

# THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP, EMPOWERMENT AND ORGANIZATIONAL COMMITMENT: A MEDIATING MODEL TESTING

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*The human resource development literature highlights that properly implemented transformational leadership style may have a significant impact on the organizational commitment. More importantly, a thorough review of such relationships reveals that the effect of transformational leadership on organizational commitment is indirectly affected by empowerment. The nature of this relationship is given less attention in the organizational leadership models; therefore, this study was conducted to examine the influence of empowerment in the relationship between transformational leadership and organizational commitment using a sample of 118 usable questionnaires gathered from employees who have worked in one US subsidiary firm in Sarawak, Malaysia (ONEUSFIRM). Outcomes of Stepwise regression analysis showed that the relationship between empowerment and transformational leadership is positively and significantly correlated with the organizational commitment. This result confirms empowerment acts as a full mediating variable in the transformational leadership model of the organizational sample. Further, conclusion and implications of this study are elaborated.*

## Key words:

**Transformational Leadership; Empowerment; Organizational Commitment.**

**JEL Classification: E58.**

## 1. Introduction

Leadership is often referred to as a powerful and dynamic person who forms the path of a nation and this may affect the organizational management (Bono & Judge, 2003, 2005; Yukl, 1989). In an organizational context, leadership is viewed as a prime force that may determine the organizational competitiveness in a global economy (Bass & Avolio, 1993, 1994; Bryman, 1992). In order to support the objectives, leaders often choose particular interaction styles that may represent the values and motivations, the wants and needs, the aspiration and expectation of both leaders and followers (Howell & Avolio, 1993; Hartog, Muijen & Koopman, 1997). For example, interactions in the traditional leadership approach emphasize on the ability of followers to accomplish job targets as set up by their superiors (Bass, 1985; Howell & Avolio, 1993). Conversely, interactions in the contemporary leadership approach focuses more on the quality of relationship with followers, such as building reciprocal trust, participatory decision-making, democratic style, and concern about individuals (Avolio, Bass & Jung, 1999; Bycio, Hackett & Allen, 1995). Many scholars think that contemporary and

traditional based interaction styles have used different treatments and this may be categorized in two major forms, namely transactional leadership and transformational leadership (Avolio et al., 1999; Hartog et al., 1997; Howell & Avolio, 1993).

In the early studies about human resource development, the internal properties of the organizational leadership were given much attention (Spreitzer, 1995; Byrman, 1992; Yukl, 2002). For example, transactional leadership and transformational leadership are two main features of the organizational leadership that have received much attention for many years ago (Bass, 1999; Hartog et al., 1997). Transactional leadership emphasizes on cost benefit, where the exchange of commodities (e.g., rewards) and doing job based on task roles and requirements have been a main instrument to achieve organizational and job goals. For example, in this exchange process a leader often promises to fulfill followers' needs (e.g. wages and promotion) if they comply the his/her wishes (Bass, 1985; Burns, 1978;

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Jabnoun & AL-Rasasi, 2005). This leadership style is suitable to be practice in the stable organizational environments (Robbins & Coulter, 2005; Pounder, 2002).

In an era of global competition, many organizations shift the paradigms of their leadership styles from a transactional leadership to a transformational leadership as a way to achieve their strategies and goals (Bass, 1994, 1999, Howell & Avolio, 1993). According to the organizational leadership scholars, such as Bass (1994), Bass and Avolio (1994), and Hartog et al. (1997), who define transformational leadership as leaders who want to develop their followers' full potentials, higher needs, good value systems, moralities and motivation. When this development occurs this may motivate followers to unite, change goals and beliefs (Bass, 1994, 1999; Bycio et al., 1995), and look forward beyond their self-interests in order to achieve organizational interests. This leadership style suits with the dynamic organizational environments (Bartram & Casimir, 2007; Hartog et al. 1997; Keller, 1995).

Recent research in this area shows that the ability of leaders to properly practice transformational styles in managing organizational functions may affect organizational commitment (Bycio et al., 1995; Simon, 1994). For example, intellectual stimulation, individualized consideration, individualized influenced attributed, and individualized influence behavior are the main transformational leadership practices (Avolio et al., 1999; Bass & Avolio, 1993, 1994). Intellectual stimulation is often viewed as a leader who cares about intelligence, rationality, logic and careful problem solving in organizations (Dionne, Yammarino, Atwater & Spangler, 2003). Leaders implement this approach through stimulating followers to re-examine traditional ways of doing things, use of reasons before taking actions and encourage them to try novel and creative approaches (e.g., interesting and challenging tasks) (Bass & Avolio, 1994; Yammarino & Dubinsky, 1994).

Individualized consideration is viewed as a leader who cares about their followers' concerns and developmental needs. This idea encourages leaders to develop followers' potentials through proper coaching and mentoring, continuous feedback and link followers' needs to the organizational strategy and goals (Bass & Avolio, 1993, 1994; Avolio, Zhu, Koh & Bhatia, 2004; Kark & Shamir, 2002). Individualized influenced attributed is related to a leader who has capabilities to clearly formulate and openly communicating the vision and goal challenges to followers (Bass & Avolio, 1994). This idea motivates leaders to motivate followers to focus more on performing the targeted goals than providing them with rewards and punishments may strongly increase followers' self-confidence in accomplishing the targeted goals (Bass & Avolio, 1993; Shamir, House & Arthur, 1993). Hence, individualized influence behavior is seen as a leader develops his/her capability to a role model in providing

good supports to followers who have obstacles in doing job and encouraging followers to do works beyond their self interests (Bass & Avolio, 1993, 1994).

The organizational commitment is theoretically defined as a component of work-related attitudes. The organizational commitment is categorized by at least three factors: a strong belief in and acceptance of the organisation's goals and values; a willingness to exert considerable effort on behalf of the organisation; and a strong desire to remain in the organisation (Mathieu, & Zajac, 1990; Mowday, Steers & Porter, 1979). From an individual unit of analysis, job commitment is often viewed as an interaction between job and employees, where a person who gets involved and develops pride in doing work will strongly invoke his/her work commitment. This may lead to remain in the organization (Cohen & Kirchmeyer, 1995; Dunham, Grube & Castaneda, 1994; Guatling, Ismail & Cheekiong, 2007; Mowday et al., 1979). Within a transformational leadership framework, the ability of leaders to properly implement transformational processes, such as intellectual stimulation, individualized consideration, individualized influenced attributed, and individualized influence behavior in managing organization functions may lead to an increased organizational commitment (Dubinsky, Yammarino, Jolson & Spangler, 1995; Simon, 1994).

Surprisingly, a careful observation about such relationships reveals that the effect of the transformational leadership practices on organizational commitment is indirectly affected by empowerment (Avolio et al., 2004; Kark, Shamir & Chen, 2003). Empowerment is viewed as proactive and strategic management practice that exists in an organization that promotes high commitment HR practices (Menon, 2001; Spreitzer, 1995), which reveals that leaders willing to delegate the power and responsibility of controlling, making and sharing decisions to their followers in performing job to achieve organizational strategy and goals (Honold, 1997; Howell & Hall-Merenda, 1999; Lashley, 1999). In a transformational leadership context, for example, leaders who give sufficient power to followers will encourage them using their intellectuals and fullest potentials to overcome job obstacles, understanding the targeted goals and supporting the organizational interests. As a result, it may lead to an increased organizational commitment. The nature of this relationship is interesting, but little is known about the mediating role of empowerment in transformational leadership models ((Avolio et al., 1999; Bass, 1985; Burns, 1978).

The purpose of this study is firstly to examine the effect of selected transformational leadership characteristics on the organizational commitment. Further, we investigated the mediating role of empowerment in the relationship between selected transformational leadership characteristics and organizational commitment that occurs in one US subsidiary company in Kuching,

Sarawak, Malaysia (USFIRMKK). The paper is structured in seven main headings. These are: explain the context of this study, review the related literature and propose research hypotheses, discuss the methods for this study, elaborate the results of data analysis, discussion and implications of this study, limitations of this study, and finally, a conclusion is elaborated.

## 2. Context of the Study

USFIRMKK was initially established to focus on custom semiconductor packaging and hard disk drive. Currently, this company nearly becomes the total electronic exporter and the largest airfreight exporter in Malaysia. In order to sustain and support the organizational competitiveness, transformational leadership styles are implemented to cope with the external organizational changes. The in-depth interviews were conducted involving three experienced employees to understand the adaptation of transformational leadership styles in achieving the organization's strategy and goals. The information gathered from the interviews reveals that the staff of the organization can be divided into two major categories: management employees and supporting employees. Management employees are leaders (i.e., department heads, assistant department heads and supervisors) that are given duties and responsibilities to plan, organize, lead and monitor employee jobs in the organization. Supporting employees are followers (e.g., general administration assistants, personal assistants to department heads and technicians) that are hired to assist their managers in achieving the organizational and job targets. At a departmental level, management employees often use policies and procedures set up by the stakeholders (i.e., senior management team and board of directors) as guidelines to ensure integrity and accountability in implementing management functions, such as general service, human resource, finance, and technical activities.

These guidelines provide insufficient power to management employees in designing broad policies and procedures, but they are strongly encouraged to use their creativities and innovations in stimulating followers' intellects (e.g., using human resource information system, Internet, automations and machineries in doing job), develop followers' potentials (e.g., implement coaching and mentoring through work groups), sharing the vision and job challenges (e.g., communication openness about the directions of organization), and working together to achieve the organizational interests (e.g., encouragement and moral support are used as main instruments in the interaction between leaders and followers). Implementation of such transformational processes has increased followers' empowerments in managing organizational functions (e.g., followers are given freedom in performing jobs and feel more responsible

to accomplish the assigned jobs). As a business entity, empowerment is very important because it will give freedom of doing job, increase sense of responsibility in carrying out duties, and improve service deliveries at all levels in the organization. Implementation of such empowerments may lead followers to improve commitment to the organization. The nature of this relationship is interesting, but little is known about the mediating role of followers' empowerment in the leadership model of the organization (Yusuf, 2008). Therefore, this relationship needs to be further investigated.

## 3. Literature Review and Research Hypotheses

Many studies using a direct effect approach have recognized the effect of the transformational leadership practices on the organizational commitment. For example, several studies about transformational leadership practices were conducted using different samples and contexts, such as 228 employees in three different US organizations (Simon, 1994), and 1,376 nurses in some US health organizations (Bycio et al., 1995), salespeople in certain US organizations (Dubinsky et al., 1995) showed that transformational behaviours in leading followers through intellectual stimulation, individualized consideration, individualized influenced attributed, and individualized influence behavior had been a major determinant of the organizational commitment. Thus, we can hypothesize that:

**H1: There is a positive relationship between transformational leadership and organizational commitment.**

Recent studies using an indirect effect approach have revealed the mediating role of empowerment in organizational leadership literature. For example, several studies about transformational leadership practices were conducted based on different samples and contexts, such as 520 staff nurses in a large public hospital in Singapore (Avolio et al., 2004), and bank employees in several US banking organizations (Kark et al., 2003) showed that the ability of leaders to properly practice transformational styles (intellectual stimulation, individualized consideration, individualized influenced attributed, and individualized influence behavior) had increased their followers' empowerment to efficiently and effectively managing job functions. As a result, it could lead to higher organizational commitment in the organizations.

The leadership research literature is consistent with the notion of leadership theories, namely Burns' (1978) transformational leadership theory, and Bass's (1985) transformational leadership theory. Specifically, Burns' (1978) transformational leadership theory highlights that mutual understanding of leaders and followers in managing organizational functions may increase their

moralties. Besides that, Bass's (1985) transformational leadership theory posits that interaction between leaders and followers in managing organizational functions can inspire followers to go beyond their self-interests for supporting the organization interests. An application of these theories in an organizational leadership framework shows that followers' moralities and concern about organizational interests can be developed if leaders stimulate followers' intellectuals, develop followers' potentials, design and communicating targeted goals and motivate followers' think beyond their self interest in organizations (Avolio et al., 2004; Bartram & Casimir, 2007). If such transformational processes are properly implement this will increase followers' empowerment to efficiently and effectively performing their job (Kirkman, Rosen, Tesluk & Gibson, 2004; Lashley, 1999; Spreitzer, 1995) As a result, it may lead to a greater organizational commitment (Avolio et al., 2004; Kark et al., 2003, Shamir & Chen, 2003; Yukl, 1998).

The literature has been used as foundation to develop a conceptual framework for this study as shown in *Figure 1*.

Based on the framework, it seems reasonable to assume that high empowerments in managing organizational functions will influence USFIRMKK employees as this practice influences Western employees. Transformational leadership theories further suggest that if USFIRMKK employees have high opportunities to use empowerments in managing organizational functions, this may lead to greater organizational commitment. Therefore, it was hypothesized that:

**H2: Empowerment mediates the effect of transformational leadership on the organizational commitment**

## 4. Methodology

### 4.1. Research Design

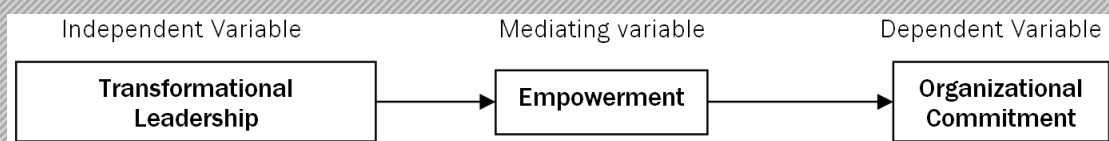
This study used a cross-sectional research design that allowed the researchers to integrate training management literature, the in-depth interview, the pilot study and the actual survey as a main procedure to gather data. The use of such methods may gather accurate and less biased data (Cresswell, 1998; Sekaran, 2000). This study was conducted at one US subsidiary company (USFIRMKK) in Kuching, Sarawak, Malaysia. At the initial stage of this study, in-depth interviews were conducted involving four experienced employees, namely one HR manager and three experienced supporting staff in the Human

Resource Department of the organization. Information gathered from the interviews was used to develop the content of a pilot survey questionnaire. Next, a pilot study was done by discussing the survey questionnaires with one HR manager, one assistant HR manager and two experienced supporting staff in the Human Resource Department of the organization. Their feedbacks were used to verify the content and format of survey questionnaires for an actual study. The back translation technique was used to translate the survey questionnaires in Malay and English; this may help increasing the validity and reliability of the instrument (Van Maanen, 1983; Wright, 1996).

### 4.2. Measures

The survey questionnaire has 3 sections. Firstly, transformational leadership has 20 items that were modified from the multi factor leadership questionnaires (Bass, 1994, 1999; Bycio et al., 1995; Dionne et al., 2003; Hartog et al., 1997). The items used to measure transformational leadership practices were: the person I am rating (1) seeks differing perspective when solving problems, (2) instills pride in me for being associated with him/her, (3) talks about their most important values and beliefs, (4) spends time teaching and coaching, (5) talks enthusiastically about what needs to be accomplished, (6) acts as ways that build my respect, (7) goes beyond self-interest for the good of the group, (8) considers the moral and ethical consequences of decisions, (9) suggests new ways of looking at how to complete tasks, (10) considers me as having different needs, abilities, and aspirations from others, (11) listens to my concerns and helps me to develop my strengths, (12) expresses the confidence that goals will be achieved, (13) focuses attention on mistakes, exceptions and deviations from standards, (14) assists me in giving full attention on dealing with mistakes, complaints and failures, (15) increases my willingness to work harder, (16) encourages me to perform more than they expected me to do, (17) increases my motivation to achieve individual and organizational goals, (18) encourages me to think more creatively and be more innovative, (19) sets challenging standards for all tasks given to me, and (20) gets me to rethink ideas that I had never questioned before.

Secondly, empowerment was measured using 10 items that were modified from empowerment literature (Ashforth, 1989; Hackman & Oldham, 1980; Jones, 1986; Tymon, 1988). The items used to measure this variable were: (1) I am confident with my ability in doing my job,



**Figure 1. Empowerment Mediates the Effect of Transformational Leadership On the Organizational Commitment**

(2) The work that I do is important to me, (3) My impact on the happenings in my department is large, (4) I can decide on my own of how to go about my work, (5) My job activities are personally meaningful to me, (6) I have a great deal of control over the happenings in my department, (7) I have significant autonomy in determining the way of doing my job, (8) I really care about what I do in my job, (9) My job is well within the scope of my abilities, and (10) I have considerable opportunity for independence and freedom in how I do my job.

Finally, the organizational commitment had 12 items that were developed by Mowday, Steers and Porter's (1979) Organizational Commitment Questionnaire. The items used to measure this variable were: (1) I feel obligated to remain with my current employer, (2) I feel emotionally attached to this organization, (3) I would feel guilty if I leave my organization now, (4) This organization deserves my loyalty, (5) I owe a great deal to my organization, (6) I would be very happy to spend the rest of my career with this organization, (7) I am proud to tell others that I am part of this organization, (8) In my work, I feel that I am making significant efforts, not just for myself but for the organization as well, (9) I do not mind doing extra work even though I am not paid for the extras that I had done, (10) This organization really inspires the very best in me in the way of job performance, (11) I am willing to put in a great sense of effort beyond that normally expected in order to help this organization becoming more successful, and (12) I find that my values and the organizations' values are very similar. All items used in the questionnaires were measured using a 7-item scale ranging from "strongly disagree" (1) to "strongly agree" (7). Demographic variables were used as a controlling variable because this study also focused on employees' attitudes.

**4.3. Sample**

The targeted population of this study was the employees of the USFIRMKK. A convenience sampling technique was used to distribute 150 survey questionnaires to employees in the organization. Of the number, 118 usable questionnaires were only returned

to the researchers, yielding a response rate of 78.8 percent. The survey questionnaires were answered by participants based on their consent and on a voluntary basis. The number of survey participants exceeds the minimum sample of 30 respondents as required by probability sampling technique. Thus, the data collected can be analyzed using inferential statistics (Leedy & Ormrod, 2005; Sekaran, 2000).

**5. Results**

**5.1. Sample Profile**

Table 1 shows the sample profile of this study. The majority respondents were males (64.4 percent), respondents' ages between 26 to 30 years old (34.7 percent), Malay (41.5 percent), diploma holders (31.4 percent), non management employees (75.4 percent), and working experienced more than 10 years (24.6 percent).

**5.2. Validity and Reliability Analyses for Measurement Scales**

Table 2 shows the results of validity and reliability analyses for measurement scales. The factor analysis using varimax with Kaiser Normalization rotation was done for four variables with 42 items, which related to three variables: transformational leadership (20 items), psychological empowerment (10 items), and organizational commitment (12 items). The factor analysis with varimax with Kaiser Normalization rotation was done for all variables Next, the Kaiser-Meyer-Olkin Test (KMO), which is a measure of sampling adequacy, was conducted for each variable and the results indicated that it was acceptable. Specifically, the results of these statistical analyses showed that (1) all research variables exceeded the minimum standard of Kaiser-Meyer-Olkin's value of 0.6, were significant in Bartlett's test of sphericity, (2) all research variables had eigenvalues larger than 1, (3) the items for each research variable exceeded factor loadings of 0.40 (Hair, Anderson, Tatham & Blacks, 1998), and (4) all research variables exceeded the acceptable standard of

**Table 1**  
**Participants' Characteristics (N=118)**

<u>Gender (%)</u>	<u>Age (%)</u>	<u>Race (%)</u>	<u>Education (%)</u>	<u>Length of Service (%)</u>
Male=64.4	18-20=4.2	Malay=41.5	SPM=29.7	<1 year =10.2
Female=35.6	22-25=28.8	Chinese=17.8	STPM=12.7	1-3 years =24.6
	26-30=34.7	Indian=0.8	Diploma=31.4	4-6 years =22.0
<u>Job Category (%)</u>	31-35=18.6	Native=31.4	Degree=16.9	7-9 years =16.9
Management=24.6	36-40=8.5	Others=8.5	Others=9.3	>10 years =26.3
Management=75.4	>40=5.1			

Note: SPM/MCE/Senior Cambridge: Sijil Pelajaran Malaysia/Malaysia Certificate Education  
STPM/HSC: Sijil Tinggi Pelajaran Malaysia/High School Certificate)

reliability analysis of 0.70 (Nunnally & Bernstein, 1994). These statistical results confirmed the validity and reliability of measurement scales used for this study as shown in *Table 2*.

### 5.3. Pearson Correlation Analysis and Descriptive Statistics

*Table 3* shows the results of Pearson correlation analysis and descriptive statistics. The means for the variables are from 4.18 to 5.26, signifying that the level of transformational leadership practices; empowerment and organizational commitment are ranging from high (4) to highest level (7). The correlation coefficients for the relationship between the independent variable (i.e., transformational leadership) and the mediating variable (i.e., empowerment), and the relationship between the dependent variable (i.e. followers' performance) were less than 0.90, indicate that the data were not affected by serious co-linearity problem (Hair et al., 1998).

In terms of testing a direct effect model, transformational leadership positively and significantly correlated with the organizational commitment ( $r=0.55$ ,  $p<0.01$ ), therefore H1 was supported. This result demonstrates that the ability of leaders to properly

implement transformational processes via intellectual stimulation, individualized consideration, individualized influenced attributed and individualized influence behavior has directly increased organizational commitment in the studied organization.

### 5.4. Outcomes of Testing Research Hypotheses

Stepwise regression analysis was undertaken to test the mediating hypothesis because it can assess the magnitude of each independent variable, and vary the mediating variable in the relationship between many independent variables and one dependent variable (Baron & Kenny, 1986; Foster, Stine & Waterman, 1998). According to Baron and Kenny (1986), the mediating variable can be considered when it meets three conditions: the predictor variables are significantly correlated with the hypothesized mediator; the predictor and mediator variables are all significantly correlated with the dependent variable; a previously significant effect of predictor variables is reduced to non-significance or reduced in terms of effect size after the inclusion of mediator variables into the analysis (Wong, Hui & Law, 1995). In this regression analysis, standardized coefficients (standardized beta) were used

**Table 2**  
Validity and Reliability Analyses for Measurement Scales

Measure	Items	Factors Loading	KMO	Barlett's Test of Sphericity	Eigenvalue	Variance Explained	Cronbach Alpha
Transformational Leadership	20	0.597 to 0.880	0.958	2318.729 p=.000	13.320	66.600	0.973
Empowerment	10	0.414 to 0.800	0.820	542.454 p=.000	4.661	46.612	0.864
Organizational Commitment	12	0.601 to 0.783	0.908	970.888 p=.000	6.925	57.710	0.931

**Table 3**  
Pearson Correlation Analysis and Descriptive Statistic

Variable	Mean	Standard Deviation	Pearson Correlation (r)		
			1	2	3
Transformational Leadership	4.79	1.42	(1)		
Empowerment	5.29	0.94	0.39**	(1)	
Organizational Commitment	4.18	1.28	0.55**	0.41**	(1)

Note: Correlation Value is significant at \*\* $p<0.01$   
Reliability estimation are shown diagonally (value 1)

**Table 4**  
**Results of Stepwise Regression Analysis**

Variable	Dependent Variable (Organizational Commitment)		
	Step 1	Step 2	Step 3
<b>Control Variable</b>			
Gender	.16	.14	.13
Age	.36	.27	.23
Race	-.08	-.04	-.02
Education Level	-.03	-.06	-.03
Job Category	-.12	-.02	-.03
Years of Services	-.252	-.13	-.12
<b>Independent Variables</b>			
Transformational Leadership		.52***	.44***
<b>Mediating Variable</b>			
<b>Empowerment</b>			.20*
R <sup>2</sup>	.11	.36	.39
Adjust R Square	.065	.314	.340
R square change	.113	.242	.030
F	2.356	8.638***	8.537***
F Δ R Square	2.356	41.208***	5.407*

Note: \* $p < 0.02$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$   
Beta = Standardized Beta

for all analyses. The results of testing mediating model are shown in Table 4.

This table shows the inclusion of empowerment in Step 3 of the process and reveals that the relationship between empowerment and transformational leadership practices significantly correlated with the organizational commitment ( $\beta = .20$ ,  $p < 0.05$ ), therefore H1 was fully supported. This relationship explains that before the inclusion of empowerment into the analysis in Step 2, transformational leadership practices was found to be significantly correlated with the organizational commitment ( $\beta = .52$ ,  $p < 0.001$ ). In terms of explanatory power, the inclusion of empowerment in Step 2 has explained 36 percent of the variance in dependent variable. As shown in Step 3 (after the inclusion of empowerment into the analysis), the previous significant relationship between transformational leadership practices and organizational commitment did not change to non significant (Step 3:  $\beta = .44$ ,  $p < 0.001$ ), but the strength of such relationships were decreased. In terms of explanatory power, the inclusion of empowerment in Step 3 had explained 39 percent of the variance in dependent variable. This result confirms that the inclusion of empowerment into the analysis has increased the strength of relationship between transformational leadership and the organizational commitment, which sends a signal that empowerment, does act as a full mediating variable in the organization.

## 6. Discussion and Implications

This study confirms the mediating effect of empowerment in the relationship between transformational leadership and the organizational commitment. In the USFIRMKK,

leaders have properly implemented transformational processes via individualized consideration, individualized influenced attributed, and individualized influence behavior to achieve the organizational strategy and goals. The majority of the employees perceive that such leadership practices had increased their empowerments in managing organizational functions. When employees perceive that their empowerments are high, this may lead to an increased commitment with the organization.

The implications of this study can be divided into three major aspects: theoretical contribution, robustness of research methodology, and contribution to practitioners. In term of theoretical contribution, this study revealed that empowerment does act as a mediating variable in the relationship between transformational leadership practices and organizational commitment. This outcome is consistent with studies by Avolio, Zhu, Koh and Bhatia (2004), and Kark, Shamir and Chen (2003). In sum, the findings of this study have supported and broadened leadership research literature mostly published in the Western and Eastern organizational settings. Thus, the notion of empowerment has been successfully applied within the leadership management models of the studied organization. With respect to the robustness of research methodology, the data gathered using leadership management literature, the in-depth interviews, pilot study and survey questionnaires have exceeded an acceptable standard of validity and reliability analysis, this may lead to the production of accurate and reliable findings.

Regarding practical contributions, the findings of this study can be used as a guideline by the management to



upgrade the effectiveness of leadership styles in their organizations. This objective may be achieved if the management considers some suggestions: firstly, leadership styles will be sharpened if they are continuously trained with up to date knowledge, relevant skills and good moral values. This training program can help to improve leaders' treatments in handling the needs and demands of employees who have different socio-economy backgrounds. Secondly, participative leadership styles can be meaningful if followers are allowed to involve in decision making, this will motivate employees to perceive that their contributions are appreciated. Consequently, it may motivate them to use their creativities and innovations in performing job. Finally, interaction between followers and leaders will increase positive subsequent personal outcomes (e.g., satisfaction, commitment, performance and ethics) if the organizations provide merit based pay (e.g., monetary incentives) to high performing employees. This pay system may motivate followers and leaders to focus more in achieving job targets. Heavily considering

these suggestions may positively motivate followers and leaders to support organisational strategies and goals.

## 7. Conclusion

This study confirms that empowerment does act as a full mediating role in the relationship between transformational leadership and the organizational commitment. This result has supported and extended leadership research literature mostly published in the Western and Eastern organizational settings. Therefore, current research and practices within transformational leadership models needs to consider empowerment as a critical aspect of the organisational leadership styles, where increasing followers' empowerments in efficiently and effectively managing organizational functions may strongly motivate positive subsequent attitudinal and behavioural outcomes (e.g., competency, performance, satisfaction, commitment, trust, and positive moral values). Thus, these positive outcomes may lead employees to sustain and support organisational competitiveness in a global economy.

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