Chapter 10
How Does Empowering Leadership Contribute to Organizational Commitment of Millennials?
An Indian Perspective

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ABSTRACT

This chapter explores the influence of empowering leadership on organizational commitment of Indian millennials. Also, the mediating effect of trust in the leader is examined. Primary data were collected from the sample of 440 IT employees working in Delhi/NCR. Structural equation modeling (SEM) was used to test the proposed relationships based on model fit and standard path coefficients. Findings indicate that empowering leadership has a significant positive effect on organizational commitment and trust in the leader, which also has a significant positive effect on organizational commitment, and trust in the leader has shown to have a partial mediating effect on the relationship between empowering leadership and organizational commitment of millennials. The chapter contributes to the limited empirical literature on the linkage between empowering leadership and organizational commitment in a generational context, specifically millennials in Indian context. The chapter provides a leadership-based approach to bolster organizational commitment of millennials.

INTRODUCTION

In today's dynamic business environment characterized by competition, technological changes, and increasing quality demands; classic leadership theories have become insufficient and the emphasis in leadership has shifted from *command and control* to leadership *as a source of employee development and innovation* (Yukl, 2006). Also, such an environment calls for organizations to invest significantly

to attract, select and retain employees with high levels of commitment (Schneide *et al.*, 2009). There is, therefore a need for research directed toward identifying the organizational factors that promote positive employee attitudes particularly, organizational commitment. In the same vein, organizations design strategies to empower their employees in a bid to foster commitment and retention rates, to stay competitive. This is drawn from the past research that supports hat empowered employees are associated with higher levels of job satisfaction, commitment, and performance. However, among the many enablers, one of the determinants of to infuse empowerment is leader-follower relationships (Kozlowski & Bell, 2003; Spreitzer, 2008).

The extant scholarship suggests that effective leadership plays a key role in influencing employee positive attitude and has, therefore, been the subject of extensive research. Yukl (2006) defines leadership as "the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives" (p. 8). With the evolution of the leadership domain, other forms of leadership such as empowering leadership have attained academic attention. Empowering leadership encourages sharing of power, authority, and responsibility to the followers (Zhang & Zhou, 2014). Past evidences have shown a positive significant impact of empowering leadership on employee positive attitudes. However, most of this literature is related to team-environments and has not explored the IT work setting (Srivastava & Bertol, 2006). Research on empowering leadership, however, has not examined the mediating mechanism that determines the leader's influence on employee organizational outcomes at individual level.

In response to concerns about the lack of commitment and intention to stay among Indian Millennial employees, several studies have identified this challenge and called for strong leadership and trusting environment to create an engaged and committed workforce (Bhatnagar, 2007). Empowering leadership is viewed as behaviors that generate trust and organizational effectiveness (Avolio, Gardner, Walumbwa, Luthans, & May, 2004). This approach of leadership underscores the importance of fostering employee self-directedness achieved through sharing of power, and its positive implication on follower attitude and performance (Carson Tesluk, & Marrone, 2007; Srivastava & Bertol, 2006). The extant literature on leadership provides support for the mediating effects of trust in the leader and leadership influence on followers. Trust is considered the foundation of positive organizational cultures and, in essence, defines healthy workplaces (Khatri, Halbesleben, Petroski, & Meyer, 2007). Trustworthy leaders instill a willingness to put extra efforts and deep level of emotional attachment with the organization. The objective of this study was to examine the relationship between empowering leadership, trust in the leader, and organizational commitment using a Millennial employees' sample. The model incorporates trust in leadership to explain the mechanism by which empowering leadership, influences organizational commitment.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Empowering Leadership and Organizational Commitment

Empowering leadership is defined as the extent to which supervisors express confidence in their employees' abilities, emphasize the significance of their employees' work, involve their employees in decision making, and reduce or remove bureaucratic constraints on their employees for better execution of tasks (Ahearne, Mathieu, & Rapp, 2005; Zhang & Zhou, 2014). http://www.emeraldinsight.com/doi/full/10.1108/13673271111119709 It is comprised of five dimensions: "leading by example, referring

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