

MODERATING EFFECT OF ORGANIZATIONAL CLIMATE ON A TASK-TRAIT LEADERSHIP ORIENTATION AND EMPLOYEE COMMITMENT: THE NIGERIAN BANKING EXPERIENCE

Ibidunni S Ayodotun, Covenant University
Olokundun A Maxwell, Covenant University
Kehinde J Oladele, Covenant University
Falola O Hezekiah, Covenant University
Borishade T Taiye, Covenant University
Olusanmi Olamide, Covenant University

ABSTRACT

This research investigated the relationship between a task-trait oriented leadership style and organizational commitment, given the influence of organizational climate. The research utilized copied of structured questionnaire that were distributed to 167 respondents drawn from five leading deposit banks in Nigeria. Applying the hierarchical multiple regression technique, the results from data analysis indicated that managers should pay attention to leadership quality and organizational processes because these factors of organizational climate are significant to enhancing the relationship between leadership style and employee commitment.

Keywords: Leadership Style, Employee Commitment, Organizational Climate, Leadership Orientation, Organizational Leadership.

INTRODUCTION

High performing managers recognize the significance of putting in place an organizational climate that promotes employee inspiration, potency and organizational commitment. Findings from existing research imply a direct relationship between leadership style and organizational commitment on one hand and leadership style and organizational climate on another. However, the assumption of such might elude a question about important factors, such as the structure surrounding work environments, employee motivation in relation to task demand issues, social relationships in the workplace and so on. Consequently, previous researches have left out the consideration of organizational climate in the relationship between leadership style and organizational commitment. More importantly, is that previous research has viewed leadership style from two extreme positions of either a task or people orientation. However, in the real world organizational leadership must balance both views to be effective (Hornáčková, Hálová & Nechanická, 2015). Therefore, this research is poised at investigating the relationship between a task-trait oriented leadership style and organizational commitment, given the influence of organizational climate.

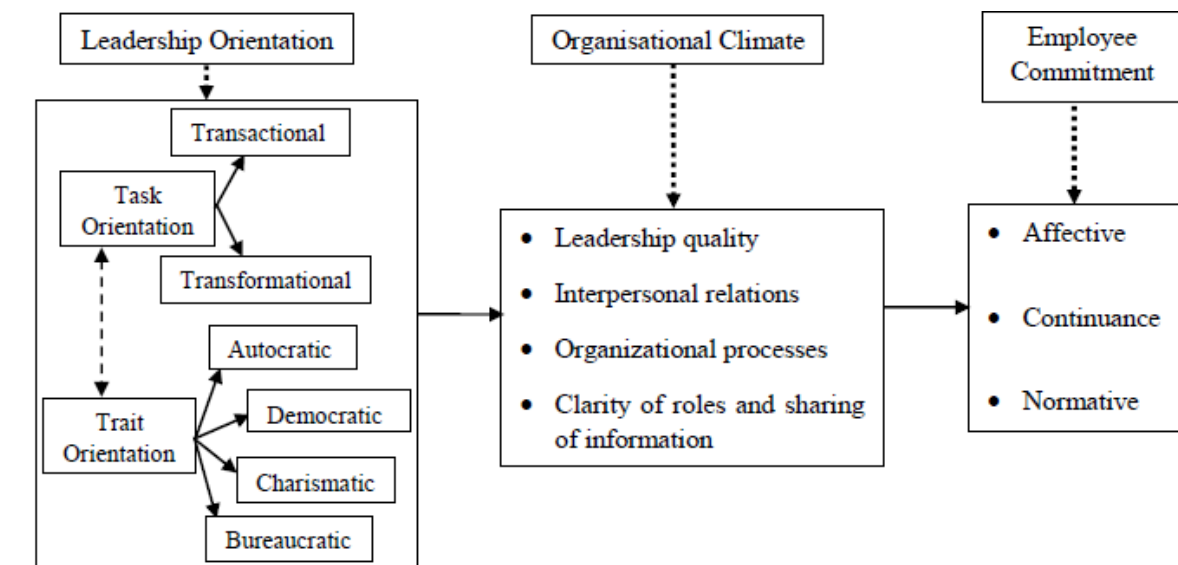
THEORETICAL BACKGROUND

Organizational leadership has been broadly described from schools of thought that can be categorized as either a leader's personality disposition type (trait based school of leadership thought) and the capacity of the leader to engage employees for the accomplishment of organizational goals (task based school of leadership thought) (Gençera & Samurb, 2016; Shao, Feng & Hu, 2017). Task orientation of leadership focuses on the extent to which leaders are particular about responsibilities, maintaining communication linkages that ensure the realization of organizational objectives (Golmoradia & Ardabili, 2016). This study identifies that transactional and transformational leadership styles represent the task oriented leadership, while trait oriented leadership is largely associated with the leader's personality, such as the extent to which the leader is receptive, hospitable, willing to work with a team and focused on the work. The trait leadership orientation includes: autocratic, democratic, charismatic and bureaucratic dimensions of leadership.

Transactional leaders are basically driven by the task that should be performed. Therefore, their operations in the organization are characterized by contingent rewards for performance of responsibility and management by exception (Hu, Parker, Lipsitz, Arriaga, Peyre, Corso, Roth & Yule, 2016; Falola, Salau, Olokundun, Oyafunke-Omoniyi, Ibidunni & Oludayo, 2018). Despite that this leadership style could achieve the task being pursued; a major limitation associated with it is that result in employee stress and their loss of commitment (Perry, Witt, Penney & Atwater, 2010). On the other hand, the transformational leader focuses on motivational patterns to accomplishing organizational tasks. Consequently, the transformational leader uses idealized influence, inspirational motivation, intellectual stimulation and individual consideration to influence subordinates interest towards getting work done. These two leadership orientations are generally described as task based leadership orientations because, broadly speaking, they influence how leadership in the organizational system and the flow of authority in the organization is perceived, rather than how individual lead subordinates towards the attainment of organizational goals.

As conceptualized in this study, the trait leadership orientation is personalized because it relates to the extent which leaders guide, motivate and inspire employees based on their personality. These dimensions of leadership are considered to be relational because they connect the leader directly with the subordinates in the process of work (Khalaj, Khabiri & Sajjadi, 2011). According to Popa (2012), democratic leadership style is traceable to the extent which leaders express extraversion and agreeableness with their subordinates, while autocratic leaders express conscientiousness towards tasks. The relationship between autocratic, democratic and laissez-faire leadership and higher institutional effectiveness has also been demonstrated (Tatlah & Iqbal, 2012). Therefore, in order to establish a fusion between the two ends of the task-based and trait-based dimensions of leadership orientations, this research operationalizes leadership orientation to reflect a real life situation. The theoretical framework presented in Figure 1, shows the direction of this study.

Organizational climate involves the general characteristics and which influences the perception of the surrounding environment associated with an organization. The interactions between organizational climate and leadership orientation in predicting commitment of employees have been verified (Adeyemo, Dzever & Nyananyo, 2015).



Source: The Researchers (2018)

**FIGURE 1
THEORETICAL FRAMEWORK**

METHODOLOGY

This research adopted well-structured questionnaires as a means of gathering opinion from respondents. Section A included questions that were targeted at gathering information on the respondents’ demographic and organizational information. Section B was designed to collect information on the opinion of respondents to the constructs used in the study. The questions in Section B captured the three dimensions of organizational commitments. The copies of questionnaire were administered to the respondents in the five banks used for this study. The banking industry formed the basis for this study because of the industry is associated with a high rate of employee turnover activities resulting from employees’ thirst for more ethically conducive working condition (Gbervie, 2010). The study population from which the sample was drawn for the study consists of five selected money deposit banks formerly known as commercial banks in Lagos state, Nigeria. The reason for choosing these five banks is because they have the largest asset base (The Banker, 2015; Uwuigbe, Uwuigbe, Igbinoba, Adegbola & Otekunrin, 2016). One branch from each of these five banks was selected for this study. The reason for selecting only one branch is because, operations of each bank is usually the same across all their branches (Ibidunni, Osibanjo, Adeniji, Salau & Falola, 2016). This is guided by the fact that each bank operates by a unique set of culture and philosophy which spans across all their outlets/branches nationwide. A sample size is 200 was determined for this study, using Yamane’s (1967) formula for determining sample size. The Multifactor Leadership Questionnaire (MLQ) developed by Bass (1995) was used to measure leadership styles with a 5 point Likert scale ranging from Strongly Agree (SA) to Strongly Disagree (SD) was administered to the respondent to measure organizational commitment. Items measuring organizational commitment were adopted from Allen & Meyer (1990).

Reliability and Validity of Constructs

The Cronbach's alpha reliability and construct validity of this study was ensured using factor analysis. Table 1 reflects the details.

Table 1 RELIABILITY AND VALIDITY OF CONSTRUCTS	
Factor & Loading	Alpha Statistics
IdI1 (0.326), IdI2 (0.550), IM1 (0.390), IM2 (0.687), IS1 (0.427), IS2 (0.624), IC1 (0.602), IC2 (0.535), CR (0.531), MBE1 (0.390), Au1(0.322), Ch1 (0.510), Ch2 (0.501)	$\alpha=0.717$
MBE2 (0.499), Au2 (0.697), Au3 (0.386), Bu (0.828), De (0.763)	$\alpha=0.692$

ANALYSIS AND RESULTS

A total of 200 copies of questionnaire were administered to respondents, but 167 copies of questionnaire were returned and found usable for this research study. The age distribution of the respondents showed that 62 respondents are in the category of 21-30 years of age, 65 respondents fall within the range of 31-40 years of age. 28 respondents fall within the age range of 41-50, 9 respondents fall within the age range of 51-60 years of age and 3 respondents are in category of 60 above years. More so, 7 respondents attained SSCE, 113 had BSc/OND, while 31 attained MSc., 14 attained PhD and only 2 respondents had others certifications. 31 of the respondents were Managers, 35 respondents were Deputy Managers and 37 respondents were Assistant Managers. 64 of the respondents comprised of others levels of employees such as: Contract staff, graduate assistant, IT staff, Customers service agents and Maintenance staff.

Table 2 RESULT OF HIERARCHICAL MULTIPLE REGRESSION						
Independent Variable	Dependent Variable					
	Affective Commitment		Continuance Commitment		Normative Commitment	
	M1	M2	M1	M2	M1	M2
Task Focused	0.418***	0.362**	-0.056	-0.169	-0.272	-0.529**
Trait Focused	0.285***	0.270***	0.490***	0.395***	0.445***	0.355***
Leadership Quality		0.068		0.284***		0.328***
Interpersonal Relationship		0.072		0.004		0.011
Organizational Processes		0.006		0.223***		0.294***
Clarity of Roles		0.004		-0.059		0.109
R ²	0.159	0.173	0.155	0.244	0.071	0.169
ΔR^2		0.014		0.089		0.097
F	2, 164=166; 15.507 (Sig.=0.000)	6, 160=166; 5.589 (Sig.=0.000)	2, 164=166; 15.054 (Sig.=0.000)	6, 160=166; 8.613 (Sig.=0.000)	2, 164=166; 6.293 (Sig.=0.002)	6, 160=166; 5.413 (Sig.=0.000)

Note: M1=Model 1, M2=Model 2

Table 2 shows that task focused leadership has significant influence on affective commitment ($\beta=0.418$, $p \leq 0.01$). Trait focused leadership was also shown to significantly affect employee commitment across the three levels of affective commitment ($\beta=0.285$, $p \leq 0.01$), continuance commitment ($\beta=0.490$, $p \leq 0.01$) and normative commitment ($\beta=0.445$, $p \leq 0.01$). With the introduction of organizational climate, the relationship between leadership orientation and employee commitment was strengthened. Task focused leadership influenced affective commitment ($\beta=0.362$, $p \leq 0.05$) and normative commitment ($\beta=-0.529$, $p \leq 0.05$). Trait focused leadership also had effect on affective commitment ($\beta=0.270$, $p \leq 0.01$), continuance commitment ($\beta=0.395$, $p \leq 0.01$) and normative commitment ($\beta=0.355$, $p \leq 0.01$). More so, leadership quality also had relationship with continuance commitment ($\beta=0.284$, $p \leq 0.01$) and normative commitment ($\beta=0.328$, $p \leq 0.01$). Organizational processes also influenced on continuance commitment ($\beta=0.223$, $p \leq 0.01$) and normative commitment ($\beta=0.294$, $p \leq 0.01$).

DISCUSSION

This research investigated the relationship between a task-trait oriented leadership style and organizational commitment, given the influence of organizational climate. The research utilized copied of structured questionnaire that were distributed to 167 respondents drawn from five leading deposit banks in Nigeria. Applying the hierarchical multiple regression technique, the results from data analysis indicated that task-based and trait-based leadership orientation significantly impact of employee commitment. This implies that leadership orientations that managers exhibit can be influenced either by the organizational context or by personality type. The study also revealed that organizational climate, especially leadership quality and organizational processes, significantly influences that extent to which leadership orientation influences employee commitment (Ibidunni, Ogunnaike & Abiodun, 2017).

CONCLUSION

This study was carried out to establish the relationship between the task-trait leadership orientation and employee commitment. It also investigated the interacting role of organizational climate in that relationship. Utilizing responses from 167 respondents in Nigeria's banking industry, the study concludes that managers' leadership orientation can be viewed from either the task orientation, which is strongly tied to their commitment to the organization and the structure that governs it or the trait orientation which derives from the personality of the leader. The study also concludes that managers should focus on the influence of leadership quality and organizational processes because they are significant to enhancing both the task oriented and the trait oriented leadership styles.

ACKNOWLEDGEMENT

We wish to express our sincere appreciation to the Management of Covenant University for giving full sponsorship to publish the research work in this journal.

REFERENCES

- Adeyemo, D.A., Dzever, L.T. & Nyananyo, J.L. (2015). Organizational climate, leadership style and emotional intelligence as predictors of quality of work life among bank workers in Ibadan, Nigeria. *European Scientific Journal*, 11(4), 110-130.
- Allen, N.J. & Meyer, J.P. (1990). Organizational socialization tactics: A longitudinal analysis of links to newcomer's commitment and role orientation. *Academy of Management Journal*, 33, 847-858.
- Bass, B.M. (1995). Theory of transformational leadership redux. *Leadership Quarterly*, 6, 463-478.
- Falola, H.O., Salau, O.P., Olokundun, M.A., Oyafunke-Omoniyi, C.O., Ibidunni, A.S. & Oludayo, O.A. (2018). Employees' entrepreneurial engagement initiatives and its influence on organizational survival. *Business: Theory and Practice*, 19, 9-16.
- Gbrevbie, D.E. (2010). Organizational retention strategies and employee performance of Zenith Bank in Nigeria. *African Journal of Economic and Management Studies*, 1(1), 61-74.
- Gençera, M.S. & Samurb, Y. (2016). Leadership styles and technology: Leadership competency level of educational leaders. *Procedia-Social and Behavioural Sciences*, 229, 226-233.
- Golmoradia, R. & Ardabili, F.S. (2016). The effects of social capital and leadership styles on organizational learning. *Procedia-Social and Behavioral Sciences*, 230, 372-378.
- Hornáčková, V., Hállová, K. & Nechanická, V. (2015). Analysis of democratic leadership style of nursery schools/kindergartens. *Procedia-Social and Behavioral Sciences*, 171, 717-723.
- Hu, Y., Parker, S.H., Lipsitz, S.R., Arriaga, A.F., Peyre, S.E., Corso, K.A., Roth, E.M. & Yule, S.J. (2016). Surgeons' leadership styles and team behavior in the operating room. *Journal of the American College of Surgeons*, 222(1), 41-51.
- Ibidunni, A.S., Ogunnaiké, O.O. & Abiodun, A.J. (2017). Extending the knowledge strategy concept: Linking organizational knowledge with strategic orientations. *Academy of Strategic Management Journal*, 16(3), 1-11.
- Ibidunni, S., Osibanjo, A.O., Adeniji, A.A., Salau, O.P. & Falola H.O. (2016). Talent retention and organizational performance: A competitive positioning in Nigerian banking sector. *Periodica Polytechnica Social and Management Sciences*, 24(1), 1-13.
- Khalaj, G., Khabiri, M. & Sajjadi, N. (2011). The relationship between coach's leadership styles & player satisfaction in women skate championship. *Procedia Social and Behavioural Sciences*, 15, 3596-3601.
- Perry, S.J., Witt, L.A., Penney, L.M. & Atwater, L. (2010). The downside of goal-focused leadership: The role of personality in subordinate exhaustion. *Journal of Applied Psychology*, 95, 1145-1153.
- Popa, R. (2012). An experimental perspective over personality and leadership styles inside Romanian organizations. *Procedia-Social and Behavioural Sciences*, 33, 488-492.
- Shaoa, Z., Fenga, Y. & Hu, Q. (2017). Impact of top management leadership styles on ERP assimilation and the role of organizational learning. *Information & Management*, 54, 902-919.
- Sirisookslip, S., Ariratana, W. & Ngang, T.K. (2015). The impact of leadership styles of school administrators on affecting teacher effectiveness. *Procedia-Social and Behavioural Sciences*, 186, 1031-1037.
- Tatlah, I.A. & Iqbal, M.Z. (2012). Leadership styles and school effectiveness: Empirical evidence from secondary level. *Procedia-Social and Behavioral Sciences*, 69, 790-797.
- Uwuigbe, U., Uwuigbe, O.R., Igbinoba, E.E., Adegbola, J.O. & Otekunrin. (2016). The effect of financial performance and board size on corporate executive compensation: A study of selected listed banks in Nigeria. *Journal of Internet Banking and Commerce*, 21(3), 1-10.
- Yamane, T. (1967). *Statistics: An introductory analysis (Second Edition)*. New York: Harper and Row.