

The Impact of the Four Transformational Leadership Dimensions on Organizational Commitment in Small and Medium-Sized Organizations in the US

Michael O'Malley, DBA | Columbia Southern University, Orange Beach, AL, USA

Contact: mpo203@yahoo.com

Abstract

Research has shown that transformational leadership is linked to higher employee satisfaction, organizational commitment, innovation, and overall performance. It has been particularly effective in organizations seeking to drive change, inspire creativity, and retain top talent. This study explores the impact of transformational leadership on employee organizational commitment in small and medium-sized enterprises (SMEs) in the United States, focusing on the four key dimensions of transformational leadership: inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence. While prior research has established a relationship between leadership styles and employee outcomes such as job satisfaction, loyalty, and productivity, there is limited understanding of how each transformational leadership dimension influences organizational commitment, particularly within SMEs. This quantitative correlational study surveyed 159 employees from various non-governmental industries in the US, including healthcare, manufacturing, and technology, to assess how each leadership dimension affects employee commitment. The findings provide insights for SMEs seeking to reduce turnover and improve leadership effectiveness. Understanding these relationships is critical for organizations striving to retain talent and foster a committed workforce in an increasingly competitive business environment.

Keywords: *Transformational leadership, organizational commitment, SME (Small and Medium-Sized Enterprise).*

Introduction

Leadership theories have evolved from traditional, transactional approaches to more contemporary, transformational models. As conceptualized by Bass and Avolio (1993), transformational leadership has gained prominence for its emphasis on inspiring and motivating followers to achieve higher levels of performance and commitment. However, the impact of each of the four dimensions of transformational leadership on employee organizational commitment has yet to be adequately researched, particularly in small and medium-sized enterprises (SMEs) in the United States. Each of the four dimensions of transformational leadership may have a different impact on employee organizational commitment, and this information can be critical to SMEs seeking to improve leadership effectiveness. This study aims to provide details on the relationships among the four specific dimensions of transformational leadership, inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence, and organizational commitment in SMEs, thereby improving leadership practices that can help reduce undesired turnover.

Leadership practices can significantly influence employee satisfaction and commitment. Insights from this study can inform leadership development programs, helping organizations identify future leaders' key traits and behaviors and develop a more effective and adaptable leadership pipeline. Focusing the research on SMEs is purposeful because SMEs experience more employee turnover than large corporations (US Bureau of Labor Statistics, 2020). Large corporations have more resources to maintain employees (Gelencsér et al., 2024). SMEs must work smarter to retain their employees. The research supports SMEs aiming to improve organizational commitment.

Background

Several key theorists and seminal thinkers have significantly influenced the field of transformational leadership. James MacGregor Burns introduced the concept of transformational leadership in his 1978 book *Leadership* (Burns, 1978). Burns distinguished between transactional and transformational leadership, emphasizing the latter as a process in which leaders and followers raise one another to higher levels of morality and motivation. Building on Burns' work, Bernard Bass further developed the theory of transformational leadership in the 1980s. His 1985 book, *Leadership and Performance Beyond Expectations* (Bass, 1985), expanded on the idea by identifying specific behaviors and characteristics of transformational leaders. Bass also introduced the Multifactor Leadership Questionnaire (MLQ) to empirically measure transformational leadership. Bruce J. Avolio collaborated extensively with Bass and has contributed significantly to research on transformational leadership. Avolio refined the MLQ and explored the developmental aspects of transformational leadership, emphasizing its role in organizational change and effectiveness (Bass & Avolio, 2000). Bass and Avolio developed the four dimensions of transformational leadership, often referred to as the "4 I's".

The four dimensions are:

Idealized Influence (II): Leaders function as role models and are admired, respected, and trusted. They demonstrate high standards of ethical and moral conduct and are consistent, dependable, and lead by example.

Inspirational Motivation (IM): Leaders inspire and motivate followers by providing meaning and challenge to their work. They communicate a clear, appealing, inspiring vision that expresses confidence and enthusiasm.

Intellectual Stimulation (IS): Leaders encourage innovation and creativity by challenging assumptions and soliciting new ideas from followers. They support followers in trying innovative approaches, developing their critical thinking skills, and stimulating and encouraging a free exchange of ideas within the organization.

Individualized Consideration (IC): Leaders pay special attention to each follower's needs for achievement and growth by acting as a coach or mentor. They provide individualized support, acknowledge each follower's unique contributions, and provide opportunities for learning and growth (Bass & Avolio, 1993).

These dimensions work together to create an environment in which followers are motivated to achieve higher performance levels and are committed to the organization's goals. John P. Meyer and Natalie J. Allen are key figures in the study of organizational commitment. Meyer and Allen (1991) divided organizational commitment into three types of commitment (affective, normative, and continuous commitment). When viewed together, all three types of commitment negatively affect turnover intention and actual turnover (Robbins & Judge, 2017).

Raymond Mowday is another prominent figure in the field of organizational behavior, particularly known for his work on organizational commitment. Mowday, along with Richard Steers and Lyman Porter, developed the Organizational Commitment Questionnaire (OCQ), which has been widely used to measure employees' affective commitment to their organizations. According to Mowday, organizational commitment is "an attitude or orientation toward an organization that connects and reinforces a person's identity with the organization" (Mowday et al., 1979, p. 2). Employees with greater organizational commitment are more focused on their work with consumers, clients, service providers, supervisors, workgroups, occupations, and organizations, and they act more positively in these relationships (Bingham et al., 2013).

Literature Review

Transformational Leadership

Several scholars and practitioners have expanded on and supported Bass and Avolio's transformational leadership theory. Lim et al. (2017) suggested that transformational leadership significantly impacts employee turnover intention. Improved transformational leadership results in greater job satisfaction and organizational commitment, which, in turn, reduces employees' turnover intention (Lim et al., 2017). The study by Gelencsér et al. (2024) focused on employee retention across small and medium-sized enterprises (SMEs) and large enterprises within a dynamically evolving business environment. In SMEs, retention often hinges on personal relationships, flexible work conditions, and opportunities for broader responsibilities (Gelencsér et al., 2024). Conversely, large enterprises tend to rely on formalized structures, such as career development programs, competitive compensation packages, and structured employee engagement initiatives (Gelencsér et al., 2024).

Mohammed (2020) indicated that SME managers should take appropriate measures to identify employees' needs and concerns by communicating openly and effectively with them. Sincere communication with constructive feedback may foster coordination between employees

and departments and reduce employee turnover (Mohammed, T., 2020). Employees who felt proud of their organization were more likely to remain with it, and working in an ethical environment enhances employees' commitment (Yasin, 2021). Yasin further noted that responsible organizational leadership focuses on employees' personal growth and establishes a caring climate, making employees want to remain (Yasin, 2021).

By investing in transformational leadership practices that foster employee commitment, SMEs can reduce turnover rates, minimize recruitment costs, and maintain a talented, motivated workforce (Gutu et al., 2022). Manoppo (2020) examined how transformational leadership affects turnover intention, with work stress and organizational citizenship behavior (OCB) as mediators. Transformational leaders help reduce work stress by creating a positive and empowering work environment, which can decrease employees' intention to quit (Manoppo, 2020).

Organizational Commitment

The available literature demonstrates a significant relationship between organizational commitment and turnover (Abid et al., 2019; Silitonga et al., 2020; Yu et al., 2019). Several scholars have researched variables related to organizational commitment, including job satisfaction, mentoring, productivity, and innovation (Afsar & Umrani, 2020; Al-Ahmadi & Kasztelnik, 2021; Bhargavi & Yaseen, 2016; Durmishi & Popovski, 2020; Hadi & Tola, 2019; Laksmna & Riana, 2020; Paais & Pattiruhu, 2020). These researchers found that organizational commitment can be developed in various ways. Transformational leadership is effective, but it is just one of the possible ways of doing so. Authors agree that the independent variable, transformational leadership, is one of the most popular leadership theories used in organizational research and has been linked to organizational commitment (Ausat et al., 2022; Keskes et al., 2018; Rahmatullah et al., 2022; Silitonga et al., 2020).

Dalton (2023) also explored how transformational leadership influences organizational commitment, focusing on the mediating role of organizational trust. The study showed that trust enhances the effectiveness of transformational leadership in fostering employee commitment (Dalton, 2023). Nguon's (2022) article conceptualized how transformational leadership influences job satisfaction, innovative behavior, and work performance. The research showed that transformational leadership helps leaders and employees improve their abilities and knowledge, motivates them, and prevents them from leaving their jobs (Nguon, 2022). Ratina et al. (2021) examined the impact of transformational leadership on employees' affective commitment, with job satisfaction and organizational culture acting as intervening variables. The findings indicated that transformational leadership positively affected commitment, and both job satisfaction and organizational culture mediate this relationship (Ratina et al., 2021).

Considering employees' organizational commitment is critical for predicting employee retention (Yu et al., 2019). Employees committed to their organization are more likely to remain with the company and exhibit higher levels of job satisfaction (Benson, 2018; Gumus et al., 2018). Organizations with elevated levels of employee commitment experience greater productivity, innovation, and overall performance (Fant, 2019). Research by Abid et al. (2019) indicated that a supportive work environment, leadership, and job autonomy enhance employees' vitality and learning, thereby fostering greater organizational commitment. Marta et al. (2021) suggested that organizations can enhance employee commitment by enriching job roles, empowering employees, and promoting work motivation and satisfaction. By addressing these

factors, organizations can create more committed, engaged, and loyal workforces, leading to long-term organizational success (Marta et al., 2021). Haque et al. (2019) found that leadership characterized by ethical behavior and concern for stakeholders positively influenced organizational commitment and lowered turnover.

Methods

This study adopted a quantitative, correlational methodology to examine the relationship between the four dimensions of transformational leadership (independent variables) and organizational commitment (dependent variable). Quantitative research uses large sample sizes to quantify the problem by generating numerical data transformed into usable statistics (Tominc et al., 2018). This study's independent variables are the four dimensions of transformational leadership: inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence. Organizational commitment is the dependent variable. This study enhances understanding of how the dimensions affect organizational commitment and how SMEs can improve it, thereby reducing costly turnover.

Research Question and Hypotheses

What is the relationship between employee perceptions of idealized influence, individual consideration, inspirational motivation, intellectual stimulation, and organizational commitment?

Null hypothesis: There is no statistically significant relationship between employee perceptions of idealized influence, individual consideration, inspirational motivation, intellectual stimulation, and organizational commitment.

Alternative hypothesis: There is a statistically significant relationship between employee perceptions of idealized influence, individual consideration, inspirational motivation, intellectual stimulation, and organizational commitment.

Population and Sample

The target population was employees aged 18 or older working for SMEs in the US. SurveyMonkey, an online survey platform, was used to administer the survey, and its database was used to select participants who met the qualifications. Qualified participants were provided with a link to complete the research survey on SurveyMonkey. This link allowed potential participants to review information on consent, responsibility, and accountability, giving them complete control over their decision to participate. Survey screening questions on SurveyMonkey asked participants to identify their age, gender, geographic location, organization size, and income level. A minimum of 159 participants were required for the study. The 159 participants were determined using G*Power 3.1 software application for an F-test family linear multiple regression model, considering an effect size of .10, an error probability α of .05, and a required statistical power of .90.

Data Collection Procedures

Once potential participants were selected, they were asked to read the study information and choose to participate or decline. Only participants who signed the informed consent form and answered 'Yes' were allowed to proceed with the survey. For survey participants, confidentiality was assured, and informed consent was obtained via SurveyMonkey at the beginning of the survey. Participants who agreed to participate in the study were asked to complete two surveys. To maintain anonymity, no personally identifiable information, such as names or Social Security numbers, was collected. The recruitment letter served as the survey preamble, and at the beginning of the survey, participants were asked to complete the informed consent form, which also allowed them to opt out. The survey was opened and remained open until the established number of completed surveys was reached, at which point it was closed. The researcher presumed that participants were honest and upfront about their perceptions of leadership styles and their effects on organizational commitment.

Survey Instruments

The first survey instrument included validated scales to measure transformational leadership using the Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (2000). The MLQ is the most widely used instrument to assess transformational leadership theory (Kirkbride, 2006) and is considered the best-validated measure of transformational and transactional leadership (Ozaralli, 2003). The MLQ captures a wide range of leadership behaviors, including transformational, transactional, and laissez-faire styles, providing a holistic view of a leader's approach. It emphasizes transformational leadership, which has been shown to correlate with higher employee engagement, innovation, and organizational success (Muenjohn & Armstrong, 2008).

The validity of the MLQ-5x, developed by Bass and Avolio (2000), has been extensively studied, yielding several key findings. Construct and convergent validity were tested against the Transformational Leadership Inventory (TLI) using confirmatory factor analysis for factorial validity (Rowold, 2005). Rowold's results indicated a significant fit of the data to a nine-factor model. The MLQ also performed well in terms of convergent validity, showing a strong correlation (> 0.7) with the existing measures of leadership in the literature, including the Leadership Practices Inventory, the Implementation Leadership Scale, and the Multifactor Leadership Questionnaire (Braathu et al., 2022). Antonakis (2001) also studied the validity of the MLQ-5x. Antonakis found that it demonstrated solid validity, ranging from .74 to .94. The results of these studies suggest a strong correlation between the MLQ and established measures of leadership, thus confirming the tool's reliability as a valid measure of leadership.

Reliability was also tested using internal consistency (Cronbach, 1951), interclass correlation (ICC), and test-retest reliability (Rowold, 2005). Rowold calculated Cronbach's alpha for each MLQ subscale, and the results were very good, ranging from .84 to .97. The alpha reliability coefficient for the MLQ ranges from .60 to 0.92 (Avolio et al., 1999). Using interclass correlation (ICC), Rowold (2005) found that the interrater agreement for each subscale was satisfactory or high. Rowold also determined that the test-retest reliability was high and significant. In summary, the MLQ-5x is a valid and reliable instrument for measuring leadership factors.

Organizational commitment was measured using the Organizational Commitment Questionnaire (OCQ) developed by Mowday et al. (1979). The OCQ is also a widely used instrument that identifies 15 items conveying three characteristics of organizational commitment,

with responses rated on a 7-point Likert-type scale. The OCQ covers key aspects of organizational commitment, including emotional attachment to the organization, belief in the organization's values, and a desire to maintain membership. According to Mowday, convergent validities across six diverse samples range from .63 to .74, with a median of .70, indicating consistent evidence of convergent validity (Mowday et al., 1979). In an additional study, Cronbach's alpha for the OCQ typically ranged from 0.82 to 0.93 (Carmines & Zeller, 2022). A 2020 study by Verma found a Cronbach alpha of 0.79. A study by Cohen (2007) also showed strong internal consistency across cultures, with Cronbach's alpha above 0.80. In summary, studies have found that the OCQ correlates well with other measures of job satisfaction, turnover intentions, and organizational citizenship behavior, providing evidence of convergent validity.

The reliability of the OCQ is also well documented. The fifteen-item OCQ is designed to assess respondents' loyalty and desire to remain with the organization, their beliefs in and acceptance of the organization's values and goals, and their willingness to put in extra effort to help the organization succeed (Yousef, 2003). According to Kanning and Hill (2018), Cronbach's alpha values lie between .82 and .93, and internal consistency examination resulted in a satisfactory reliability value in each case, with Cronbach's alpha ranging between .72 and .93. Cronbach's coefficient alpha reliability estimates for the seven dimensions of a learning organization were acceptable, showing results above .80 (Yang et al., 2004). Dunham et al. (1994) also found that the OCQ demonstrated high reliability, with Cronbach's alpha above 0.85. In summary, the OCQ has been extensively tested for validity and reliability, and it is regarded as a reliable and valid instrument for measuring organizational commitment (Mowday et al., 1979).

Data Analysis

Research data was collected from 159 qualified participants. Demographic information for the participants is presented in Table 1. The information shows an even mix of males and females, as well as a diverse mix of ages, geographic locations, organization sizes, and income levels. This data indicates a reasonable mix of respondents that adequately represents the study's target population. Table 1 shows the descriptive statistics of the participants.

Table 1

Descriptive Statistics of Participants

Characteristic	Full Sample	
	N	%
Age		
<18	0	0
18-29	25	15.7
30-44	52	32.7
45-60	59	37.1
>60	23	14.5
Total	159	100

Gender		
Male	75	47.2
Female	83	52.2
Prefer not to say	1	0.6
Total	159	100
Geographic Location		
New England	5	3.1
Atlantic	48	30.2
East Central	40	25.2
West Central	24	15.1
Mountain	7	4.4
Pacific	30	18.9
Prefer not to say	5	3.1
Total	159	100
Income Level (\$)		
0-24,999	22	13.8
25,000-49,999	32	20.1
50,000-74,999	28	17.7
75,000-99,999	33	20.7
100,000-199,000	27	17.0
>200,000	11	6.9
Prefer not to say	6	3.8
Total	159	100
# of Employees		
1-10	0	0
11-50	59	37.1
51-200	62	39.0
201-500	38	23.9
>500	0	0
Total	159	100

Note: Demographic data indicates a good representation of the target population.

The software tools Microsoft Excel and R Commander were used to analyze the survey data. These tools are commonly used in research settings and are renowned for their ability to analyze statistical data (McGrath, 2015; Schumacker, 2015). The statistical technique used for data analysis was a linear multiple regression test. Multiple regression tests are appropriate when there is more than one independent variable, and the objective is to use them to predict an outcome (Pederson, 2017). Certain assumptions need to be met for the results of a multiple regression analysis to be valid. These assumptions ensure that the model's estimates are reliable and the statistical inferences (e.g., hypothesis tests, confidence intervals) are valid. Here are the key assumptions for multiple regression:

- **Linearity:** The relationship between independent and dependent variables should be linear. Non-linear relationships can lead to biased estimates.
- **Independence of Errors:** The residuals (errors) should be independent. The Durbin-Watson test can detect violations, such as autocorrelations.

- Homoscedasticity: The variance of residuals should be constant across all levels of the independent variables. Heteroscedasticity can affect the efficiency of estimates and the validity of hypothesis tests.
- Normality of Residuals: The residuals should be normally distributed. This assumption is particularly important for valid hypothesis testing.
- No Multicollinearity: The independent variables should not be highly correlated. High multicollinearity inflates standard errors, making it difficult to determine the individual effect of each predictor.
- Fixed Independent Variables: The independent variables should be measured without error. Measurement errors can lead to biased estimates.
- No Influential Outliers: Outliers or leverage points can disproportionately affect the regression model. They should be identified and addressed.
- Sufficient Sample Size: A sufficiently large sample size is required to achieve stable and reliable estimates. A common guideline is to have at least 10-20 observations per predictor variable. (Wooldridge, 2020)

A review of the study data indicates that the assumptions for multiple regression were met. Multiple regression explains the variation in a dependent variable and estimates the strength and direction of the relationships between the dependent and independent variables (Wooldridge, 2020). A p-value < 0.05 indicates a significant relationship. This multiple regression test is an important test for addressing the research question because it indicates the impact of each independent variable on organizational commitment. Table 2 shows the multiple regression results.

Table 2

Multiple Regression

Coefficients	Estimate	Std. Error	T value	Pr(> t)
Intercept	40.7685	3.898	10.457	<2e-16***
Idealized Influence	0.8231	0.627	1.312	0.192
Individual Consideration	0.3232	0.532	0.608	0.544
Inspirational Motivation	2.298	0.566	4.060	0.0001***
Intellectual Stimulation	-0.7321	0.567	-1.291	0.199

Note: The relationship between the independent variable of inspirational motivation and the dependent variable of organizational commitment is highly significant.

Results

Results from the multiple linear regression analysis indicate that, among the four dimensions of transformational leadership, idealized influence, individual consideration, inspirational motivation, and intellectual stimulation, the latter significantly impacts organizational commitment among the respondents. Inspirational motivation refers to a leader's ability to inspire and motivate followers by creating a compelling vision of the future and making followers excited about the goals they are working toward. The results of this study

imply that inspirational motivation may be the most important aspect a leader should employ to encourage greater organizational commitment among employees in US SMEs.

Summary, Conclusions, and Recommendations

Leadership is a dynamic and multifaceted process that involves influencing, guiding, and motivating individuals to achieve organizational or group goals. Effective leadership is crucial as it shapes the vision, direction, and success of the organization or team. Leadership is not a one-size-fits-all process but a complex interplay of styles, strategies, and contexts. Effective leaders understand the importance of adaptability, ethical practices, and continuous learning to lead their teams and organizations toward success (Kotter, 2012).

Transformational leadership inspires and motivates followers to achieve their highest potential and foster significant organizational change. It emphasizes vision, intellectual stimulation, and individualized consideration (Bass & Riggio, 2006). Studies such as those by Ratina et al. (2021) and Islam et al. (2021) highlight its effectiveness in driving innovation and commitment.

The purpose of this quantitative correlational study was to explore the impact of each of the four transformational leadership dimensions on employee organizational commitment in US SMEs, thereby providing valuable insights for organizational leaders seeking to create a dedicated and engaged workforce and reduce turnover. The results indicated that the transformational leadership dimension of inspirational motivation significantly positively impacted organizational commitment among the respondents.

Fostering organizational commitment in SMEs requires intentional efforts, such as offering professional development opportunities, recognizing employee contributions, maintaining transparent communication, and cultivating a sense of belonging. These practices help SMEs grow by creating a motivated and dedicated workforce. Leaders have a significant influence on organizational commitment. Strong leadership fosters commitment by building trust and aligning with organizational goals. Silitonga et al. (2020) showed that transformational leadership positively influences organizational commitment through trust-building mechanisms. This research provides results consistent with these findings and greater detail on each transformational leadership dimension.

The psychological insights into why employees respond positively to inspirational motivation stem from several well-established psychological theories and principles. These insights explain how inspirational motivation taps into intrinsic human needs, emotions, and cognitive processes. For example, self-determination theory (Deci & Ryan, 1985) postulates that people have three basic psychological needs: autonomy, competence, and relatedness. By aligning the vision with personal values, employees feel a sense of ownership over their work (autonomy). Leaders who encourage innovation and set challenging goals foster a sense of achievement (competence). Inspirational leaders articulate a vision that gives employees a sense of purpose (relatedness). As a result, employees feel intrinsically motivated, leading to higher engagement and commitment (Deci & Ryan, 1985).

In social identity theory (Tajfel & Turner, 1979), people derive part of their self-concept from group membership. Inspirational leaders create a shared sense of identity by communicating a compelling vision that unites employees. When employees feel connected to a purpose beyond their individual roles, they develop a stronger sense of identification with the

organization. The sense of belonging fosters loyalty and commitment as employees align their personal identity with the organizational vision (Tajfel & Turner, 1979).

Cognitive dissonance theory (Festinger, L., 1957) states that people strive for consistency between their beliefs, values, and actions. When leaders align the organization's goals with employees' personal values, employees are motivated to reduce cognitive dissonance by committing to the vision. The alignment of goals and values fosters a sense of purpose, reducing internal conflict and enhancing commitment (Festinger, L., 1957).

In expectancy theory, motivation is influenced by the belief that effort will lead to performance and desirable outcomes. Inspirational leaders clearly articulate how employees' efforts contribute to organizational success and individual rewards. Employees are motivated when they see their efforts meaningfully contributing to organizational growth. An increased belief in the ability to make a difference boosts engagement and commitment (Vroom, 1964).

In conclusion, many theories provide insight into the impact of inspirational motivation and why it significantly impacts organizational commitment. Employees respond positively to inspirational motivation because it satisfies fundamental psychological needs for meaning, identity, and connection. It also activates positive emotions, reduces uncertainty, and aligns personal and organizational goals, creating an environment where employees feel valued, motivated, and committed.

Implications for Professional Practice

Inspirational motivation is important because it not only drives action towards goals but also fuels a more profound sense of purpose, creativity, and personal growth by igniting passion and excitement, making individuals more likely to persevere through challenges and achieve their full potential, especially when linked to a meaningful vision or cause (Shafi et al., 2020). Inspiration can spark new ideas and approaches to problem-solving, leading to more creative solutions. When people feel inspired, they are more likely to be fully invested in their work or personal goals and to experience a more positive mood and greater overall happiness (Kaur Bagga et al., 2022). Through inspirational motivation, leaders build their followers' trust and confidence, enabling them to fully contribute to the leader's vision and the organization's mission.

Employees develop a strong emotional connection to their organization when they experience a combination of factors that foster trust, alignment, engagement, and personal fulfillment (Crossley et al., 2024). Inspirational leaders contribute to this personal fulfillment by motivating teams and individuals to reach higher performance through a compelling vision (Ratina et al., 2021). These connections are deeply rooted in the employees' perception of how well the organization meets their needs, aligns with their values, and supports their growth. Leaders who demonstrate empathy, authenticity, and vision build trust and inspire loyalty (Silitonga et al., 2020). Fostering a strong emotional connection requires organizations to create a supportive, fair, and growth-oriented environment that aligns with employees' values and aspirations (Saks, 2006). Leaders play a crucial role in cultivating these connections by demonstrating trust, empathy, and a shared vision.

In summary, inspirational motivation appeals to employees because it aligns with their intrinsic needs for purpose, growth, and connection. Leaders embodying this leadership style create an environment where employees feel inspired to perform at their best while maintaining a strong emotional connection to their work and the organization (Bass & Avolio, 1993). Leaders

should be aware of these implications and focus on inspirational motivation to be more effective leaders.

Strategies for Applying Inspirational Motivation

Applying inspirational motivation in an SME can have significant practical implications for leaders and organizations. Inspirational motivation emphasizes articulating a compelling vision, instilling confidence, and inspiring employees to exceed expectations. It enhances employee performance by aligning personal goals with organizational objectives. It also encourages optimism and a sense of purpose, boosting employee morale and productivity (Bass & Avolio, 1993). Leaders consistently communicating how employees' roles contribute to the company's mission can result in higher work engagement. SMEs should design leadership training programs emphasizing inspirational motivation to attract and retain talent. Here are key strategies for implementing inspirational motivation in the workplace:

Develop and Communicate a Clear Vision

- Develop a vision that aligns with the organization's goals and resonates emotionally with employees. Communicate this vision consistently through speeches, emails, and one-on-one conversations.
- Demonstrate commitment to the vision through actions, not just words, and be a role model for the desired behaviors and attitudes to inspire employees (Kotter, 1996).

Lead by Example

- Show passion, dedication, and confidence in achieving the organization's vision.
- Display ethical behavior and act with integrity to build trust and set a positive example for employees.

Foster a Positive and Supportive Culture

- Encourage teamwork, promote collaboration, and recognize the contributions of each team member toward the shared vision.
- Support innovation by providing a safe space for employees to share ideas, take calculated risks, and learn from failures.

Use Motivational Communication

- Inspire through language by using uplifting and encouraging messages in meetings, emails, and informal conversations.
- Focus on the "Why" by highlighting the purpose and impact of employees' work to connect them emotionally to the vision (Paais & Pattiruhu, 2020).

Empower Employees

- Set meaningful goals by aligning individual roles and responsibilities with the organization's vision and strategic objectives.
- Delegate authority and encourage autonomy by entrusting employees with decision-making responsibilities relevant to their expertise.

Recognize and Reward Achievements

- Celebrate success by publicly recognizing individual and team contributions to achieving the vision.
- Encourage peer recognition by creating a culture where employees celebrate each other's successes (Durmishi & Popovski, 2020).

Stay Adaptable and Resilient

- Monitor progress by regularly assessing the alignment of goals, employee morale, and progress toward the organization's vision.
- Be open to feedback, actively listen to employee suggestions, and adapt strategies to maintain alignment with the organization's vision.

Concluding Remarks

The purpose of this quantitative, correlational study was to determine how the four dimensions of transformational leadership impact organizational commitment in SMEs in the US. SMEs experience more employee turnover than large corporations (US Bureau of Labor Statistics, 2020). This research focused on SMEs because organizations are increasingly recognizing the significance of employee engagement and retention for sustaining long-term success. Low employee commitment is associated with lower job satisfaction and higher turnover rates (Grabowski et al., 2019). An overall positive organizational commitment among employees can reduce voluntary employee turnover. Understanding the factors influencing employee commitment, such as leadership behaviors, is crucial for addressing these concerns.

Organizational commitment is fundamental to addressing employee turnover and promoting job satisfaction and performance. The findings of this study suggest that inspirational motivation has a significant positive relationship with organizational commitment, implying that organizational commitment can be improved by encouraging leaders to adopt this transformational leadership dimension.

Inspirational motivation is a powerful tool for leaders to foster team engagement, innovation, and commitment. By aligning personal and organizational goals, crafting a compelling vision, and fostering a positive, collaborative work environment, SMEs can achieve long-term success while ensuring employee satisfaction and loyalty. This study's results provide compelling evidence that can help SMEs improve organizational commitment by applying the transformational leadership dimension of inspirational motivation more effectively.

References

- Abid, G., Contreras, F., Ahmed, S., & Qazi, T. (2019). Contextual factors and organizational commitment: Examining the mediating role of thriving at work. *Sustainability*, 11(17), 4686. <https://doi.org/10.3390/su11174686>
- Afsar, B., & Umrani, W. (2020). Transformational leadership and innovative work behavior: The role of motivation to learn, task complexity and innovation climate. *European Journal of Innovation Management*, 23(3), 402-428. <https://doi.org/10.1108/EJIM-12-2018-0257>
- Al-Ahmadi, A., & Kasztelnik, K. (2021). Investigating the association between transformational leadership behavior and job satisfaction among small businesses in the United States. *Business Ethics and Leadership*, 5(3), 6-21. <https://doi.org/10.21272/bel>
- Antonakis, J. (2001). *The validity of the transformational, transactional, and laissez-faire leadership model as measured by the Multifactor Leadership Questionnaire (MLQ 5X)*. (Doctoral dissertation, Walden University).
- Ausat, A., Suherlan, S., Peirisal, T., & Hirawan, Z. (2022). The effect of transformational leadership on organizational commitment and work performance. *Journal of Leadership in Organizations*, 4(4), 61–82. <https://doi.org/10.22146/jlo.71846>

- Avolio, B., Bass, B., & Jung, D. (1999). Re-examining the components of transformational and transactional leadership using the Multifactor Leadership Questionnaire. *Journal of Occupational and Organizational Psychology*, 72(4), 441.
<https://doi.org/10.1348/096317999166789>
- Bass, B., & Avolio, B. (2000). MLQ Multifactor Leadership Questionnaire. *Redwood City: Mind Garden*.
- Bass, B., & Avolio, B. (1993). Transformational leadership and organizational culture. *Public Administration Quarterly*, 17, 112-121.
- Bass, B. (1985). Performance beyond expectations. *Journal of Personal Selling and Sales Management*, 17(3), 19-28.
- Bass, B., & Riggio, R. (2006). *Transformational leadership*. (2nd ed.). Lawrence Erlbaum Associates.
- Benson, P. (2018). What type of leader are you? *Pennsylvania CPA Journal*, 13-14.
- Bhargavi, S., & Yaseen, A. (2016). Leadership styles and organizational performance. *Strategic Management Quarterly*, 4(1), 87–117. <http://dx.doi.org/10.15640/smq.v4n1a5>
- Bingham, J., Mitchell, B., Bishop, D., & Allen, N. (2013). Working for a higher purpose: A theoretical framework for commitment to organization-sponsored causes. *Human Resource Management Review*, 23(2), 174-189.
- Braathu, N., Laukvik, E., Egeland, K., & Skar, A. (2022). Validation of the Norwegian versions of the Implementation Leadership Scale (ILS) and Multifactor Leadership Questionnaire (MLQ) in a mental health care setting. *BMC Psychology*, 10(1), 25.
- Burns, J. (1978). *Leadership*. NY: Harper & Row.
- Carmines, E., & Zeller, R. (2022). *Reliability and validity assessment*. SAGE Publications.
- Cohen, A. (2007). Commitment before and after: An evaluation and reconceptualization of organizational commitment. *Human Resource Management Review*, 17(3), 336-354.
- Creswell, J., & Creswell, J. D. (2017). *Research design: qualitative, quantitative, and mixed methods approach*. SAGE Publications.
- Cronbach, L. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3), 297–334.
- Crossley, C., Taylor, S., Liden, R., Wo, D., & Piccolo, R. (2024). Right from the start: The association between ethical leadership, trust primacy, and customer loyalty. *Journal of Business Ethics*, 193(2), 409-426.
- Dalton, L. (2023). *Relationship Between Transformational Leadership on Organizational Commitment When Accounting for Organizational Trust: A Quantitative Correlational Study*. [Doctoral thesis, Northcentral University]. ProQuest Dissertations & Theses Global: The Humanities and Social Sciences Collection. (2836166041).
<https://libraryresources.columbiasouthern.edu/login?url=https://www-proquest-com.libraryresources.columbiasouthern.edu/dissertations-theses/relationship-between-transformational-leadership/docview/2836166041/se-2>
- Deci, E., & Ryan, R. (1985). *Intrinsic Motivation and Self-Determination in Human Behavior*. Springer Science & Business Media.
- Dunham, R., Grube, J., & Castaneda, M. (1994). Organizational commitment: The utility of an integrative definition. *Journal of Applied psychology*, 79(3), 370.
- Durbin, J., & Watson, G. (1950). Testing for serial correlation in least squares regression. *Biometrika*, 37(3-4), 409–428.

- Durmishi, A., & Popovski, V. (2020). The Relationship between Effective Leadership and the Performance of Employees. *Economic Development / Ekonomiski Razvoj*, 22(1–2), 119–132
- Fant, L. M. (2019). *Transformational leadership and organizational performance as predictors of employee engagement*. Northcentral University.
- Festinger, L. (1957). A Theory of Cognitive Dissonance. *Stanford University Press*.
- Gelencsér, M., Sandor Kőműves, Z., Hollósy-Vadász, G., & Szabó-Szentgróti (2024). Modeling employee retention in small and medium-sized enterprises and large enterprises in a dynamically changing business environment. *International Journal of Organizational Analysis*, <https://doi.org/10.1108/IJOA-09-2023-3961>
- Grabowski, D., Chudzicka-Czupała, A., Chrupała-Pniak, M., Rachwaniec-Szczecińska, Ż., Stasiła-Sieradzka, M., & Wojciechowska, W. (2019). Work ethic, organizational commitment, and burnout. *Medycyna Pracy*, 70(3), 305–316. <https://doi.org/10.13075/mp.5893.00800>
- Gumus, S., Bellinas, M., & Gumus, E. (2018). A systematic review of studies on leadership models in educational research from 1980 to 2014. *Educational Management Administration and Research*, 46(1), 25–48.
- Gutu, I., Agheorghiesei, D., & Ionel, C. (2022). The online adapted transformational leadership and workforce innovation within the software development industry. *Sustainability*, 14(12), 7408.
- Hadi, T., & Tola, B. (2019). The effect of transformational leadership and work motivation on innovative behavior. *International Journal of Human Capital Management*, 3(2), 100–108.
- Haque, A., Fernando, M., & Caputi, P. (2019). The relationship between responsible leadership and organizational commitment and the mediating effect of employee turnover intentions: An empirical study with Australian employees. *Journal of Business Ethics*, 156(3), 759–774. <https://doi.org/10.1007/s10551-017-3575-6>
- Islam, M., Furuoka, F., & Idris, A. (2021). Mapping the relationship between transformational leadership, trust in leadership and employees championing behavior during organizational change. *Asia Pacific Management Review*, 26(2), 95–102. <https://doi.org/10.1016/j.apmr.2020.09.002>
- Kanning, U., & Hill, A. (2018). Validation of organizational commitment questionnaire (OCQ) in six languages. *Journal of Business and Media Psychology*, 4(2), 11–20. <https://journalbmp.de/2013/12/validation-of-the-organizational-commitment-questionnaire-ocq-in-sixlanguages/?lang=en>
- Kaur Bagga, S., Gera, S., & Haque, S. (2022). The mediating role of organizational culture: Transformational leadership and change management in virtual teams. *Asia Pacific Management Review*, 28(2), 120–131. <https://doi.org/10.1016/j.apmr.2022.07.003>
- Keskes, I., Sallan, J. M., Simo, P., & Fernandez, V. (2018). Transformational leadership and organizational commitment: Mediating role of leader-member exchange. *Journal of Management Development*, 37(3), 271–284. <https://doi.org/10.1108/JMD-04-2017-0132>
- Kirkbride, P. (2006). Developing transformational leaders: The full range leadership model in action. *Industrial and Commercial Training*, 38(1), 23–32.
- Kotter, J. (1996). *Leading Change*. Harvard Business Review Press.
- Kotter, J. (2012). How the most innovative companies capitalize on today's rapid-fire strategic challenges-and still make their numbers. *Harvard Business Review*, 90(11), 43–58.

- Laerd Statistics. (2018). *Statistical tutorials and software guides*. Retrieved from <https://statistics.laerd.com>
- Laksmana, G., & Riana, I. (2020). Intrinsic motivation mediates the influence of transformational leadership on the employee performance. *American Journal of Humanities and Social Sciences Research*, 5, 90–96.
- Manoppo, V. (2020). Transformational leadership as a factor that decreases turnover intention: a mediation of work stress and organizational citizenship behavior. *The TQM journal*, 32(6), 1395-1412. <https://doi.org/10.1108/TQM-05-2020-0097>
- Marta, I., Supartha, I., Dewi, I., & Wibawa, I. (2021). Job enrichment, empowerment, and organizational commitment: The mediating role of work motivation and job satisfaction. *The Journal of Asian Finance, Economics and Business*, 8(1), 1031-1040.
- McGrath, R. (2015). *Creating and verifying data sets with excel*. Sage Publications, Ltd. <https://doi.org/10.4135/9781483398587>
- Meyer, J., & Allen, J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 91(1), 61–89. [https://doi.org/10.1016/1053-4822\(91\)90011-Z](https://doi.org/10.1016/1053-4822(91)90011-Z)
- Mohammed, T. (2020). *Strategies for reducing employee turnover in small- and medium-sized enterprises*. (Doctoral dissertation, Walden University).
- Mowday, R., Steers, R., & Porter, L. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, 14(2), 224-247. doi: 000I-8791/79/020224- 24\$02
- Muenjohn, N., & Armstrong, A. (2008). Evaluating the structural validity of the multifactor leadership questionnaire (MLQ), Capturing the leadership factors of transformational-transactional leadership. *Contemporary Management Research*, 4(1).
- Nguon, V. (2022). Effect of Transformational leadership on job satisfaction, innovative behavior, and work performance: A conceptual review. *International Journal of Business and Management*, 17(2), 75-89.
- Ölçer, F. (2015). An empirical study on the relationships among transformational leadership dimensions, job satisfaction and organizational commitment of bank employees. *International Journal of Research in Commerce & Management*, 6(3), 31–39.
- Özaralli, N. (2003). Effects of transformational leadership on empowerment and team effectiveness. *Leadership & Organization Development Journal*, 24(6), 335-344.
- Paais, M., & Pattiruhu, J. (2020). Effect of motivation, leadership, and organizational culture on satisfaction and employee performance. *The Journal of Asian Finance, Economics and Business*, 7(8), 577–588.
- Pederson, J. (2017). *Multiple regression. The SAGE encyclopedia of communication research methods* (pp. 1041-1045). SAGE Publications, Inc.
- Rahmatullah, A., Ramdansyah, A., Kambara, R., & Haryadi, D. (2022). Improving organizational performance with organizational culture and transformational leadership through intervening organizational commitment variables. *Dinasti International Journal of Digital Business Management*, 3(2), 180-194.
- Ratina, N., Indradewa, R., & Syah, T. (2021). The effect of transformational leadership on affective commitments with job satisfaction and organizational culture as an intervening variable. *Journal of Multidisciplinary Academic*, 4(6), 447-452. <file:///C:/Users/dell/Downloads/523-1576-1-PB.pdf>.
- Robbins, S., & Judge, T. (2017). *Essentials of organizational behavior*. 16th edition, Pearson Education

- Rowold, J. (2005). Multifactor leadership questionnaire. *Psychometric properties of the German translation by Jens Rowold. Redwood City: Mind Garden.*
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology, 21*(7), 600-619.
- Schumacker, R. (2015). *Using R with multivariate statistics.* Sage Publications.
- Shafi, M., Lei, Z., Song, X., & Sarker, M. (2020). The effects of transformational leadership on employee creativity: Moderating role of intrinsic motivation. *Asia Pacific Management Review, 25*(3), 166–176
- Silitonga, N., Novitasari, D., Sutardi, D., Sopa, A., Asbari, M., Yulia, Y., & Supono, J. (2020). The relationship of transformational leadership, organizational justice, and organizational commitment: A mediation effect of job satisfaction. *Journal of Critical Reviews, 7*(19), 89-108.
- SurveyMonkey. (2022). <https://www.surveymonkey.com>
- Tajfel, H., & Turner, J. (1979). An Integrative Theory of Intergroup Conflict. *The Social Psychology of Intergroup Relations* (pp. 33-47). Brooks/Cole.
- Tominc, P., Krajnc, M., Vivod, K., Lynn, M. L., & Freser, B. (2018). Students' behavioral intentions regarding the future use of quantitative research methods. *Our Economy (Nase Gospodarstvo), 64*(2), 25-33. <https://doi.org/10.2478/ngoe2018-0009>
- U.S. Bureau of Labor Statistics. (2020). Job openings and labor turnover-October 2020. https://www.bls.gov/news.release/archives/jolts_12092020.pdf
- Verma, A. (2020). A study of the relationship of job satisfaction and organizational commitment with organizational citizenship behavior amongst college teachers. *Prestige International Journal of Management and Research, 13*(1–2), 1-13.
- Vroom, V. (1964). *Work and Motivation.* Wiley.
- Wooldridge, J. M. (2020). *Introductory econometrics: A modern approach (7th ed.).* Cengage Learning.
- Yang, B., Watkins, K., & Marsick, V. (2004). The construct of the learning organization: Dimensions, measurement, and validation. *Human Resource Development Quarterly, 15*(1), 31-55.
- Yasin, R. (2021). Responsible leadership and employees' turnover intention. Explore the mediating roles of ethical climate and corporate image. *Journal of Knowledge Management, 25*(7), 1760-1781
- Yousef, D. (2003). Validating the dimensionality of Porter et al's measurement of organizational commitment in a non-Western culture setting. *The International Journal of Human Resource Management, 14*(6), 1067-1079.
- Yu, Q., Yen, D., Barnes, B., & Huang, Y. (2019). Enhancing firm performance through internal market orientation and employee organizational commitment. *International Journal of Human Resource Management, 30*(6), 964-987. <https://doi.org/10.1080/09585192.2017.1380059>