

The Role of Idealized Leadership and Organizational Culture on Affective Commitment through Procedural Justice in the Industrial Sector. (Partial Least Square Approach)

Achmad Zawawi , Maharsi A. Sabila

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ABSTRACT—One of the outputs of an organization is commitment of employees. The commitment of organization basically is the strong desire to stay in the organization for long time. It can be caused of affective, continuance and normative reasons. There are many factors determining a commitment such as motivation, trust, justice, leadership, organizational culture values. The objective of this study is to test the hypotheses that idealized leadership (IL) and Organizational Culture (OC) directly affect on Affective Commitment (AC), and indirectly through Procedural Justice. The instrument to measure variables was already tested for its' validity and reliability. The tool for analyzing the relationship between the variables is Partial Least Square (PLS) that basically is a Structural Equation Modeling (SEM). The indicators for each variable are valid indicating by loading factors, more than 0.7. The variables are also reliable indicated by Cronbach's alpha of more than 0.7. The result is that Idealized Leadership and Organizational Culture directly affect on Procedural Justice which path coefficients of 0.245 and 0.404 respectively. The two variables indirectly affect on Affective Commitment by 0.093 and 0.153 respectively. The Procedural Justice directly effects to the Affective Commitment. This piece of research has confirmed the integrated model of organizational behavior. The model still can be used for improving commitment of members in organization.

Keywords---Idealized Leadership, Organizational Culture, Procedural Justice, Affective Commitment.

I. INTRODUCTION

The pandemic of covid 19 has created more unemployment rate. By 2019 the

unemployment rate was 5.28 percent and it increased to 7.07 percent in 2020. By 2021 the unemployment rate decreased to 6.49 percent. There are many industries that laid off their employees. The industries should consider about the reasons for staying or quitting jobs for employees. This study basically is trying to understand variables influencing commitment for organization from point of affective view, also to confirm indicators for each research variables. The commitment of employees can be caused by reason of affective, economic and psychologic aspects. According to Colquitt [1] the variables that determine an organizational commitment are job satisfaction, stress, motivation, trust, justice & ethics, learning and decision making. The variables that sway commitment and performance are organizational culture, leadership process, communication, characteristic & diversity, ability, personality & culture values. The reason for choosing the affective commitment is that the culture of east nations for not expressing directly about financial problem. It is a basic problem of not going out from organization.

II. THEORETICAL REVIEW

The output of organization can be classified by organizational commitment and performances. A manager of an organization will demand to each member of the organization for having high commitment and performances. Colquitt, Le Pine and Wesson [1] define commitment of an employee that likes to be an element of an organization due to reasons of financial, obligation and emotional matters. McKenna [2] explains organizational commitment as the relative strength of an individual's identification with and involvement in an

organization. organizational commitment the employee's emotional attachment to, identification with and involvement in a particular organization. Bratton [3] says that organizational commitment is the employee's emotional attachment to, identification with and involvement in a particular organization. Schemerhorn, Hunt and Osborn [4] say that employees' commitment is faithfulness of an employee to an organization. Luthans [5] explains about commitment of organization as a tough desire to stay in organization. Gibson [6] defines commitment of employee as a sense of identification, loyalty and involvement towards organization. Furthermore, affective commitment as an individual's emotional attachment to and identification with an organization, and a belief in its values Langton, Robins and Judge [7] define organizational commitment as the degree to which a member identifies with a particular organization and its goals, and hope to maintain membership in the organization. According to Kondalkar [8] that organizational commitment depends on job enrichment factor, degree to which members enjoy autonomy, and freedom of action. The basic commitment can be based on emotion, cost and obligation. The emotion based is affective commitment that indicated by sense of belonging to organization, protecting and to be responsible for organization. Acar using affective commitment for his research as emotional attachment, identification and involvement of employees to an organization [9]. Zhang refers affective commitment as not only emotional attachment, recognition, engaging in the values of organization, but also loyalty and hardworking of employees [10]. The reason for choosing the affective commitment is that the affective commitment is the core of organizational commitment. [11]

Colquitt, LePine and Wesson [1] refers procedural justice as perceive a fairness of making regulation. Everyone in an organization participates for making regulation. Bratton [3] explains procedural justice as justice based on the principle of fairness of the procedures employed to achieve the outcomes. According to Cooper, Hellriegel and Slocum procedural justice as the fairness of decision making procedures perceived by members of organization to determine outcomes [12]. The justice will lead to increase job performance, extra efforts, commitment, job satisfaction and quality.

Schemerhorn, Hunt and Osborn [4] describes leadership as influencing process and facilitating employees to achieve the goals of

organization. Bratton [3] defines leadership a process whereby a person influences, either directly or indirectly, others to change behaviour or achieve a common goal. Buchanan and Huczynski [13] talk a new leader should have an inspirational visionary, a shared sense of purpose and mission, a culture in which every member is aligned with organizational goals, and a skill to empower members' organization. The leader should have competencies to translate concepts of a vision to be understood by followers so can be identified action plan [12]. Idealized leader basically is a transformer who able to influence member of organization. Influence that behaving to earn admiration, trust, respect of followers so that they could identify and emulate the leader [1]. Followers will feel influential when they are included in discussion, comment appreciation, valuable suggestion, decision making process [14]. Idealized leader just not indicating influence, but also performance, vision, and problem-solving.

Organizational culture is the values, beliefs and attitudes of everyone in organization that are learned and shared among them, as stated by Cooper, Hellriegel and Slocum [12] The cultures can be categorized as clan, market, bureaucratic and entrepreneurial cultures. Schein [15] concludes that culture is something abstract and the terms has dynamic evolution. Basic values for culture in an organization is to accept rules of game, good relationship and its environment. Colquitt, LePine and Wesson classified organizational culture as observable artifact, exposed values and basic underlying assumption [1]. George and Gareth explains organization culture as a set shared values, beliefs and norms that affects a member of organization to think, feel and behave [16].

III. HYPOTHESIS

The hypothetical statements for this study can be formulated as: (1) The direct and significant effect of Idealized Leadership (IL) on Affective Commitment (AC); (2) The direct and significant effect of Organizational Culture (OC) on Affective Commitment (AC); (3) The direct and significant effect of Procedural Justice (PJ) on Affective Commitment (AC). (4); The direct and significant effect of Idealized Leadership (IL) on Procedural Justice (PJ); (5) The direct and significant effect of Organizational Culture (OC) on Procedural Justice; (6) The indirect and significant effect of Idealized Leadership (IL) on Affective Commitment through Procedural Justice (PJ); (7) The indirect effect and significant of Idealized Organizational Culture on Affective Commitment through Procedural Justice

(PJ).The last hypothesis is that whether the theoretical integrative-model will fit to the empirical model.

IV. METHODOLOGY

This piece of research has population of employees working on the industrial sector producing automotive component located in West Java, Indonesia. Sample size for doing this research is 50 employees, with simple random sampling. The instrument has been tested for validity and reliability. Since the sample size is not large enough, the tool for analyzing can be used The Partial Least Square (PLS). The tool does not need the assumption of normality, linearity, multicollinearity, homoscedasticity. The PLS is powerful method for analyzing due to several characteristics [17]. Each variable has its indicators.

The variable Idealized Leadership has indicators of a) influencing-ability, b) performances, c) clear-vision, d) problem-solving. The indicators have loading factor of 0.824; 0.689; 0.736; 0.825 consecutively. Organizational culture has indicators of a) accepted rules of games, b) kindship, c) conducive environment in the organization. The loading factors for the each-variable are 0.863; 0.813; 0.867. The loading factors for the procedural justice area a) equal treatment, b) chance to improve, c) evaluation procedures, which in loading factors of 0.893; 0.843; 0.861 respectively. Affective commitment has indicators of a) sense of belonging, b) protecting organization, c) responsibility to organization. The loadings factors for the variable are 0.823; 0.810 and 0.867 respectively. These can be seen in the following table.

Table 1: Outer Loadings

Indicators	Loadings	T Calculated
i1X1 <- Idealized Leadership	0.824	5.751
i1X2 <- Organizational Culture	0.863	17.114
i1X3 <- Procedural Justice	0.893	29.393
i1Y <- Affective Commitment	0.823	11.613
i2X1 <- Idealized Leadership	0.689	3.434
i2X2 <- Organizational Culture	0.813	7.904
i2X3 <- Procedural Justice	0.843	14.320
i2Y <- Affective Commitment	0.810	9.026
i3X1 <- Idealized Leadership	0.736	4.028
i3X2 <- Organizational Culture	0.827	12.873
i3X3 <- Procedural Justice	0.861	12.708
i3Y <- Affective Commitment	0.867	17.515
i4X1 <- Idealized Leadership	0.825	5.996

Notes: t-table is 1.68 at c.i of 0.95

So, all indicators (i_jX_j) have confirmed the variables. All t-statistic are higher than t-table that is 1.68 by confidence level of 0.95, indicating validity of indicators. All variables are also reliable by looking at the Cronbach's alphas of affective commitment (0.780); idealized leadership (0.796); organizational culture (0.785) and procedural justice (0.836) consecutively. All coefficients are more than 0.7 for reliability benchmarking.

V. RESULTS AND DISCUSSIONS

Using the PLS, the result is that path coefficient Idealized Leadership (IL) to Affective Commitment (AC) is 0.228. Since t-calculated

(1.327) is lower than t-table (1.68), the direct effect is not significant. Idealized influence is one of the characteristics of transformation leader. Riaz, Akram and Ijaz find out that Transformation leader has significant and positive relation to the affective commitment [18]. Ratina, Lestariani, Indradewa and Syah also conclude that transformation leadership has significant and positive influence on affective commitment [19]. Harwiki studied servant leadership relating to organizational commitment, the result is that the coefficient effect is significance of 0.789. This is different with this study that there is no significant effect idealized leadership on affective commitment. It could be different indicators

between this study and others. Kim [20] found transformational leadership has positive correlation to affective commitment, However, the idealized leadership has significant effect on procedural justice.

The effect of Idealized Leadership (IL) on Procedural Justice (PJ) is significant at level of 0.95 confidence level. It is indicated by the path-coefficient of 0.245 which is t-calculated of 1.93. It is in line with the research-finding of Mansur and Guozhu that transformational leadership has influence on job satisfaction through procedural justice [21]. On the other hand, based on study by Bagga, Gera and Haque that leadership of transformation influences organizational culture. The path standardized coefficient is 0.782 that is significant [22]. Acar found that two sub dimensions influencing affective commitment are individual consideration and inspirational motivation which coefficient effects of 0.257 and 0.166 respectively [9].

There's no-significance-proof that Organizational Culture (OC) affects directly on Affective Commitment (AC) since the path coefficient is only 0.001 and the t-calculated is also only 0.003, lower than t-table. However Rafael find out that organizational commitment has direct effect on Affective commitment by the β -coefficient of 0.587 [23]. Zhang [10], using structural equation modelling, found out that organizational culture has 0.31-coefficient path to organizational commitment. Wambui and Gichanga also support that organizational culture is a factor that contribute on organizational commitment [24].

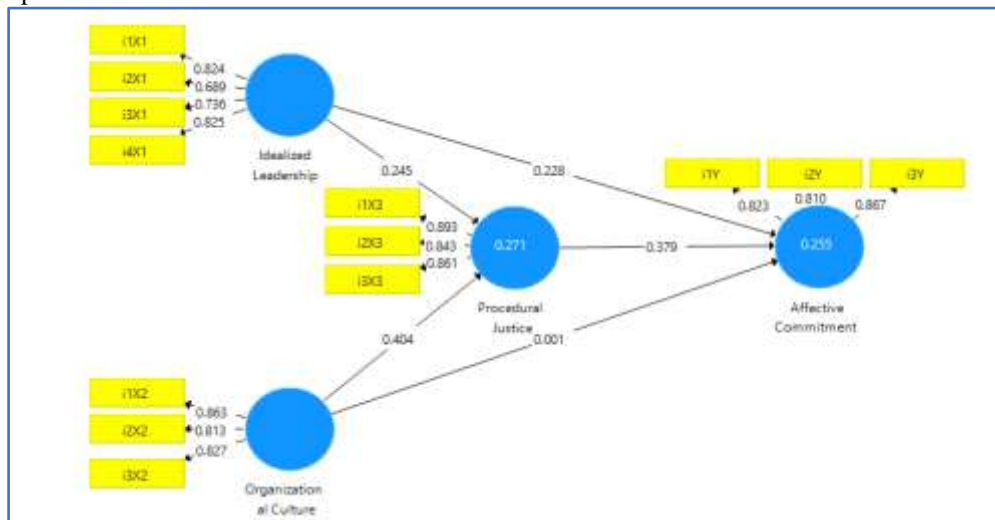
The Organizational Culture (OC) affectson Procedural Justice (PJ) directly by coefficient path of 0.404 and t-calculated of 3.199

that is more than t-table which is 1.68. Procedural Justice (PJ) directly affecton Affective Commitment (AC) bythe path-coefficient of 0.379 and t-calculated of 2.933. Zhang revealed that organizational justice affects organizational commitment by 0.37-coefficient path [10].

Procedural justice (PJ) has significant effect on Affective Commitment (AC) which coefficient path of 0,37. Since the t table of 1.68 is lower than calculated, there is significant effect of PJ on AC. New model has invented by Zainabadi and Salehi that Procedural Justice affects organizational commitment through job satisfaction [25]. The β Coefficient of procedural justice going to job satisfaction is 0.3, from job satisfaction to organizational commitment is 0.19, whereas coming to organizational commitment indirectly from procedural justice is 0.06.

The Idealized Leadership has indirect-significant influence on affective commitment through procedural justice. The path coefficient for the relationship is 0.093 and it is considered as significant effect by looking at the t-calculated that is lower than t-table. Organizational culture affects indirectly on Affective Commitment through also procedural justice. The path coefficient for the effect is 0.153 that is also significant by comparing t table and t calculated. The empirical model is approximately fit to the theoretical model of integrated model of organizational behavior [1]. This can be seen from the value of SRMR (Standardized Root Mean Square Residual) of 0.107. Chi-square of 125.217 and NFI (Normed Fit Index) of 0.598.

The final empirical model can be seen as in the following graph.



Graph: Path Coefficients

Table 2. Path Coefficients

Path (direct)	Path-Coefficient	T-Statistic
Idealized Leadership -> Affective Commitment	0.228	1.327
Idealized Leadership -> Procedural Justice	0.245	1.93
Organizational Culture -> Affective Commitment	0.001	0.003
Organizational Culture -> Procedural Justice	0.404	3.199
Procedural Justice -> Affective Commitment	0.379	2.933
Path (specific indirect effect)		
Idealized Leadership -> Procedural Justice -> Affective Commitment	0.093	1.732
Organizational Culture -> Procedural Justice -> Affective Commitment	0.153	2.102
Path (total)		
Idealized Leadership -> Affective Commitment	0.321	2.207
Idealized Leadership -> Procedural Justice	0.245	2.15
Organizational Culture -> Affective Commitment	0.154	1.06
Organizational Culture -> Procedural Justice	0.404	3.389
Procedural Justice -> Affective Commitment	0.379	3.027

Notes: $t_{(df, \infty)} = t_{(48;0.05)} = 1.68$

VI. CONCLUSIONS AND IMPLICATIONS

Based on the above discussion: (1) The Idealized Leadership has not direct and significant effect on Affective Commitment significant at 5 percent confident level; (2) Organizational Culture has not direct and significant effect on Affective Commitment (3) Procedural Justice has direct and significant effect on Affective Commitment. (4); Idealized Leadership has direct effect and significant effect on Procedural Justice; (5) Procedural Justice has direct and significant effect on Affective Commitment; (6) Idealized Leadership has indirect and significant effect on Affective Commitment; (7) Organizational Culture has indirect and significant effect on Affective Commitment through Procedural Justice (PJ). In summary, this study has also confirmed the integrative model of organizational behavior.

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