis, Newman, & Koepke, 2007; Yu & Hu, 2013). These registered nursing homes fall into one of three categories. They are either (a) private nursing institutions for people with disabilities that are registered legally as nonprofit corporations, (b) public social welfare institutions for people with disabilities, or (c) private nursing institutions approved by the Ministry of Health and Welfare and operated by private organizations (Lin, 2008; Tseng, 2013).

Leadership in the evolution of long-term care nursing homes. Changes in perspectives and expectations of long-term care nursing homes for people with disabilities have resulted in more aggressive development of effective leadership strategies to enable continuous improvement in management practices (Dana & Olson, 2007). The necessary condition of leaders during this period of time focused on how to motivate the authorities and the public to finance or sponsor the needs of the facilities (Dana & Olson, 2007). The charismatic personalities of the nursing home superintendents were critical to

inspire positive morale within the environment to ensure job commitment and motivate the relevant agencies to allocate and integrate more social resources to the nursing homes (Castle & Fogel, 2000).

Transformational leadership in nursing homes. Transformational leadership, associated with staff's attitudes, job satisfaction, performance outcome, and support for the organizational environment, develops trust and values among leaders and employees (Bass & Avolio, 1995). Transformational leaders increase followers' trust levels by showing concern for their personal needs, demonstrating capability and persistence to achieve the vision. Studies have demonstrated that the availability of transformational leadership within social welfare organizations especially refers to the care of the disabled in terms of being associated with employees' positive attitudes and well-being (Trofino, 1995, 2000).

Motivation. Schulze and Steyn (2003) concluded that motivation refers to the internal force that often relies on different human needs that can drive humans to carry on predicable objectives. Based on Watkiss' (2004) definition, motivation can provide the energy that drives all the existed potential, creating high and noble desires and can improve morale and excitement of working together.

Organizational commitment. Many research findings have proven that there is a relationship between organizational commitment and job-related behaviors and attitudes in the fields of organizational behavior or management (Angle

& Perry, 1981; Koch & Steers, 1978; Mohammed & Eleswed, 2013). Bateman and Strasser (1984) asserted organizational commitment as multidimensional in nature, referring to employees' loyalty, willingness to exhibit maximum effort to their organizations, degree of goal and value in accordance with organizations, and the intentions to remain within the organizations. Meyer and Allen (1991) identified three types of organizational commitment: affective commitment, continuance commitment, and normative commitment. Affective commitment is addressed as the emotional linkage, self-identity, and involvement in jobs associated with organizational goals (Meyer, Allen, & Smith, 1993). Continuance commitment is the willingness to stay in an organization because the employee has non-transferable assets. Also, normative commitment can be summarized as a generalized value placed on loyalty and obligation (1991).

Method

Methodology and Data Analyses

A total of 325 valid responses were received, for an 81.25% valid return rate. All statistics were computed by the SPSS. The instruments used for data collection in this study were the Chinese versions of Multifactor Leadership Questionnaire, the Work Preference Inventory, and the Organizational Commitment Questionnaire. The subjects were limited to full-time employees and excluded supervisors within nursing homes for disabled people in Taiwan. In this study, the reliability was assessed by the Cronbach alpha coefficient of transformational leader-

ship was .98; the Cronbach alpha coefficients of extrinsic motivation and intrinsic motivation were .79 and .89, respectively and of continuance, affective, and normative commitments were .93, .86, and .89, respectively. Pearson correlation coefficients, and sequential multiple regression analysis to determine the relationships among these variables and to examine the hypotheses of the study.

The three hypotheses of this study were described below:

- H1: Transformational leadership, extrinsic motivation, and demographic covariates are not correlated with organizational commitment.
- H2. Transformational leadership does not predict organizational commitment after controlling for covariates.
- H3. Extrinsic motivation does not mediate the association of transformation leadership and organizational commitment after controlling for covariates.

Results

H1: Transformational leadership, extrinsic motivation, and demographic covariates are not correlated with organizational commitment.

In this study, the Pearson correlation coefficient, $r = .14$, only shared $.14 * .14 = 1.96\%$ of their variance in age of employees on their organizational commitment also means that there was a low correlation. In short, this analysis showed there was a weak relationship between age and organizational commitment. The null hypothesis was that

the demographic covariate of age was not associated with organizational commitment. Therefore, based on this analysis, the null hypothesis was rejected, even though there was a low correlation between age and organizational commitment.

The Pearson correlation coefficient was .314, indicating a positive correlation between length of employment and organizational commitment. The correlation coefficient, $r = .314$, only shared $.314 * .314 = 9.88\%$ of their variance in length of employment on their organizational commitment. This finding showed that there was a medium correlation between length of employment and organizational commitment, even though the significance value reached significance at the 0.01 level, two-tailed (Sig. < .05). The null hypothesis was that the demographic covariate of length of employment was not associated with organizational commitment. In short, the null hypothesis was rejected because there was a medium correlation.

The Pearson correlation coefficient was .774, indicating a positive strong correlation between transformational leadership and organizational commitment. In this study, the correlation coefficient, $r = .774$, shared $.774 * .774 = 59.94\%$ of their variance in transformational leadership on their organizational commitment. In short, the null hypothesis was rejected because there was a high correlation between transformational leadership and organizational commitment.

The Pearson correlation coefficient was .640, indicating a positive correla-

tion between extrinsic motivation and organizational commitment. To sum up, the null hypothesis was rejected because there was a high correlation between extrinsic motivation and organizational commitment.

H2. Transformational leadership does not predict organizational commitment after controlling for covariates.

Sequential multiple regression was used to predict the outcome variable (organizational commitment) based on the predictor variable of interest (transformational leadership) after controlling for covariates. In this study, the tolerance value for each predictor variable was greater than .10, and the VIF value was less than 10; therefore, no multicollinearity occurred between each of the predictor variables. Variability in the dependent variable ranged from 23.8% to 64.3% and the R^2 change value was the same value of 40.5%.

The greater the magnitude (positive or negative) of the beta value, the greater the influence of each predictor variable on the outcome variable. As shown in Model 2, there were five predictor variables—length of employment ($p = .089$), females ($p = -.081$), married ($p = .092$), college degree ($p = .114$), and transformational leadership ($p = .707$)—that made a significant contribution to the prediction of organizational commitment. In short, the null hypothesis was rejected because transformational leadership had a significant additional predictive power on organizational commitment after controlling for covariates.

H3. Extrinsic motivation does not mediate the association of transforma-

tion leadership and organizational commitment after controlling for covariates.

In this direct relationship, variability in the dependent variable of organizational commitment ranged from 23.8% to 67.4% and the R^2 change value was 43.6%. This means there was an additional predictive power of transformational leadership and extrinsic motivation in Model 2. These two predictor variables were viewed because assessing the additional predictive power on the dependent variable after controlling for covariates was of particular interest. In other words, transformational leadership and extrinsic motivation reached significant contribution on the dependent variable of organizational commitment. The above path b coefficient represents B —the raw (unstandardized) coefficient between the two predictor variables (transformational leadership and extrinsic motivation) and the dependent variable (organizational commitment) after controlling for covariates. The unstandardized coefficient (B) column shows that b was .507. The standard error of b , represented by S_b , was .096. In short, the following was determined: $a = .175$, $S_a = .017$, $b = .507$, $S_b = .096$.

In this study, the path a coefficient was .175, the path b coefficient was .507, S_a was .017, and S_b was .096. After entering these values into the cells, this program calculated the critical ratio as a test of whether the indirect effect of the IV on the DV via the mediator was significantly different from zero. The results of the Sobel test are shown in Table 1. Only the relevant values of the Sobel test were observed, and the other test statistics were ignored. It was

found that the test statistic was equal to 4.70, with a standard error of 0.019, and a p value less than .001. Thus, the null hypothesis of no mediation was rejected. However, the test provided some evidence to support partial mediation from the IV (transformational leadership) to the DV (organizational commitment) by the mediator variable (ex-

trinsic motivation) after controlling for covariates. In conclusion, the null hypothesis was rejected because extrinsic motivation had a significant mediating effect between transformational leadership and organizational commitment after controlling for covariates.

Table 1. Calculation for the Sobel Test for Examining the Mediation Effect (Extrinsic Motivation) Between Transformational Leadership and Sum of Organizational Commitment

Input	Test	Test statistic	SE	p value
$a = 0.175$	Sobel	4.69893781	0.01888193	0.00000262
$b = 0.507$	Aroian	4.68148392	0.01895232	0.00000285
$S_a = 0.017$	Goodman	4.7165884	0.01881127	0.0000024
$S_b = 0.096$				

Note. Table adapted from "Calculation for the Sobel Test," by K. J. Preacher and G. J. Leonardelli, 2001. Retrieved from <http://quantpsy.org/sobel/sobel.htm>

Conclusions and Recommendations

The results conclude that the top administrators of nursing homes should prefer to recruit married employee no matter what gender in order to enhance higher level of organizational commitment. In addition, the above results of this study addressed that participants with a college degree were able to engender significantly more organizational commitment than those that had less than a college degree. This finding seems to suggest not only that the top administrators should recruit more employees with a college degree but also

that relevant departments of social welfare institutions should provide employees with opportunities for advanced studies in order to promote organizational commitment.

Future research may also be devoted to a more detailed exploration to compare the influence of intrinsic and extrinsic motivation between leadership style and job-related attitudes, such as job performance and organizational productivity of employees within social welfare care institutes for disabled people in Taiwan.

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