

2 Practical relevance

Taking into account that the area of human behavior in organizations is less studied in Latin America including theories of leadership in Bolivia, the analysis of transformational leadership in companies of Bolivia's industry has become the main objective of this research. How leadership influences the behavior and attitudes of the subordinates namely, commitment is the second main subject of the investigation. Naturally, the literature pertaining to my topic has been stated to and used critically.

The research presented in this investigation has first focused on testing the concept and instrument of transformational leadership within Bolivian industrial companies. The second focus is targeted on employees' organizational commitment (Meyer & Allen, 1991,1997) referring to an important outcome variable which has received increasing attention in the last years (Bycio, Hackett & Allen, 1995). It is expected that transformational leadership that creates an emotional bond between leader and subordinates and also influences needs and values, affects the quality of the subordinate's relationship towards their organization.

In conclusion, the universality of the concepts will be discussed. Transformational leadership as a USA phenomenon and its reproducibility in other cultures will be analyzed.

2.1 Importance of having committed employees

Employees are a key factor for the success of an organization (Steinle, Ahlers & Reichmann, 1999) which implies that they are an important, successful and overall sources exerting influence on judgment about the organizations (Conrad, 1991). The futurologist Leo A. Nefiodow sees in the motivation areas of co-operation still a big chance to make productivity profits. All other factors- like more effective machines or improvement of the work organization are more or less exhausted. In the long term, only organizations that have achieved a social balance will belong to the winners (Die Zeit, 2003).

The world of work is considerably changing. Fast developments and changes in information technology, keener competition between organizations, reengineering of business (Hammer & Champy, 1993), and replacement of jobs with roles are clearly noticeable. Today the effects of globalization, the conquest of new markets beyond the country's border, the social free economy market and, finally, administrative re-

structuring of staff and administration in the organizations affect the possibility of enlarging the number of committed employees.

Some might question whether employees' commitment is a relevant issue in this era of rapid change, including reengineering and downsizing. Skepticism, however, is out of place here. Understanding how commitment develops and influences the nature of employee-organization relationships is of great importance. Workers, as human beings, naturally develop commitment of one form or another, which makes an impact on their behavior at work. By understanding when and how commitment develops and how it helps to form attitude and behaviors, organizations will be in a better position to anticipate the impact that changes make on employees and to manage them more effectively. It is important how workers' relationships with their organizations develop, how those relationships are established, and how they influence workers' behavior, well-being, and their contributions to organizational effectiveness (Meyer & Allen, 1997). Much more careful than on studies of commitment is being spent on flexibility and efficiency: companies must be able to adapt themselves to changing conditions, e.g. cutting costs in order to be competitive. Many strategies used to achieve these objectives, including the introduction of new technology, consolidation of operations, and contracting out, involve the loss of jobs. All those factors do not result, however, in the study of commitment being superfluous. First, organizations do not disappear; they may become leaner, but they must maintain a core of people who constitute the organization. Organizations do not exist without employees. The jobs those employees do require a greater variety of skills and an ability to adapt themselves to the demands of the situation. Therefore, it is all the more important that the organization should be able to trust its employees to do what is right manifesting commitment, a real sense of it. Moreover, as new technology is introduced, many of the "simpler" tasks are done by machines and computers. The tasks left for human work require higher-level knowledge and skills. Training employees to perform such tasks needs substantial financial investment on the part of organizations, and, once trained, these employees are likely to be highly marketable. Secondly, organizations that contract out work to other companies or individuals will still be concerned about the state of commitment in these others. The organization's own success might depend on it. Admittedly, the commitment there might be different, perhaps being of shorter duration, possibly focusing on a contract or project

rather than on the organization itself. Finally, commitment develops naturally. There are reasons for believing that people need to be committed to something. All human beings are committed to different things in their lives. If employees become less committed, they may channel or concentrate their commitment in other directions (e.g., industry, careers, hobbies, family). Besides being relevant to the understanding of the individuals' own well-being, commitment might have behavioral consequences for the employees' relationship with their organizations. For example, employees who naturally are reluctant to develop commitment to an organization that does not reciprocate tend to become committed to their occupation/profession or to the respective industrial branches in which they work. These employees may start to evaluate their skills and experience in terms of their current or future jobs in the organization. Thus, understanding how commitment develops and is maintained is important here as well (Meyer and Allen, 1997).

2.2 Increased interest and open questions

Thinking about committed employees in Bolivian organizations is of interest in particular when considering the conditions of a third world country in which economic conditions are critical. An issue important to consider for the present research is that Bolivian public and private organizations frequently undergo different restructuring in which employees are removed constantly, change workplaces and have to adapt themselves to the unstable conditions of the economy. Such circumstances can result in a big job unsteadiness and employees' impulses and endeavors to leave. Since they are the core of the organization, the loss of trust and a general tense atmosphere dominating the organization may be inevitable.

Other hidden costs like the "negative marketing" of the dismissed employees are involved. The organization's image is in danger. Trust gets lost, which is very difficult to build up again. Employees though aware of this treatment will behave in the future exactly the same way, caring only about their own advantage (Die Zeit, 2003)

It is worth considering the lack of alternatives of other employments. In Bolivia, there is practically no possibility for professionals to choose where or how they want to work. At present, having a job must be considered one's luck.

Bolivia, economically a small country, is characterized by a small private sector. Many of the private organizations are family enterprises.

How can one get more committed employees in the organizations? Considering that the calculated dimension of commitment is due to the investments employees make in the organizations and the lack of alternatives they have, I assume that Bolivian employees may be highly continuance¹ committed. However, since continuance commitment antecedents are satisfaction with compensation and job security (Arciénega & González, 2002) which makes this argument doubtful is, as both factors are not present in the job market of Bolivia.

Many studies have shown that the reasonable relations between employees and their respective supervisors are a necessary precondition for affective commitment (Meyer and Allen, 1997). In Bolivia, considering the historical background, leaders are mostly paternalists and authoritarian which is not inconsistent with the fact that, historically the Bolivian private sector has been characterized to be the “little daughter” of the government who has always awarded grants and remission of debts to it. Family owned organizations start as little ones, and mostly thanks to government support and good “relations” to high positioned government administrators, the company grows into a big and successful organization in which the “big boss” is still the old man who founded it. His sons may become part of the management.

These phenomena lead to some irregularities in the general structure of the organization: the paternalist boss rewards his employees without treating them fairly, or “he” invests money where it is not necessary, takes steps in Human Resources area without any organizational criteria etc. Currently the relation leader-employee is still based on an exchange relation and leaders still consider employees as unmotivated workers who need external reinforcement for working in line with the interests of the company. Such activities unbalance eventual job security or satisfaction with compensation.

It is not only these internal difficulties that influence the industrial development in Bolivia. There are important external factors to consider. The entrance of smuggled goods into the country prevents a clean competition between the Bolivian products. Corruption is the biggest enemy of the economy. There is no promotion and/or protection of the industry. Bolivian exports are not supported.

¹ Continuance commitment is the second dimension of the Meyer and Allen (1990) theory and corresponds to the calculated dimension of commitment.

Are employees able to identify with the organizational goals given the conditions mentioned above?. Considering that supervision is an important antecedent of commitment, the study of the relationship between transformational leadership and commitment is fundamental since the latter includes elements of identification and at the same time involves the company. At this point, I am aware of the definition of Mowday et al. (1982), in which the idea of commitment is described as the relative strength of an individual with, and involvement in, a particular organization. This concept is characterized as the subject's belief in, and acceptance of the organization's goals and values, a willingness to exert considerable effort on behalf of the organization and a strong desire to maintain membership in the organization. Transformational leadership is directed, among other things, towards elevating the closeness or attachment and the identification of the workers. Special attention should be given to the idea of affective commitment. What are the "mechanisms" that lead to greater commitment, as a consequence of transformational leadership? What differences are caused by emergencies, conflicts, and crises? Can transformational leaders override external disadvantages, becoming committed employees? Does transformational leadership facilitate commitment?

Assuming that the leaders in Bolivia are more transactional than transformational, can we predict that the Bolivian employees are in a better position to get committed with the organization? Commitment implies not only self-engagement but loyalty, trust, identification and affective and structural bonds between employees and the organization. Is it possible to find transformational leaders in the Bolivian organizations? What is it that really links employees to their organization?