Abstract

The aim of this study is to explore the effects of leadership on organizational commitment in general and to question the role played by transactional and transformational leadership in improving organizational commitment of branch employees. The study is designed to develop and test a structural equation model of the relationship between transactional and transformational leadership styles and the organizational commitment of banking staff. Data were collected from 242 offices of Halkbank in Turkey, and 2454 branch employees from different branches of Halkbank participated in the study. The results are consistent with previous studies and it can be said that leadership has a substantial incremental effect on organizational commitment. It was found that transformational leadership helps increase organizational commitment of the employees.

Key Words: Transactional and Transformational Leadership, Organizational Commitment, Structural Equation Model.