

LEADERSHIP ALCHEMY: TRANSFORMING TRAITS INTO EMPLOYEE LOYALTY AND COMMITMENT

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Abstract

Defining leadership seems simple, yet its complexity becomes apparent, particularly when contemplating its transformative influence on an industry, especially during crises. The meaning of leader and leadership explored through extensive literature reviews, reveals a similarity resonating across various industries, albeit with nuanced differentiations. Definitions persist through different eras, displaying both continuity and substantial variations. Similarly, the perspectives of gainfully employed individuals within the working class contribute similar yet uniquely nuanced definitions based on personal experiences. This research undertakes an in-depth analysis of the traits that employees seek in leaders within the present-day context. A survey methodology was employed, gathering insights from the executive team and business unit members within an IT product company. Study findings suggest that while authenticity, compassion, and a commitment to coaching and development are pivotal leadership qualities, their impact on increasing employee loyalty and commitment is intricately linked to leaders' ability to establish trust. The creation of a positive, politics-free environment, fostering psychological safety, emerged as a crucial factor influencing these dynamics. Leaders fostering trust through openness, transparency, and support contribute to an environment where employees feel secure in expressing ideas, taking risks, and fully engaging in their work. A positive, collaborative atmosphere, free from political behavior, enhances perceptions of fairness and equality, fostering increased loyalty and commitment. Moreover, prioritizing psychological safety promotes employee well-being by providing a space for expressing thoughts and concerns without fear of repercussions. This positive work environment reduces stress, contributing to enhanced employee well-being and, consequently, increased loyalty and commitment.

Keywords: Leader, leadership, employee commitment, employee loyalty, employee engagement.

1. Introduction

We were trying to hire a senior member in a management role. As we were discussing the role with the various stakeholders to prepare a description of the role as well as the critical skills for the position, one of the stakeholders mentioned that the role entails the person having leadership skills, as experienced by DePaul &

Marquet (2022) while trying to understand the twenty-first-century skills. On diving further and asking more about our leadership skills, the stakeholders were tongue-tied and started kind of humoring us about our ignorance. We asked them further questions about what exactly they meant by the so-called "leadership skills" and we started getting many answers that were like "good soft skills",

"Authentic" (Hinojosa, 2014), "Role Model" (Li, et. al., 2018). "Development oriented" (Olley, 2021), "open Minded, "Fair", "Go-To person", "Trouble shooter", someone said "compassionate" (Tzouramani, 2017), "No politics" person, "Manager and not Damager", Servant leadership (Northouse, 2021) and so on. There were so many traits that were described that the list became more than fifty in number and still the stakeholders were not satisfied and kept adding more words.

That was not all there were added discussions, debates, and arguments on empathy, compassion, good at heart, integrity, etc. The one-hour discussion session got dragged to a 3-hour session without any consensus on the critical traits for the leadership role. As Bolman, et. al., (2017) referred to these with many choices that could overlap or the perception of the meaning of it could raise infinite debates.

It became very evident that although the term leadership seems so simple, everyone defines it their way making it even more complicated (Goleman, 2018). So, this made us think aloud and understand the various perspectives of defining leadership and how to solve the problem at hand to define the leadership traits required for that organization that would be effective and a suitable candidate could be selected as per those traits and on-boarded to be successful for the role in the organization.

2. Literature review

Leaders traits have been a topic of interest from ancient times. It starts from when Humans were hunters and lived in Cages (Mumford, 1906). The ancient scriptures find some reference in the way they were selected of course those times physical health took precedence, having said that there are few hints through which it could be concluded that not only physical traits but also those who could plan for the hunt at the time of acute climatic conditions were also included for selection of a leader (Bogardus, 1934). Bhagavad Gita an ancient scripture of India embraces numerous governance lessons comparable to modern thinking of leadership and their practices (Bali, 2009). Research Scholars worldwide describe Bhagwat Geeta as a visionary book that finds descriptions of how to live, how leaders should conduct themselves, and how a good King leader needs to treat their people. It has a visionary approach that could be used as a guide for reference if anyone is in crisis. It talks about Dharma, Adharma, and Sukarma. Dharma is a way of moral and ethical which a king must follow, Adharma is the path which the righteous kings should refrain from traveling and Karma is the actions derived either from Dharma or Adharma which kinds of decide the destiny of the kingdom (Bass, 2019) in the lessons of happiness of humans. Research Scholars (Bass, 2019) emphasize that Bhagwat Geeta elaborates on a way of life ideal for a ruler or leader and shows the path they need to always follow whether in normal life or in a stressful

situation like war or any natural calamity, when the chips are down. This is termed in Bhagwat Geeta as a path of ethics and integrity also mention that not only comprises Dharma, Adharma, and Sukarma but also gives valuable highlights on how to pursue a principled life of self-growth, development of others, goodwill, and prosperity.

Mintzberg (1973) proposed that leaders need to satisfy many functions to enhance organisation effectiveness. These roles can be sketchily labeled into social connections, Analysis of the data available, and strategic decision-making, which are required in varying blends as per the hierarchy of the structural chart. Positions at the base of the hierarchical level typically demand a greater emphasis on technical skills, while leaders at higher levels require heightened strategic skills. As leader's positions demand more collaboration with others, it becomes crucial for them to possess exceptional interpersonal skills for effective interactions, inspiration, and empowerment of their workforce (Wilkinson, 1998).

In challenging times and crises, many executives in organisations including leaders habitually judge that the best way to avoid being exhausted by sentiments is to withhold those sentiments within. But there is a catch, withholding sentiments creates more issues in the organisation where employees feel that information is being suppressed which leads to mistrust resulting in more dissolution and disengagement. Therefore, mental toughness is important which demands Leaders stop focusing on the toughness of the situation and be transparent to be able to convey the tough messages in a very empathetic manner and think from employees' perspectives to be able to develop them in these situations to be able to enhance their coping mechanism (Barton and Kahn, 2019).

Those Leaders that give precedence to employee well-being and include compassion not just empathy can co-create an environment of trust that triggers the employees to outperform (Belwalkar and Vohra, 2016). Leaders with compassion recognize crisis as an opportunity and prepare the team to see it as a phase where they could maximize their learnings as a team and gain valuable experience as a team. This leads to camaraderie where they ease out their differences, learn from each other, and at the same time be empathetic to other members' needs. This leads to the development of better ties between team members, smoothens out any personal issues with others, and hence improves their chances of success leading to the survival of the organisation and future prosperity.

Throughout periods of macro catastrophes, calamities, pandemics, or any natural or man-created situations, a leader needs to not just take care of themselves but also the team around, so they a not just a positive outlook but also flexibility to be able to change things quickly, which may require an ability to gather a quick understanding of the business environment, gain quick knowledge plays a very vital role for the leader and its team and the organisa-

tion's survival in those critical situations. During these tough times, it is the leaders' effectiveness that makes a significant difference in the employee's and the organisation's health. It not just requires awareness of the scenario but also the ability to take the reins in their hands and make changes in the way the organisation has been functioning, which may involve quick restructuring, knee-jerk decisions, redefining the way people and organisations work, redefining structures, processes at the same time showing compassion towards employees and acknowledging their wellbeing. The leaders understand the value of collaboration between various teams, leaders, coordination, connection, and communication become important competencies during these stressful times (Goldman and Myers, 2015). Collaboration across is a very competency as it opens the avenue for rapid learning without making too many mistakes, helps build trust, and therefore better teamwork (Moore, et. al., 2023).

Leadership has been a subject of much interest among scholars. We find many theories about it. These are all valid as per the times but have been redefined as per the changes in society, crises situations engulfing worldwide, with the world becoming more and more inclusive the heart of leadership theories although has not changed much however the approaches, frameworks, processes have been reviewed and redefined by many scholars as per their period and societal circumstances at that time. (Bernard, 1926; Bose et. al., 1986; Drath and Palus, 1994; Uslu, 2019; Northouse, 2021). At the crux of the matter, Leader's ascendancy is classically demarcated as the characters, conditions, and conducts demonstrated by a person in charge (Śliwa, 2023). The study of leadership will continue to intrigue scholars as the world goes through different turmoil where new and newer people emerge as leaders who through their extreme perseverance have been able to change the way the world works redefine the rules of the game and emerge victorious for their people and organisation.

3. Objectives

The objective of the research is to understand the traits of the leaders which bring about engagement in employees through loyalty and commitment to the organisation.

4. Research Methodology

4.1 Variables Considered

In our pursuit to identify key leadership traits, we surveyed an IT product company involving members of the executive team and two business units. The variables under consideration include independent variables - Authenticity, Compassion, and Developing Others, and dependent variables - Commitment and Loyalty. Additionally, moderator variables were introduced - Environment and Personal Wellbeing. These variables collectively form the basis for understanding the intricate

dynamics of leadership traits and their impact on employee commitment and loyalty.

4.2 Data Collection and Analysis Methods

Data were gathered through a survey where participants were asked to list and evaluate the importance of various leader traits employing a 5-factor Likert instrument (1= "not worthwhile in a person in charge" and 5= "worthwhile in a person in charge"). Out of a pool of 75 members targeted for the survey, 59 voluntarily responded. The Shapiro-Wilk test, examining the normality of data distribution, revealed a significant correlation ($p < 0.001$), indicating the presence of multicollinearity. Given the small dataset and the practical type of our research, Partial Least Squares Structural Equation Modeling (PLS-SEM) was singled out for its robustness in handling limited observations.

4.3 Rationale for Choosing PLS-SEM

The choice of exercising Partial Least Squares Structural Equation Modeling (PLS-SEM) stems from commencing specific characteristics of our research. Firstly, our dataset falls within the category of a small sample size ($n=59$). PLS-SEM is recognized for its robustness in handling small sample sizes, ensuring stability and validity in the analysis. Secondly, the non-normal distribution and significant multicollinearity in our data, as indicated by the Shapiro-Wilk test, make PLS-SEM an appropriate choice due to its resilience in handling non-normally distributed data and its lesser sensitivity to multicollinearity compared to other SEM methods. Lastly, ruminating the fact-finding disposition of the focus and the emphasis on understanding practical implications, PLS-SEM allows for a flexible and iterative approach to model development, aligning closely with our research objectives.

4.4 Inner and Outer Models

The study incorporates both internal and external models. The inner model elucidates the associations among underlying factors, whereas the exterior markup examines the associations among underlying variables with their indicators. This dual-model approach enables a comprehensive analysis of the intricate relationships within the study framework.

5. Results and Discussion

5.1 Information was assessed using an assessment of Members of the executive team and members of 2 business units in an IT product company to recognise the features members sought in their bosses. The members of the business unit were termed as every individual, lady or gentleman.

These members solicited and probed to draw characteristics of their managers that were key for them with their bosses. Members were queried to assess to grade using a 5-factor Likert measurement (1= "non-worthy" in

their bosses" and 5= "influential in their bosses").

The survey was commissioned to 75 members however only 59 voluntarily responded, 5 members were on critical assignment and could not respond, 6 members were on long leaves and 5 members did not want to respond.

The characteristics that came out to be most important in leaders were Authenticity (Statistics =.806 df =59 & sig.=<.001), Compassion (Statistics =.856 df =59 & sig.=<.001) developing people (Statistics =.878 df =59 & sig.=<.001) Shapiro Wilk.

The Shapiro-Wilk examines the association relating the visible statistics and the related assumed corollaries under the hypothesis of normality. It fabricates test points (W) that range between 0 and 1, where consequences nearer to 1 reveal a closer alignment to a standard distribution.

The Sig 2-tailed (p) value < 0.001 shows strong correlations and hence multicollinearity was obvious. The data set is small. PLS-SEM is more robust than other methods, such as covariance-based SEM, when dealing with small sample sizes.

It can provide reliable estimates even when the number of observations is limited. So, we decided to perform PLS-SEM.

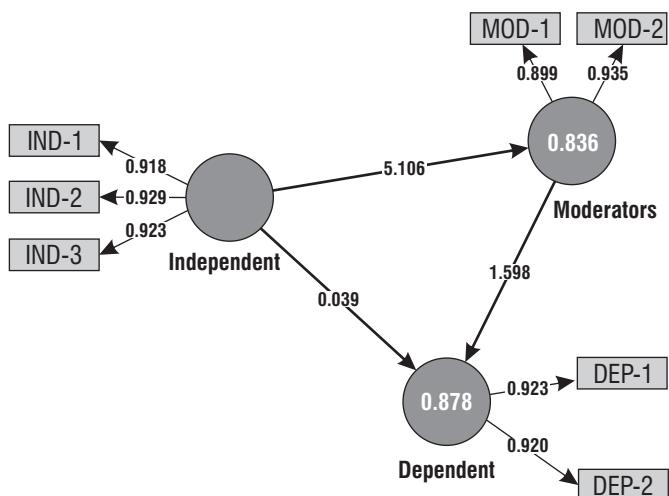


Fig. 1. PL-SEM for the data

About Models: Internal archetypal is part of representation that designates the relations of underlying factors whereas external archetypal describes its relationship among Latent variables and their indicators.

5.2 The F-square value, also known as the effect size for an analysis of variance, is a degree of the ratio of modification in the related factor assumed to be supported through standalone factor(s). It is w.r.t standardized effect size that provides information about the power of the association or the effect of the unrelated factors(s) on the related factors.

F square values for

a) Independent à Mediators -5.106

- b) Mediators à Dependent – 1.598
- c) Independent à Dependent - 0.039
- R square values for
- a) Independent à Mediators -838
- b) Mediators à Dependent – 0.878

5.3 The model suggests that the independent variables (Authenticity, Compassion, Developing Others) influence the dependent variables (Commitment and Loyalty), but this effect is influenced or moderated by the presence of moderator variables (Environment, Personal well-being).

In other words, the influence of the unrelated factors on the related variables is not direct, but rather, it is contingent upon the specific conditions or characteristics of the moderating variables. The moderating variables play a role in shaping the association between the unrelated and related factors. For example, the level of Authenticity, Compassion, and Developing others exhibited by individuals may affect their Commitment and Loyalty, but the influence of these unrelated factors is likely to be stronger or weaker depending on the characteristics of the Environment they are in or their Personal well-being. The Environment and Personal well-being act as moderators that either enhance or diminish the influence of the unrelated factors on the related factors

Considering its moderating effect on the Environment, for instance, it indicates that a positive and supportive work environment strengthens the relationship between Authenticity, Compassion, Developing others, and Commitment/Loyalty. On the other hand, a negative or stressful work environment might weaken the spurt of these unrelated factor/s on the related factor/s.

Similarly, Personal well-being as a moderator will signify that individuals having a higher degree of personal well-being have an elevated degree of experiencing stronger effects of Authenticity, Compassion, and Developing Others on Commitment and Loyalty, compared to those with lower personal well-being.

Overall, the model suggests that the association amongst the unrelated and related factors is contingent upon its presence and characters present in moderator variables, emphasizing the importance of considering the context and individual well-being in understanding the impact of the independent variables on Commitment and Loyalty.

5.4 Effect Size and R-Square Values: The F-square values, representing the effect size, shed light on the strength of relationships within the model. Notably, F-square values for Independent →Mediators (5.106), Mediators →Dependent (1.598), and Independent →Dependent (0.039) highlight the varying degrees of influence. R square values for Independent →Mediators (0.838) and Mediators →Dependent (0.878) emphasize the explained variance in the respective relationships.

6. Conclusion

While leaders who demonstrate authenticity, compassion, and a commitment to coaching and developing others are crucial for organizations and employees, these traits alone may not directly increase employee loyalty or commitment. For such qualities to have a significant impact, leaders must also be able to cultivate trust through the creation of a positive, politics-free environment in which employees can thrive (Schein, et al., 2018). This includes fostering psychological safety, which enhances employee well-being.

Creating an environment of trust is vital because employees need to feel confident in their leaders and the organization (Sinek, 2020). When leaders establish an atmosphere of openness, transparency, and support, employees are more likely to trust them and their intentions. This trust enables employees to feel secure in

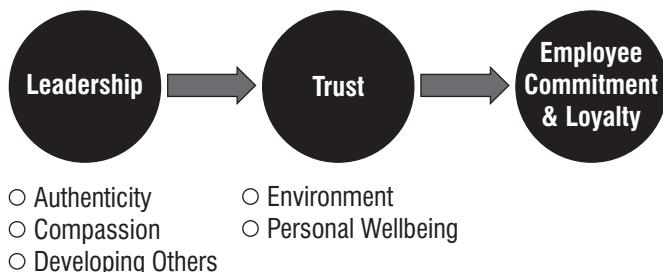


Fig. 2. Traits that increase employee loyalty and commitment

expressing their ideas, taking calculated risks, and fully engaging in their work.

A positive environment, free from political behavior, cultivates a sense of fairness, equality, and collaboration among employees. In ecosystems along these lines, members of staff are predisposed to perceive that their contributions are valued, leading to increased loyalty and commitment (Edmondson & Bransby, 2023).

Moreover, leaders who prioritize psychological safety within the organization promote the well-being of their employees. Psychosomatic security creates an atmosphere where individuals experience relaxed articulating their opinions, views, and interests minus apprehension of negative consequences (Berg et. al., 2023). This contributes to a positive work environment, reduces stress, and enhances employee well-being, which in turn can positively impact loyalty and commitment (Powley et. al., 2020).

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In summary, while authentic, compassionate, and developmental leadership qualities are important for organizational success, their impact on employee loyalty and commitment is significantly influenced by the leader's ability to establish trust through a positive, politics-free environment. Additionally, fostering psychological safety further improves employee well-being, contributing to increased loyalty and commitment.

7. Implications of the Study

In conclusion, the paper sheds light on the intricate affiliation linking authentic and compassionate ascendency and members of staff's loyalty and commitment. This study underscores the importance of cultivating trust through a positive, politics-free environment and emphasizes the role of psychological safety in promoting employee well-being and influencing heightened loyalty and commitment.

This learning carries inferences for both academia and professionals in the field of organizational leadership within the IT sector. By uncovering the nuanced relationships between leadership traits, employee commitment, loyalty, and moderating variables, our findings provide actionable insights for leaders aiming to enhance organizational commitment and loyalty. Additionally, the study contributes to the academic discourse on leadership in the IT sector, offering a foundation for further exploration and refinement of leadership models.

8. Future Scope

While our study focused on a specific IT product company with a small sample size, the findings open avenues for broader exploration in the IT sector and beyond. Future research could expand the scope to encompass a more extensive range of companies within the IT industry, allowing for a comprehensive understanding of leadership dynamics in different organizational contexts. Furthermore, our study serves as a springboard for similar investigations in diverse sectors, facilitating a comparative analysis of leadership traits and their impact on commitment and loyalty. Recognizing the limitation of a small sample, future studies could delve deeper into specific sub-sectors or industries, offering a more nuanced understanding of leadership dynamics in varied organizational settings.

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