

# Studying the Relationship between Leadership Brand Code and Organizational Commitment in IT Companies

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## ABSTRACT

The aim of this paper is to study the relationship between leadership brand code and organizational commitment. As a competitive advantage, leadership brand creates a kind of spirit and belief among the staff and managers in the company, and enables them to serve their market promises. In this study, we will examine the leadership brand in a descriptive/correlative approach, using structural equations modeling based on covariance; moreover, we will compare two IT companies using simple random sampling method among 223 staff and 233 customers of the studied companies. Finally, a proper model will be presented for such a relationship. To gather the required data, we have used archival/ library and field methods (questionnaire). Findings show that all leadership brand codes and each of their dimensions have a positive significant relationship with organizational commitment in these two companies.

**KEYWORDS:** Leadership, Leadership Brand, Leadership Code, Leadership Differentiators, Organizational Commitment

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## 1. INTRODUCTION

The owners of companies and organizations try their best to stay competitive and resort eminent managers to lead their organizations. But an ever-threatening danger is that the managers may decide to leave the company. In such a condition, it is completely probable that the company/organization turns back to its previous state, because its development depends on the presence of its manager and it can't grow on its own. In contrast, there are companies being able to foster competent managers and this ability helps them to stay competitive. These companies are not dependant on senior managers and they themselves have the ability of fostering such these people. On the other hand, since humans are the most important capital of the companies, their commitments to the organization has helped them to remain and the organization will also have the opportunity of fostering them, so there will be a kind of mutual interaction between the humans and the company. Managers of companies must be aware of the both concepts of leadership brand and organizational commitment. They must know the relationship between the two concepts to know whether their organization is able to foster future managers or not, and also whether all of the members of the organization commit their organizations or not. In this article, we have tried to help the organizations and companies to survive and being successful in their business through examining the leadership brand and the relationship between its code and organizational commitment in one hand, and to presenting a suitable model for this relationship in two IT companies.

## 2. LITERATURE REVIEW

### 2.1. Leadership brand

According to the definition of American Marketing Association (AMA), a brand is "a name, a word, a sign, a symbol, a design or a combination of all these elements, used for identifying products and services of a vendor (or a group of vendors) with the aim of bringing distinction in scene of competition" (Keller, 2008). Brand is also a symbol linked with many properties and mental commitment and it is presented to distinguish and identify products (Aaker, 1991). According to Booz Allen and Hamilton, brand is a shortcut for communicating with the market through data (Coomber, 2002). The advantages of brand are also much as follows: it increases cash funds of the organization and accelerates cash-flow; it reduces risk of losing future cash funds; dominates over the maximum shares of the market; it prevents the entrance of new competitors to the market; it enables the company to introduce development plans successfully; it reaches the markets of other countries more easily; it enables the company to attract and hold talented and expert forces; and finally, it stimulates forming innovation in the organization (Miller and Muir, 2004). In most definitions, leadership is a personal character or responsibility and a person can apply it over the others by having some conditions and positions. For example, Hersey and Blanchard

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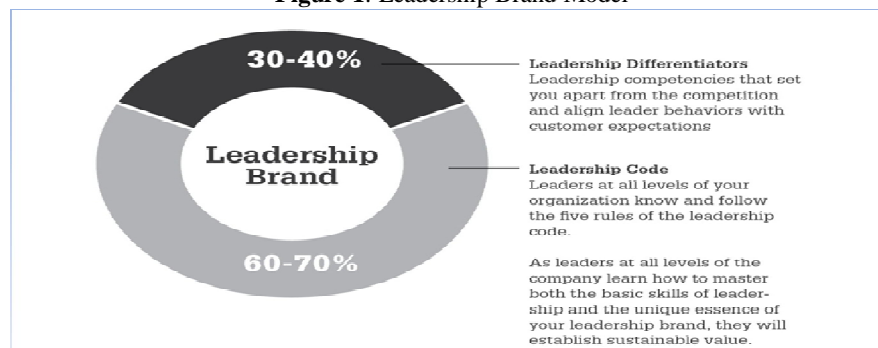
believe that in any organization or in any condition by with a person can dominate over behaviors of the others; he/she has in fact applied a kind of "leadership" (Hersey, 1985, and Blanchard, 1983). Also, Michael Mescon et al consider leadership as a high level accountability (Mescon et al, 1988) and according to Koontz et al, leadership is "influencing on the others for achieving a common goal" (Koontz, et al, 1988). Bernard Keys and Thomas Case also consider leadership as the power or art or the process of penetrating in people (Keys and Case, 1990). According to Lippitt, leadership can be defined as moving people toward one direction, decision making and supporting from paths that people don't usually have the ability of choosing (Lippitt, 1999). In some definitions, the organization is affected by its leader. According to Peter Topping, an organization grows based on the potential ability of its leader (Topping, 2002). And Dalrymple et al defined leadership as a change management (Dalrymple, 2004).

Companies and organizations try to remain in minds of customers by offering products and services, but is it possible to remain in minds of customers only by offering high quality products and services? Have famous companies as Pepsi, General Electric, Wal-Mart and Apple been successful only by offering high quality products during the years? The motto of General Electric Company is "imagination during work". One of the aspects of the fame of this company is having managers with the potential of transforming creative ideas to real and efficient products and services in the market. A manager of General Electric is recognized with particular characters as a strong idea suggestion, a powerful thought, an in-time decision making, a competent leadership of working teams and experts, watchful and a high self-confidence. A manager of Johnson Company is also recognized with the characters of strict and serious in development and diversity of products, having a high social responsibility, supplying the products to the market with certain regulations, committed to creating trust in consumers and committed to the quality and the health (Ulrich, Smallwood, 2007).

In other words, the reason of success of such companies is that they have competent managers who are able to produce and supply high quality products. Besides, these companies are capable of nurturing managers who can manage any other organization. Thus such companies emphasize on "promoting the general leadership capabilities" in their organizations and ask for creating a concept which can be called "leadership brand" (<http://campaign.mla.ac.il>). Leadership brand of the organization is a reputation for the organization through nurturing exceptional managers with specific abilities and talents that are being only used in order to meet the demands of the customers and the expectations of the investors (Ulrich, Smallwood, 2007). Any organization and company can have a strong leadership brand and it does not depend on the share of the global market. For example, Mazda Company which (according to the record existing today for automobile production industry) has 2 to 3% of the global share of automobile production industry and its target customers form just one tenth of the global market, has a program for increasing the average fuel economy of all its vehicles to 30% worldwide to 2015, and it will offer harmless automobiles for the environment by an economic prices for 90% of the buyers. The managing director of this company says that the aim of this program is to offer a suitable performance for the environment and beyond expectations of customers (Yamanouchi, 2009).

Since the leadership is one of the management tasks, focus on the leadership in leadership brand is regarded as an organizational ability, not merely as a personal ability (Maiksteniene, 2008). If the focus is on nurturing a leader and a manager as independent person in an organization, emphasis will be on personal characteristics and this is a leader-centered approach, but in leadership brand of the organization in which the emphasis is on the methods of maintaining the success of the organization, the focus will be on leadership-centered approach in which the by-product of the organization is to produce managers with leadership capabilities for the future. In the model presented by Ulrich and Smallwood (2010) for leadership brand, 60 to 70% of the leadership brand belongs to leadership code and the remaining 30 to 40% belongs to leadership differentiators. This model is shown in figure 1.

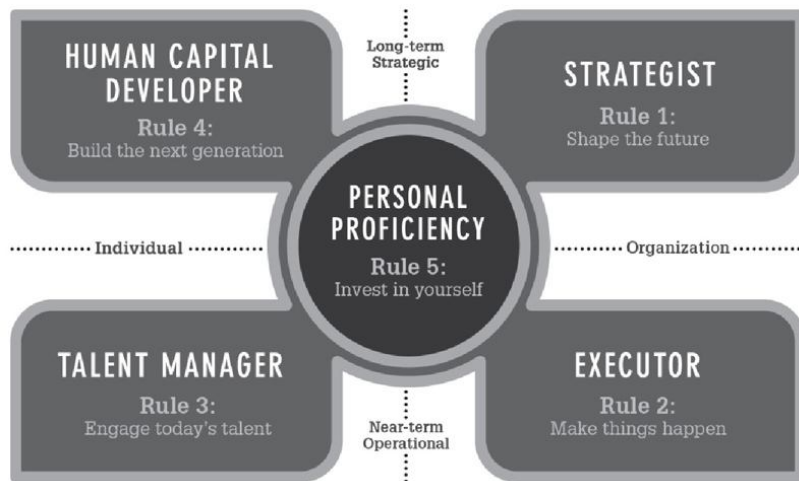
**Figure 1: Leadership Brand Model**



Source: Ulrich, D. Smallwood, N., (2010), "What Is an Effective Leader? The Leadership Code and Leadership Brand", AMA Handbook of Leadership, pp.165 (accessed 18 May 2010).

Leadership code is proficiencies managers must know and follow in any level of the organization. They include five rules that are shown in figure 2.

**Figure 2: Leadership Code**



Source: Ulrich, D. Smallwood, N., (2010), "What Is an Effective Leader? The Leadership Code and Leadership Brand", AMA Handbook of Leadership, pp. 165 (accessed 18 May 2010).

An important point is that since leadership is one of the management tasks, managers of the organization must be surveyed to measure the above rules as leadership code.

## 2.2. Dimensions of the leadership brand

**Rule 1: Strategist:** in fact, strategists answer the question that "where are we going to?" They also make sure that all people around them understand the direction as well. Strategists have a vision about the future and can conduct their organization toward that future (Ulrich and Smallwood, 2009).

**Rule 2: Executor:** managers must have a high operational ability. They should be able to create effective organizational systems, making the ground for the necessary changes occur easily. They have to making sure that all the employees are accountable, all the objectives are clear, and all the evaluations are transparent. They have to make sure that there is a feedback for the results of all operational works (Ulrich, Smallwood, 2008). Since a strategy needs an operation and a strategy without any operation is impossible, managers of on organization must have an operational ability and must answer "how will we make sure we can reach the desirable destination?" In fact, executors translate strategy into action (Ulrich, Smallwood, 2010).

**Rule 3: Talent manager:** managers must be able to manage the talents of the staff so that such a management leads to serious and motivated activities. This group of managers develops the talents that direct people in a short time to their maximum efficiency in the organization (Ulrich, Smallwood, 2008).

**Rule 4: Human capital developer:** discovering and developing latent talents, managers must prepare the staff for future leadership of the organization. They are human capital developer dealing with construction of the next generation of talents and important jobs of the organization, i.e. what will bring wealth for the organization (Ulrich, Smallwood, 2008).

**Rule 5: Personal proficiency:** it is the most important subject of personal competency of the leaders. Indeed, the above rules are not possible without personal proficiency. It is necessary for the leaders' personality and honesty to be accepted by people. Managers must have good learning capabilities. In addition, emotional intelligence and gentry must be also noted. They must practice social and emotional giftedness and create an atmosphere of trust in the organization (Ulrich, Smallwood, 2008).

Companies often rely on some leadership characteristics, so that it leads to sacrifice the other indexes, while a successful manager must have requirements and characteristics of leadership perfectly. Now if he/she is also proficient in one or more characteristics, there will be no problem (Ulrich, Smallwood, 2007).

**Leadership differentiators:** the remaining 30 to 40% of leadership brand belongs to leadership differentiators. Leadership differentiators are unique qualifications of the leadership in any company or

organization, directing it toward the brand of that company or organization, and that brand is the way the company wants leadership behaviors and skills are placed as it is recognized by its best customers (best customers of an organization usually form 20% of the total customers and have the 80% of the total value). For example, Wal-Mart chain stores wants to be known by its cheap products, so it employs managers who are modest and having a high power of negotiation, while being thrifty and economic (Ulrich, Smallwood, 2007).

### **2.3. Studies conducted about leadership brand**

Within the studies on leadership brand, there is a rich body of researches which emphasize that high level managers must identify investments on leadership brand as a pre-requisite and understand that leadership brand can help them in financial performance and customers-related issues. In this regard, it is necessary to have a clear and brief statement of the leadership brand so that the leaders at any level of the organization know and apply it and through which the staff know what they are expected (Ulrich, 2006). Regarding the dimensions of leadership brand, Marré believes that making leadership brand includes four simple components: communication, education, modeling and rewarding. Often, there are channels for making leadership brand in various parts of an organization that all of these channels must be coordinated. Marketing, advertisement, internal communication, education and development, executive behavior, and rewards systems need to be integrated for transferring a single message. Leadership brand may be a competitive advantage for the organization in the future (Marré, 2004). Maiksteniene described ideas of Ulrich and Smallwood and stated that the leadership brand deals with two subjects of focus on leadership as an organizational capability against focus on the leader as a personal capability. According to him, leadership brand looks from outside to the inside, i.e. focusing on customer's expectations and the investors against what happens inside of the company (Maiksteniene, 2008). In an interview with *Harvard Business*, Ulrich and Smallwood pointed out to the components of the leadership brand. 60 to 70% of the leadership brand belongs to leadership code. Leadership code is the initial rules that leaders know and follow at any level of the organization and assign five roles of strategist, executor, talent manager, human capital developer and having personal proficiency to the manager; and the remaining 30 to 40% belongs to leadership differentiators that are unique competencies in any company and organization that direct it toward the leadership brand of that company or organization (Ulrich & Smallwood, 2008). Finally, on advantages of the leadership brand, Intagliata et al have discussed about leveraging leadership competencies for constructing leadership brand. According to them, focusing on the strategy and the results will lead to a differentiation in the organization. Many of the organizations have models for leadership competencies, being able to create a distinct leadership brand. In such organizations, the staff know what they are expected. Customers can also state whether services provided by the organization have become better and the quality or the performance has increased. Knowing the quality of leadership in organization and its effect on the market value of the company, the investors make sure that these results will repeat (Intagliata et al, 2000). In an article entitled "Building a leadership brand", Ulrich and Smallwood stated that the aim of the leadership brand of an organization is to obtain the fame for the organization through nurturing the exceptional managers with specific capabilities and talents in order to meet the needs of the customers and the expectations of investors. Leadership brand has a close relationship with culture of the organization, policies and needs of the human capital. Companies who recognize the importance of the leadership brand in their organizations provide a spirit of belief among their staff and their managers and this gives them the ability to supply a product based on promises of the company to the market. Leadership brand exists when expectations of customers outside of the organizations appear in performance of the staff (Ulrich, Smallwood, 2007). McLaughlin and Mott studied the value of leadership brand and concluded that those companies having a strong leadership brand have also a higher revenue and net income and share price (McLaughlin, Mott, 2010).

### **2.4. Organizational commitment**

Some researchers as kushmal believe that "commitment is an ambiguous and complex concept in nature" (Bahamond-Gunnel, 2000). This ambiguity and complexity brought about various definitions and a set of models and tools of measurement for understanding the nature and the effect of organizational commitment. According to Cook and Wall, organizational commitment is related to emotional reactions of people to the organization they work and the loyalty to objectives and values of the organization (Peart, 2006). Scheldon also believes that organizational commitment is an attitude or orientation relating identity of the individual to the organization, and according to Canter, it is the tendency of social agents to give power and loyalty to social systems. Scott and Anusorn also believe that organizational commitment is important for the organization, because committed staff show loyalties to the organization (Scott and Vitell, 2008). Somers regards organizational commitment as a dependency on the organization emerging as an acceptance of values of the organization and a tendency to remain in the organization (Somers, 1995). Cohen also believes that organizational commitment is a power making people show behaviors and actions related to each other for achieving one or more aims (Cohen, 2007). Mayer and Allen defined a three-dimensional model for organizational commitment, i.e. *affective commitment*,

*normative commitment* and *continuance commitment*. According to Peart, affective commitment emphasizes on emotional dependency of the staff on the organization, involvement, and determination of identity with their employers (Peart, 2006) that is influenced by direct working experiences and supports and the perceived justice (Wandenberg and Tremblay, 2008), organizational commitment is summarized in "acceptation of aims of the organization and the tendency to remain a member of the organization". It means that the people who have a high affective commitment tend to act in a way confirmed and accepted by the organization. Mayer et al also state when experiences and working backgrounds of the staff are consistent with their expectation, they feel more commitment to the organization and its aims (Namasivayam et al, 2007). Normative commitment also addresses the understood moral obligation for remaining in the organization; and continuance commitment is also the level to which the employees consider that leaving the organization is harmful for them, so they will desire to remain in the organization (W. H. Ng and Feldman, 2008). Allen and Mayer defined continuance commitment based on two factors: the amount of investments of people in the organization, and the presence or absence of job replacements. In the first factor, it is less likely that people invested much in the organization leave there, and the second factor means that whether there is a job outside of the organization for them based on their skills and training terms they have had (Namasivaym et al, 2007). Nevertheless, organizational commitment has positive and negative results. Among the positive results, Lambert et al found that those employees who have high commitment, match themselves with the positive behaviors as a high performance and don't show behaviors such as absence and replacement (Lambert et al, 2008).

In this research, leadership brand and the relationship between leadership brand code and organizational commitment are examined in two IT companies called Alpha and Beta.

### 3. METHODOLOGY

**Table 1:** Indexes examined in the questionnaire of the employees (leadership brand code)

Leadership Brand Code				
Strategist	Executor	Talents Manager	Human Capital Developer	Personal proficiency
	15. Power of making a common understanding of the need of change in the staff	29. Transparency in communication		
1. Domination over the strategy	16. Assigning powerful managers to projects of the organization	30. Domination over communicational skills		51. Braveness while decision making
2. Communication with intellectuals	17. Enjoying employees' support and commitment at the time of change	31. Being aware of strengths of the staff	43. Assigning jobs to the staff based on their talents	52. Being calm against stresses
3. Auxiliary studies	18. Power of exerting the change	32. Power of using competencies of the staff	44. Making a positive image of the organization and its staff in minds of the staff	53. Feeling of enthusiasm in works
4. Communication with technologies	19. Power of managing the changes created in the organization	33. Encouraging the staff to assign time for their private life	45. Supporting the staff and providing the opportunity of growth and learning for them	54. Searching new ideas for solving the problem of the organization
5. Reflection of results from searches in websites	20. Being careful in decision making	34. Power of reducing negative effects of working pressures of the staff	46. Asking the current staff to introduce future talents	55. Learning from past mistakes
6. Looking at things in the view of customers	21. Dividing big decisions to certain decisions with clear procedures	35. Being patient against problems during decision making	47. Talking to current staff directly and indirectly about their demands	56. Being creative in work
7. Connecting values of the organization with customers' expectations	22. Knowing which person/ team responds the decision	36. Making the working environment pleasant	48. Giving the managers' authorities to the staff	57. Avoiding extravagances in work
8. Involving the staff in making decisions	23. clearing the process of decision making	37. Making the staff be proud of working in the organization	49. Giving material rewards against their desirable performance	58. Flexibility and seeking feedback of one's performance
9. Making believes in the staff to values of the organization	24. Knowing the time of making and announcing a decision	38. Providing opportunity of growth and learning for the staff	50. Encouragement to form groups and relationships between individuals	59. Establishing moral principle for the organization based on one's behavior
10. Converting values of the organization to real actions and behaviors	25. Trying to make sure that the decision is implemented	39. Effects of working in the organization on the employees' views		60. Committing to promises given to the staff
11. Directing behaviors of the staff on the basis of customers' expectations	26. Making an individual ownership and responsibility in the work for the staff	40. Believes of the staff about high performance of their teams		61. Working based on legal and social norms in working environment
12. Making sure of details of needs of the customers	27. Making teams for doing executive works	41. Believes of the staff about knowing what happens in the organization		62. Taking care of one's health for preventing weaknesses in decision making due to continuous tiredness
13. Employing the staff for building their future and organization	28. Being sure of the technical profession of the organization	42. Authority of the staff in working		63. Supplying emotional needs for continuance of work
14. Concentrating the attentions of the staff and organizational resources on obligations of the strategy				

The present research is a fundamental-descriptive one with a correlation approach using technique of structural equations based on covariance that examines the relationship between the leadership brand code and organizational commitment in two IT companies of Alpha and Beta in Iran. In this research, library information and questionnaires were used. The questionnaires included two types: the questionnaire of the employees, and the questionnaire of the customers, each with five-choice Likert spectrum. Also for providing the possibility of not answering the questions by respondents, a choice of "no opinion" was proposed. In questionnaire of the employees, leadership brand code were measured in five rules by 63 indexes (table 1) and organizational commitment was measured by 18 indexes (table2) and in questionnaire of customers, leadership brand differentiators were measured by 10 indexes (table3).

**Table 2:** Indexes examined in the questionnaire of the employees (Organizational Commitment)

Organizational Commitment			
1. Being happy for working in the organization	7. Being committed to continue the work in the organization	13. Not leaving the organization due to personal desire	
2. Dependency of the staff on the organization	8. Not leaving the organization due to its advantage	14. Not leaving the organization due to its difficulties	
3. Regarding the problem of the organization as one's own problem	9. Having pricks of conscience for leaving the organization	15. Disturbance in life due to leaving the organization	
4. Emotional attachment to the organization	10. Competency of the organization for loyalty of the staff	16. Not leaving the organization due to the limitation of occupational options	
5. Regarding one's own as a member of the organization	11. Not leaving the organization due to commitment of the staff to their colleagues	17. Thinking to other jobs in case of not devoting oneself to the organization	
6. Recognizing the value of the organization for the staff in their own eyes	12. Staff's thought of being indebted to the organization	18. Lack of the available occupational suggestions as negative effects of leaving the organization	

**Table 3:** Indexes examined in the questionnaire of customers

Leadership Brand Differentiators	
The level of meeting customers' expectation in customers' view	1. Price
	2. Time of delivering products/services
	3. The way of delivering products/services
	4. Quality
	5. After sales services
6. Having good communications with the customer	
7. Meeting customers' expectation relative to competitors	
8. Introducing the company to the customer with distinct features relative to the competitors	
9. Providing a suitable image in minds of customers	
10. A performance relative to the current image of the company in minds of customers	

To investigate the reliability of the measurement tool of the research, we used the opinions of the experts and university elites. Moreover, since the items of the questionnaire were formulated based on indexes proposed by Ulrich, Smallwood, Allen and Mayer for evaluation of leadership brand and organizational commitment, the mentioned questionnaire has a desirable reliability. Validity of the questionnaire also obtained by Cronbach's alpha for "leadership brand code" and "organizational commitment" was 98% and 94%, respectively, and 85% for leadership brand differentiators.

The statistical population of this research is all the staff of two IT companies, Alpha and Beta, and their customers in June 2011. In this research, the following formula was used for estimating the sample volume:

$$n = \frac{N(Z_{\alpha/2})^2(P)(1-P)}{\varepsilon^2(N-1) + (Z_{\alpha/2})^2(P)(1-P)}$$

According to the available volume of the sample, the employees were 307 and the customers were 400 persons. The minimum employees sample volume was determined as 171 and the minimum customers sample volume as 196 respondents. So 250 questionnaires were distributed among the employees and 250 questionnaires were distributed among the customers among which 223 employees' questionnaires and 233 customers' questionnaires were usable to be statistically analyzed.

According to dimensions of leadership brand, the following hypotheses can be proposed to define the relationship between leadership brand code and organizational commitment:

H<sub>1</sub>; There is a relationship between leadership brand code and organizational commitment in two Alpha and Beta Companies.

H<sub>2</sub>; There is a relationship between the leader being strategist and organizational commitment.

H<sub>3</sub>; There is a relationship between the leader being an executor and organizational commitment.

H<sub>4</sub>; There is a relationship between the leader being a talent manager and organizational commitment.

H<sub>5</sub>; There is a relationship between the leader being a human capital developer and organizational commitment.

H<sub>6</sub>; There is a relationship between the leader's personal proficiency and organizational commitment.

#### 4. DATA ANALYSIS

A comparison of the status of leadership brand against the organizational commitment in the two examined companies is shown in table 4.

**Table 4:** a comparison of dimensions of the leadership brand in two IT companies

Name of Company	Dimensions of Leadership Brand						Sum of leadership brands	Organizational commitment
	Leadership Code (common)							
	Strategist	Executor	Talent manager	Human capital developer	Personal proficiency	Leadership differentiators		
Alpha	3.2080	3.2314	3.1926	3.0190	3.2803	3.1304	3.1769	2.9321
Beta	3.4945	3.5467	3.4148	3.1779	3.3565	2.7941	3.2974	3.3921
Sum	3.2748	3.3049	3.2444	3.0561	3.2980	2.9601	3.1897	3.0394

According to the table above, the scores Beta IT Company obtained in any leadership brand code and in sum of leadership brand and also in the organizational commitment is more than the correspondent values for Alpha IT Company.

#### 5. Testing the hypotheses

To test the hypotheses of the research and to deduce about the statistical population (including overall fit assessment, assessment of measurement model -operationalization section- and finally, assessment of structural model -testing hypothesis of the research) we used the structural equations modeling.

Hence, the conceptual model of the research was formulated for overall fit assessment and this model was examined in three states of non-standard evaluation, standard evaluation and significance value for measuring its fitting measure. It was determined that the model did not have a proper fitness. So the fitness of the general model of the research was increased to be modified using T-test value and using the standardized residual matrix, fitting was observed among the sample covariance matrix and the implied covariance matrix was improved. On the other hand, according to the equality of the measured scales of the indexes in the formulated questionnaire, modifications were applied on the research model to establish a correlation among errors of indexes of the model, so that the modified model of the research had a proper fitness and most fit indices (like the values of NNFI, CFI, etc.) were higher than 90% as shown in table 5.

**Table 5:** fit indices of the conceptual model of the research

Fit Index	Desirability Criterion <sup>1</sup>	Acceptance Criterion	Statistics of Initial Model	Modified Model
$\chi^2$ (Chi Square)	$0 \leq \chi^2 \leq 2df$	$\chi^2 \leq 3df$	$\chi^2 = 7913/54$ , $df = 3144$	$\chi^2 = 7282/17$ , $df = 3139$
$\chi^2/df$	$0 \leq \chi^2/df \leq 2$	$\chi^2/df \leq 3$	2.319	2.517
RMSEA <sup>2</sup>	$0 \leq RMSEA \leq 0.05$	$RMSEA \leq 0.08$	0.077	0.083
SRMR <sup>3</sup>	$0 \leq SRMR \leq 0.05$	$SRMR \leq 0.10$	0.061	0.063
NNFI <sup>4</sup>	$0.95 \leq NNFI \leq 1.00$	$0.90 \leq NNFI$	0.97	0.97
CFI <sup>5</sup>	$0.95 \leq CFI \leq 1.00$	$0.90 \leq CFI$	0.97	0.97
GFI <sup>6</sup>	$0.90 \leq GFI \leq 1.00$	$0.80 \leq GFI$	0.55	0.53
AGFI <sup>7</sup>	$0.90 \leq AGFI \leq 1.00$	Close to GFI	0.53	0.51
Hoelter's Critical N			<b>105 ≤ N (of sample)</b> <b>N=223</b>	<b>111 ≤ N (of sample)</b> <b>N=233</b>

Then, validity and reliability of the existing components in the model were examined for assessment of the measurement model. According to modifications applied on the model, the remaining indexes for measuring the existing components were significant at the error level 5% that indicates a strong

<sup>1</sup> Schermelleh-Engel, Moosbrugger and Müller

<sup>2</sup> Root Mean Square Error of Approximation (RMSEA)

<sup>3</sup> Standardized Root Mean Square Residual (SRMR)

<sup>4</sup> Non-Normed Fit Index (NNFI)

<sup>5</sup> Comparative Fit Index (CFI)

<sup>6</sup> Goodness of Fit Index (GFI)

<sup>7</sup> Adjusted Goodness of Fit Index (AGFI)



convergent validity in the measurement model. Also, the numbers of the indexes existing in the model were obtained together with the reliability coefficient of every component to assess the reliability of the indexes, as shown in table 6.

**Table 6:** Indexes existing in the research model

Related dimension	Number of initial indexes	Alpha coefficient	Number of existing indexes	Modulated questions	Alpha coefficient
Leadership brand	63	0.984	63	-	0.984
Being strategist	14	0.943	14	-	0.943
Being an executor	14	0.948	14	-	0.948
Being a talent manager	14	0.943	14	-	0.943
Being a human capital developer	8	0.923	8	-	0.923
Personal proficiency	13	0.940	13	-	0.940
Organizational commitment	18	0.936	18	-	0.936
All components	81	0.984	81		0.984

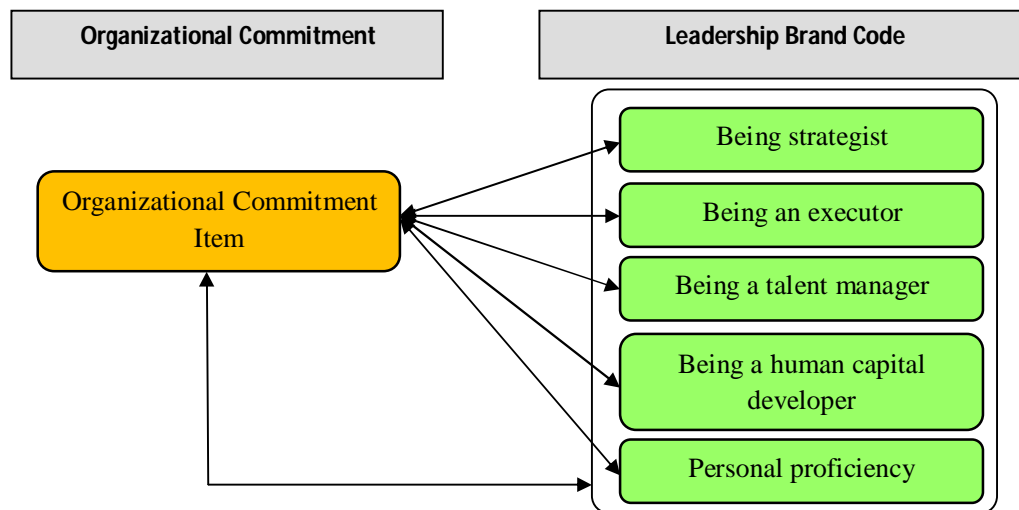
Finally, significance and correlation of components of the model were measured in order to assess the structural model of the research (to test the hypotheses of the research). The results are given in table

**Table 7:** The relationship between components of the research model

Hypotheses of the research	Values of the test		
	Significance value	Correlation coefficient	Test's result
H <sub>1</sub> : Leadership brand code ↔ Organizational commitment	14.64	0.63	Accepted
H <sub>2</sub> : Being strategist ↔ Organizational commitment	12.15	0.58	Accepted
H <sub>3</sub> : Being an executor ↔ Organizational commitment	11.25	0.56	Accepted
H <sub>4</sub> : Being a talent manager ↔ Organizational commitment	14.50	0.63	Accepted
H <sub>5</sub> : Being a human capital developer ↔ Organizational commitment	14.35	0.64	Accepted
H <sub>6</sub> : Personal proficiency ↔ Organizational commitment	12.50	0.59	Accepted

According to the results above, all the values of the significance column (that must be higher than 1.96 or lower than -1.96), are more than 1.96 which indicates the significance of each relationship; and the column of correlation coefficient show a relationship between two components in the conceptual model of the research. Hence, every six hypotheses proposed in the research model are confirmed. According to the results of testing the hypotheses of the model, figure 2 can be suggested as the model.

**Figure 3:** the suggested model of the research



Besides, the correlation coefficients of the components of the research model have been ranked and their results are shown in table 8.



**Table 8:** ranks of components related to organizational commitment

	Ranking values	
	The relationship	Priority (factor rank)
<b>Leadership brand code ↔ organizational commitment</b>		
Being a human capital developer	0.64	1
Being a talent manager	0.63	2
Personal proficiency	0.59	3
Being strategist	0.58	4
Being an executor	0.56	5

Based on the results of the above table, the dimension of "the leader being a human capital developer" has the most positive relationship with organizational commitment of the employees with the 0.64 value. Also, the dimensions of "the leader being a talent manager" and "personal proficiency" have the next high values, respectively.

## 6. Conclusions

According to the results obtained from score research, the scores of Beta IT Company in leadership brand code, leadership brand and organizational commitment are higher than those of Alpha Company. On the other hand, based on confirmation of the hypotheses, the better and stronger the managers and leaders in leadership brand code are, the more the organizational commitment of their employees. This also holds between each one of leadership brand code and organizational commitment, so that the more strategist a manager, the more the organizational commitment of the employees of his organization. A strategist manager gets a vision about the future of the organization by domination over strategy, communication with intellectuals and innovators, auxiliary studies except commercial subjects, communication with new technologies, and reflection of results from searches in economic and demographic websites and so on. Such a manager engages the customers in the strategy of the organization by connecting their expectations with values of the organization. He/she also engages the staff in decisions of the organization, involves them in development of the strategy, and causes a commitment feeling in them by creating a belief in values of the organization. These strategist managers can also convert values of the organization into written states to real actions and behaviors and direct behaviors of the staff based on customers' expectations and become aware of details of requirements of customers and concentrate human and non-human capitals on obligations of the strategy.

On the other hand, a strong executor can also exert changes to the organization by creating common perception out of need to change in the staff, assigning powerful managers to projects, gaining the supports and commitments of the staff at the time of change, and managing the exerted changes. He/she can also follow a model for decision making by being careful while making a decision and dividing big decisions into certain ones for better understanding and knowing who and with which team has to be responsible for the decision, making this process clear and paying enough attention to the time of making a decision, making sure of applying the decision, and makes sure of accountability by creating individual ownerships and responsibility for the staff. Such a manager can make teams and make sure of the staff's technical profession. It can be said that the stronger the executors of these companies are, the higher organizational commitment of their staff will be.

Moreover, a strong talent manager is clear and transparent in communication. He/she has high communicational skills. He/she is well aware of individual strengths of the staff and uses their competencies for serving the organization and provides an access to resources and facilities of the organization by encouraging and supporting them to spend times for personal affairs and for outside of the organization and reducing negative effects of working pressures. He/she encounters problems during decisions making patiently and so provides a positive space for working. He/she is able to provide a happy and joyful space and the employees are proud of working in such an organization. The talent managers direct people of the organization by making the belief that the employees have opportunities to grow and learn and their work is effective in the organization and have a high performance and are aware of what happens in the organization and have options at work. It can be said that the stronger the talent managers of these companies are, the higher the commitment of their staff will be.

The results of this research show that a strong human capital developer assigns the jobs based on the talents. He/she can create a brand for the organization and its staff by creating a positive image of the organization and its staff in the minds of the staff. He/she is able to help the staff to manage their occupational direction by creating and supporting opportunities to grow and learn for them. He/she also finds next generation talents and improves them by asking the staff about future talents and talking them directly and indirectly to be aware of their demands and giving authorities to the employees and giving rewards for their desirable performance of the staff. He/she can support the friendly relationships and

networks by encouraging groups between people, because it improves their works and brings about affective integration. This makes the staff cooperate instead of competing with each other, and makes them communicate with each other instead of being isolated. It can be said that the better and stronger a human capital developer, the higher the commitment of their staff will be.

According to the results, the stronger the personal proficiency is, the higher the organizational commitment of the staff will be. A strong proficient manager makes decisions bravely, has a clear thought, looks beyond details, and bears stresses calmly and coolly. He/she feels energy and enthusiasm with his job, shows a learning agility by seeking new ideas for solving problems, and learns from past mistakes, creativity in work and avoiding any sort of extravagances. Such managers are successful not only in short term, but also in long term. They flexibly seek a feedback of their performance and know their strengths and weaknesses. Basing moral principles in the organization with their behaviors, meeting the promises given to the staff, and following legal and social norms in the working place, they show their honesty. They take care of their health to avoid problems in making decisions and supplying their emotional needs and spending more time with their families, they become more ready to continue. It can be said that the more and stronger the personal proficiency of the managers, the higher the organizational commitment of their staff will be.

### Suggestions

According to the scores of each dimension of leadership brand in two companies (as shown in table 4), and a positive significant relationship between leadership brand code and organizational commitment confirmed in this research (as shown in table 7) and also ranking code with organizational commitment (as shown in table 8), it is suggested that: the senior manager supports the promotion of leadership brand; a committee is formed for its promotion; short- and long term programs are provided for improving the organizational commitment through determining the strengths and weaknesses on the basis of employees and customers' questionnaires and the order of priority in which code are ranked with organizational commitment; all staff are informed of the formulated programs; customers' expectations are being expressed by holding meetings with customers and managers to hear the answers of the customers about the strengths and weaknesses obtained in questionnaire of customers; the assessments are being repeated in six month and one year intervals; the conditions of companies are being examined in these intervals, because enhancing leadership brand is accompanied with enhancing code and differentiators and according to results of this research, the organizational commitment increases by enhancing code. Hence, the staff won't leave the organization and investments of the organization for absorbing, training and promoting them all not be wasted and its most important investment that is human capital will not be lost. It is also suggested that the relationship between leadership brand and other qualitative and quantitative variables of organizations are being examined to get universal results from the relationship between leadership brand and organizational variables, and use them for organizational decisions; and finally to use the results of researches done on of the relationship between leadership brand and innovation, creativity, revenue and the net income in the organization.

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