TRANSFORMATIONAL LEADERSHIP AND EMPLOYEE COMMITMENT OF COMMERCIAL BANKS IN BAYELSA STATE, NIGERIA

Dr. Dickson, Racheal Konyefa  
Department of Business Administration  
Faculty of Management Sciences  
Niger Delta University, Amassoma, Bayelsa State.

Isaiah, Oyeinkorikye Stephan  
Department of Business Administration  
Faculty of Management Sciences  
Niger Delta University, Amassoma, Bayelsa State

Timitimi, Ebisinkemefa Kelly  
Department of Business Administration  
Faculty of Management Sciences  
Niger Delta University, Amassoma, Bayelsa State

Abstract

This study investigated the influence of transformational leadership and employee commitment among Commercial Banks. The objectivism philosophy was used to guide the methodology of the study; hence the survey research design was carefully selected in this study. The population of this study comprised all heads of departments in 17 commercial banks which gave a total population of 95 participants which was used as the sample size. A transformational leadership and employee committed questionnaire (TRANLECQ) was designed by an expert to elicit valid data from the participants. Reliability of the instrument was tested using the Crombach alpha statistical method with 95% significant level. Descriptive and inferential statistical techniques were used and the hypotheses were tested using spearman rank order correlation with the SPSS software. From the elicited data, the study revealed that transformational leadership dimensions such as shared vision and goal, concern for subordinates and mental inducement are significantly correlated with employee commitment. Thus the study concluded that the transformational leadership style can be strategically considered as a means of achieving firm competitive advantage through employee commitment and loyalty.

Key Words: Transformational leadership, employee commitment, shared vision and goal, concern for subordinates and mental inducement.

Introduction

Contemporary businesses are characterized by constant changes in terms of new and emerging technologies, dynamic improvement of markets, increased number of competitors as well as the
fact that goods and services are becoming quickly obsolete and out of date. In such conditions, success can be achieved in organizations when there is good leadership to guide its employees to act or react promptly solving organizational problems to increase the organizational values. Leadership involves the ability of an individual to create willingness in the minds of the followers to perform certain specified objectives of the organization that requires a balance between the objectives of the organization and the needs of its people (Jung, Yammarino, & Lee, 2010). Leadership is a quality of an individual that inspire the followers for achieving their goals. Leadership is not only to direct the follower but also assist in a critical condition when they require support (Gray and Starke, 1997). Thus, it creates the bond which facilitates working together (Shibru & Darshan, 2011). Organizations at present, are more concerned about understanding, developing and improving their leaders’ potentials (Bushra, Usman & Naveed, 2011). Leadership plays an important role in determining employees’ commitment. Usman (2011) asserted that employees who are pleased with their supervisor and feel that they are being treated with respect and are valued by their management feel more attachment with their organizations. This leadership approach will lead to commitment and loyalty and the Organizational value commitment among employees will reduce withdrawal behaviour, such as lateness, absenteeism and turnover. Lo, Ramayah and Min (2013) noted that employees with sense of commitment are less likely to engage in withdrawal behaviour and more willing to accept change. Employee commitment can be attributed as employees’ loyalty and faithfulness towards organization and his intentions to be part of the organization. Commer (2013) opined that employee commitment is the level of involvement an employee has with his job and organization. Employee commitment has significant importance because committed workers have less intention to quit the job, less often absent and highly motivated to perform at advanced level. Sometimes committed employees can render discretionary services leading to organisational citizenship behaviour. This concern coupled with the sweeping changes in the organisational environment tend to favour transformational leadership style to fulfil their strategies and achieve their goals (Howell & Avolio, 2015; Bass, 2010; Judge & Piccolo, 2012; Barling, Weber, & Kelloway, 2010). Transformational leadership can be described as a process that changes and transforms individuals through an exceptional form of influence that moves followers to accomplish more than what is usually expected. According to Metwally and El-bishbishy (2014), transformational leaders has the ability to motivate the follower to accomplish more than what the follower planned to accomplish. Thus, Transformational leaders encourage followers to think critically to use novel approaches, involve followers in decision-making processes, inspire loyalty, while recognizing and appreciating the different needs of each follower to develop his or her personal potential (Avolio, 1999; Bass & Avolio, 1994; Bass and Avolio (1995) propose four components of transformational leadership: inspirational motivation, idealized influence, individual consideration, intellectual stimulation. The leadership and organisational studies revealed that transformational leadership is focused on relationship management to create a mutual and cooperative work climate for goal achievement, employee creativity and organizational performance (Sosik, Kahai, & Avolio, 2013; Jung, 2001). However, little research has been conducted transformational leadership and employee commitment. Thus this paper seeks to address this gap through critical examination of the leadership literature and also determine the extent to which transformational leadership relates to employee commitment.

**Literature review**

Transformational leadership has gained popularity in the field of management and organizational studies. Contrary to earlier leadership styles, transformational leadership put emphasis on
emotions and values to demonstrate how a leader can acquire the ability to affect and motivate followers to succeed beyond expectations. The symbolic behaviour and role of the leader were emphasized to make results more meaningful and effective for followers (Yukl, 2015). Transformational leadership is a leadership approach that causes change in individuals and social systems. It enhances the motivation, morale and performance of followers through a variety of mechanisms. These include connecting the follower's sense of identity and self to the mission and the collective identity of the organization; being a role model for followers that inspires them; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so that the leader can align with followers with tasks that optimize their performance. Simola, Barling, and Turner (2012) defined transformational leadership as a type of leadership in which interactions among interested parties are organized around a collective purpose in such a way that transform, motivate and enhance the actions and ethical aspirations of followers. Transformational leadership is a leadership style that seeks positive transformations in those who follow and that achieves desired changes through the strategy and structure of the organization (Bass, 2012; Geib and Swenson, 2013). Various scholars have described transformational leadership as going beyond individual needs, focusing on a common purpose, addressing intrinsic rewards and higher psychological needs, such as self-actualization, and developing commitment with and in followers (Bass, 2012; Kirby, Paradise & King, 2014; Leithwood, 2015; Shamir, House and Arthur, 2013). Transformational leaders allow employees to think creatively, analyse their problems from numerous angles and explore new and better solutions for problems by using technology (Sosik et al., 2013; Schepers, Wetzels & Ruyter 2015; Gumusluoglu & Ilsev, 2013). All literatures on transformational leadership have emphasised the following themes: Shared vision and goals, Concern for subordinate and Mental inducement.

Components of transformational leadership

The transformational leadership literature has emphasised the following components: inspirational motivation, idealized influence, individual consideration, intellectual stimulation (Bass, 2012; Kirby, Paradise & King, 2014; Leithwood, 2015; Shamir, House and Arthur, 2013). However, rather than transplanting the above mentioned dimensions of transformational leadership, this clinically with support of research extracted the following core and primary variables of transformational leadership; shared vision and goals, Concern for subordinate and Mental inducement.

Shared Vision and Goals; The foundation of transformational leadership is the promotion of consistent vision, goals, and a set of values to the members. One characteristics of a transformational leader is his ability to articulate visions and goals that is appealing and inspiring to followers. The leaders vision is so compelling that they know what they want from every interaction. Transformational leaders guide followers by providing them with a sense of meaning and challenge. They work enthusiastically and optimistically to foster the spirit of teamwork and commitment. Leaders which inspire through shared vision and goals challenge followers with high standards, communicate optimism about future goals, and provide meaning for the task at hand. Followers need to have a strong sense of purpose if they are to be motivated to act. Purpose and meaning provide the energy that drives a group forward. The visionary aspects of leadership are supported by communication skills that make the vision understandable, precise, powerful and engaging. The followers are willing to invest more effort in their tasks, they are encouraged and optimistic about the future and believe in their abilities. Conger (2017), mentions that effective
leaders are the ingenious craftsmen of their organization's goals. Vision is a key leadership behaviour for increasing workforce support in organizational augmentation and development.

Concern for Subordinate; Transformational leaders attend to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs. The leader gives empathy and support, keeps communication open and places challenges before the followers. This also encompasses the need for respect and celebrates the individual contribution that each follower can make to the team. The followers have a will and aspirations for self-development and have intrinsic motivation for their tasks. The followers are treated differently according to their talents and knowledge. They are empowered to make decisions and are always provided with the needed support to implement their decisions. Recent studies have also shown that energetic, exciting, and emotionally appealing expressions of charisma created positive moods in followers (Totterdell & Niven, 2014). Studies have observed that the emotion-related phenomena of burnout and stress in the workplace are all interrelated (Baeza, Lao, Meneses, & Romá, 2013). Such results imply that transformational leadership can be interpreted as a process in which leaders use emotions to: communicate a vision to, as well as elicit responses from, followers; and to ensure that followers are emotionally motivated to perform their tasks beyond their own expectations.

Mental Inducement; Transformational leaders encourage followers’ ideas and assess their efforts to be more creative in solving problems by questioning assumptions, redescribing problems, and redefining old situations in new ways. This inducement occurs mainly through empowering followers to take the initiative (Riggio & Orr, 2011). Leaders with this style stimulate and encourage creativity in their followers. They nurture and develop people who think independently. For such a leader, learning is a value and unexpected situations are seen as opportunities to learn. The followers ask questions, think deeply about things and figure out better ways to execute their tasks. Transformational leaders also challenge followers to generate new ideas which are not completely different from the strategies and ideas of the leaders own. They hearten their followers to confront old values, traditions, and beliefs that may be obsolete for today’s problems, articulate threats that the organization may encounter, and offer opportunities for improvement. These leaders posit challenging expectations and support new ideas so followers will accomplish higher performance levels, and simultaneously show compassion in regard to past mistakes. Finally, leaders who mentally stimulate their followers do not condemn them for having diverse ideas and support them in taking necessary risks (Bass & Avolio, 2000).

Employees’ commitment
Employee commitment to an organization is usually a choice that they make depending on the work climate. Employee commitment has been defined by different scholars in different ways. For example, as an attitude, employees’ commitment is most often defined as a strong desire to remain a member of a particular organisation based on the financial reward provided by the organisation. It is the individual psychological bond to the organisation, as an effective attachment and identification (Coopey and Hartley, 2015; Mowday, 2010; Bass, 2012; Hall, Scheider, and Nygren (2013). McEwan, Carmichael, Short, and Steel, (2016) defined commitment as readiness to pursue objectives through the individual job in cooperation with others. Salancik (2002) states that Commitment is a state of being in which an individual becomes bound by his actions to beliefs that sustain his activities and his involvement. Yukl (2015), provided a definition that refers to an internal agreement and enthusiasm when carrying out a request or a task. However, the most widely used definition of employees’ commitment in
current research is that of Porter, Steers, Mowday, and Boulian (2014), who developed the Organizational Commitment Questionnaire (OCQ). They defined employees’ commitment as the strength of an individual's identification with and involvement in a particular organisation, characterising it by three psychological factors: desire to remain in an organisation, willingness to exert considerable effort on its behalf, and belief in and acceptance of its goals and values. Employee commitment can be classified as Behavioural Commitment (Martin, 2000; Martin & Hunt, 2005; Mottaz, 2009; Thompson & Terpening, 2013; Salancik, 2009; Allen and Meyer, 1990). Continuance commitment involves the need to remain in the organisation because of accumulated 'side-bets' and generally the lack of alternative employment opportunities. The third class of commitment is normative commitment. Meyer, Paunonen, Gellatly, Goffin, and Jackson, (1989) opined that normative commitment is the feeling that one ought to remain with the organisation because of personal norms, values and ethical believes. It is highly significant to note that employee commitment will to organisation performance (Locke, 2012; Al-Hussami, 2012; Xie & Johns, 2011; Linz, 2012; Tai, Bame and Robinson, 2014; Dienhart and Gregoire (2015; LaLopa, 2016; Dienhart and Gregoire (2015)

**Research methodology**

The research methodology constitutes the strategy, game plan or design informing the choice of methods to the desired result while the methods are the techniques or procedures that enable the collection and analysis of data that facilitate the research process to a logical conclusion (Isaiah, Akpotu and Dickson, 2017; Cooper and Schindler, 2013). The methodology of a study therefore informs the research design. This study however adopted the survey research design. The population of this study include all the departmental heads of the commercial banks in Yenagoa metropolis Bayelsa state. There are 17 banks registered under Central Bank of Nigeria that is operationally effective in Bayelsa state. Thus a total population of 95 participants were used in this study. Data were gathered from both primary and secondary sources. Data used in this study were collected through questionnaire. An expert in measurement and evaluation was invited from mathematics and statistics department of the Niger Delta University to correct, modify and validate the instrument and the Cronbach alpha statistical method was used in testing of the reliability, thus the test resulted 95% reliability. Both inferential and descriptive statistics was used and hypotheses were test using spearman rank order correlation with the aid of the Statistical Package for Social Sciences (SPSS).

**Test of hypotheses**

This section deals essentially with statistical testing of the hypotheses formulated for this study.

Test of hypothesis one (H₀₁): There is no significant relationship between shared vision and goals and employee commitment.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Shared Vision and Goals</th>
<th>Employee Commitment</th>
</tr>
</thead>
</table>

Table 1: Correlational Outcome On Relationship Shared Vision and Goals and Employee Commitment.
**Correlation**

<table>
<thead>
<tr>
<th>Spearman's rho</th>
<th>Shared Vision and Goals</th>
<th>Correlation Coefficient</th>
<th>1.000</th>
<th>.822**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td></td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Commitment.</th>
<th>Correlation Coefficient</th>
<th>.822**</th>
<th>1.000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**

Source: SPSS, 2018.

**Decision:** From the $r=0.822$, the study outcome shows that a high positive and significant relationship exists between shared vision and goals and employee commitment. Further, the relationship shows significant at $p=≤0.01$. This means that the null hypothesis stated is rejected and means a significant relationship exists between shared vision and goals and employee commitment.

Hypothesis two ($H_{o2}$): There is no significant relationship between concern for subordinates and employee commitment.

Table 2: Correlational Outcome On Relationship Between Concern for Subordinates and Employee Commitment.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Concern for Subordinates</th>
<th>Employee Commitment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Concern Subordinates for</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Employee Commitment.</td>
<td>Correlation Coefficient</td>
<td>.914**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**

Source: SPSS, 2018.

**Decision:** From the $r=0.914$, the study outcome shows that a high positive and significant relationship exists between concern for subordinates and employee commitment. Further, the relationship shows significant at $p=≤0.01$. This means that the null hypothesis stated is rejected and means a significant relationship exists between concern for subordinates and employee commitment.

Hypothesis three ($H_{o3}$): Mental inducement does not relate significantly with employee commitment.

Table 3: Correlational Outcome On Relationship Between Mental Inducement and Employee Commitment.
Correlations

<table>
<thead>
<tr>
<th>Spearman's rho</th>
<th>Mental Inducement</th>
<th>Employee Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mental Inducement</td>
<td>Correlation</td>
<td>.917**</td>
</tr>
<tr>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>.917**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS, 2018.

**Decision:** From the $r=0.917$, the study outcome shows that a high positive and significant relationship exists between mental inducement and employee commitment. Further, the relationship shows significant at $p=\leq 0.01$. This means that the null hypothesis stated is rejected and means a significant relationship exists between mental inducement and employee commitment.

**Discussion of findings**

From the test, it was found that transformational leadership has a Significant and Positive relationship with employee commitment. This showed that a firm can enhance commitment of employees through shared vision and goals of the organization (Avolio, 2012). The findings revealed that transformational leadership is a means to increase the desire of employees to work in the organization and put more effort as a way to improve organizational performance (Locke, 2012; Al-Hussami, 2012; Xie & Johns, 2011; Linz, 2012; Tai, Bame and Robinson, 2014; Dienhart and Gregoire (2015; LaLopa, 2016; Dienhart and Gregoire (2015), research that was conducted by Markovits, Davis, and Dick, 2016; Sharma and Bajpai, 2011 and Adeloka, 2012).

This was confirmed with the test of hypothesis which states that no significant relationship exist between shared vision and goals was rejected. This implies that there is a significant relationship between the vision and goals shared by management and employees will lead to employee commitment. Avolio (2012) asserted that a positive and significant relationship between an organizations goal sharing culture and employees’ willingness to stay in the organization. Again, Shamir, House, and Arthur, (2013); Shamir, Zakay, Breinin, and Popper, (2014) suggests that transformational leaders are able to influence followers’ organizational commitment by promoting higher levels of intrinsic value associated with goal accomplishment, emphasizing the linkages between follower effort and goal achievement, and by creating a higher level of personal commitment on the part of the leader and followers to a common vision, mission, and organizational goals. The second hypothesis states that there is no significant relationship between concern for subordinate and employee commitment. The hypothesis was tested and rejected. This implies that there is a significant relationship between concern for subordinate and employee commitment. This is in agreement with the findings of Allen and Meyer (2015), Tazeem, Muhammad, Kashif and Ijaz (2011), Bruce, Weichun, William and Puja (2014), Bono and Judge (2013), Shin and Zhou (2013) who opined that individual considerations and supportive attitude of leaders are determinants of employees’ commitment. The third hypothesis
which states that no significant relationship exist between mental inducement and employee commitment was tested and rejected. This implies that empowering employees to take initiative and encouraging them to be innovative and creative have a significant relationship with their commitment. This is in consonance with the findings of Rhodes and Steers (2016), Lowe, Krocek and Sivasubramaniam, (2012), Eby, Rush and Lance (2014), Meyer and Allen (2016) whose study confirmed that empowering employees by confirming their participation in decision making process results in higher employees’ commitment.

Conclusion

This study examined the relationship between transformational leadership and employee commitment. It was empirically proven that there is a significant and positive relationship between transformational leadership and employee commitment. The study was imperatively considering the need for organizations to adopt strategic alternatives that ensures employee commitment. It was therefore concluded that transformational leadership can be considered as a strategic means to improve organizational performance.

References


