

ENHANCING EMPLOYEES' PERCEIVED ETHICAL WORKING CONDITIONS THROUGH A TASK-TRAIT APPROACH TO STRATEGIC LEADERSHIP

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ABSTRACT

This research examined employees' perceived ethical working conditions in the organisation which results from the relationship between leadership styles based on a task-trait perspective and organizational commitment of employees. The research utilised copied of structured questionnaire that were distributed to 167 respondents drawn from five leading deposit banks in Nigeria. Applying the regression technique, the results from data analysis indicated that the task-trait approach to leadership in organisations is significant to enhancing employees' perceived ethical working conditions, thereby inducing them to be committed to both their work-tasks and the organisations. Therefore, this study recommended that senior management especially in the banking industry should review the leadership style practiced in their organization and ensure that it creates the enabling organizational climate to achieving the set goals.

Keywords: Leadership Styles, Organisational Ethics, Strategic Leadership, Ethical Working Conditions, Employee Commitment, Leadership.

INTRODUCTION

Leadership involves a personal and positional obligation aimed at achieving a desired result based on the utilisation of organisational resources (human, material and monetary) and ensuring an intelligible organization in the process (Ololube, 2013). Thus leadership styles should be engaged as means of influencing the attentiveness and commitment that employees have towards the attainment of organisational objectives (Abbasialiya, 2010). According to Jeremy (2012), leadership style involves the aggregation of traits, characteristics, skills and conducts which leaders portray when interrelating with subordinates. Thus, leadership style can be perceived as a toll for enhancing employee commitment to their job-tasks and the organisation. Employees can easily become emotionally, physically and psychologically committed to an organisation where they perceive the working conditions, such as the balanced relationship between supervisors and subordinates, to be ethically conducive.

Existing studies on leadership style have viewed the concept from two broad categories, namely: The organizational based perspective and the individual based perspective. From the organizational perspective, scholar suggest that leadership style could either be transactional or transformational (Obiwuru, 2011; Odumeru & Ifeanyi, 2013; Ajay & Ramjee, 2013; Srđan,

Sveto & Jelena, 2012). Proponents of the individual stance to leadership, on the other hand, argue that leadership styles can either be democratic, charismatic, autocratic or bureaucratic (Nwokocha & Iheriohanma, 2015). Consequently, the gap identified with existing literature is the separation between task-oriented leadership and people-oriented leadership. However, the real workplace consists of both the task and individuals operating simultaneously in such manner that people get work done and the work keep people engaged for organizational productivity. Thus, extant literature has been limited in their ability to conceptualize leadership style using a dimension that submerges the task with individuals. Yet employees' commitment is often influenced by their perception as to whether or not the working conditions in the organisation are ethically sound. This research argues that ethical working conditions which result in employee commitment are to a large extent influenced by the leadership style enforced in the organisation. Therefore, this research is poised at investigating employees' perceived ethical working conditions in the organisation which results from the relationship between leadership styles based on a task-trait perspective and organizational commitment of employees.

LITERATURE REVIEW

Measuring Leadership Style: Task-Trait Orientation

Leadership style has been viewed in extant research works from two broad categories, namely: Organizational-based perspective of leadership style which includes: Transformational leadership and transactional leadership, (Ivey & Kline, 2010; Geib & Swenson, 2013) and the individual-based perspective of leadership which includes: Autocratic, bureaucratic, charismatic and democratic (Ojokuku, Odetayo & Sajuyigbe, 2012; Amanchukwu, Stanley & Ololube, 2015). This study however seeks to explain that the organizational-based leadership style and the individual-based leadership style cannot in themselves be separated from one another as they operate simultaneously in organizations. Dimensions of leadership style as postulated in this research work includes; Transactional-autocratic, Transactional-bureaucratic, Transformational-democratic and Transformational-charismatic.

Transactional-Autocratic

The transactional-autocratic leader applies the strength of his autocracy by the exertion of power in order align the employees to the strategic road map of the organization (Ali, Ismael, Mohamed & Davoud, 2011; Gordon, 2013). Notwithstanding, the leader would also employ the transactional tactics which involves the exchange of rewards, recognition and compensation for the realization of targets and the achievement of results (Hellregel & Slocum, 2006; Gbervbie, 2010). Therefore this suggest that when transactional-autocratic leadership is operational the employees are driven by the rewards and recognition they tend receive when tasks are done effectively and targets are met as at when required, also due to the autocratic nature of the leader, compliance to policies and ethical bank practices is achieved. To this effect the employees are more committed to their jobs and the organization at large.

Transactional-Bureaucratic

The transactional-bureaucratic leaders employ certain coercive approaches whilst operating in alignment with the organization's policies (Zervas & David, 2013). To this effect

the employees would have a high emotional attachment to the job they perform, not necessarily in a positive way. Also the employees would feel the need to adhere themselves to the policies of the organization in order to secure their jobs hence this also addresses the level of their continuance commitment to remain a part of the organization. This form of leadership could make employees become redundant to the policies of the organization as they do not longer feel any sense of obligation to the organization (Michael, 2010; Osibanjo, Abiodun & Adeniji, 2013).

Transformational-Charismatic

The transformational-charismatic leader is generally admired for his personal attributes and his ability to create an inspiring big picture. The transformational-charismatic leader is crusade driven; the leader possesses sheer power and sheer determination to achieve the unimaginable (Zervas & David, 2013). The transformational-charismatic leader has a striking ability to empower and transform through his inherent distinct capability to inspire the employees (Howell & Shamir, 2005). The implication of this leadership style is that employees would be emotionally attached to the personal attributes of such leader and performs their tasks effectively in the short run. The transformational-charismatic leadership style creates the idea that the leader would give subordinates the power of inspiration, whereas the person has to be motivated inside to change and transform (Hall, Johnson, Wysochi & Kepner, 2008; Ibidunni, Ibidunni, Oke, Ayeni & Olokundun, 2018).

Transformational-Democratic

The transformational-democratic leader applies this visionary ability he has to the managing the current changing trends of the business environment (Rich, 2013). To this effect employees tend to demonstrate high levels organizational commitment and engage in activities that help to increase the organization's profitability index. The democratic nature of the leader instils the spirit of motivation and creates a participatory and team spirit lead when decision making is carried out in the organization (Zervas & David, 2013; Ibidunni, Ogunnaike & Abiodun, 2017). Thus the transformational-democratic leadership style brings about futuristic changes and also it increases the commitment of employees to their jobs and the organization in the long run. However, the level of performance is increased.

METHODOLOGY

This research adopted well-structured questionnaires as a means of gathering opinion from respondents. Section A included questions that gathered information on the respondents' demographic and organisational details. Section B was designed to collect information on the opinion of respondents to the constructs used in the study. 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 (Akinruwa, Ajayi & Akeke, 2014). 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, 2005). 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. 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. The population of this study consists of an estimated population of 400 workers of either gender. A sample size of 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 organisational commitment were adopted from Allen and Meyer (1990).

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. Moreso, 4.2% attained SSCE, (16.8%) had OND, while (50.9%) attained B.Sc. (18.6%) attained M.Sc. attained (8.4%) attained Ph.D. and (1.2%) had others. (18.6%) of the respondents were manager, the table reflects that (21.0%) of the respondents were deputy manager, 22.2% of the respondents were assistant manager. 38.3% of the respondents were neither managers, deputy managers, nor assistant managers, they comprised of others which includes: Contract staff, graduate assistant, IT staff, Customers service agents and Maintenance staff.

H₁ There is no significant relationship between transactional-autocratic leadership style and organizational commitment.

Variables Independent → Dependent	B-Value	T-Value	Adj R²	F-value	R²	P-value
Transactional–autocratic → Affective	0.356	4.887	0.121	23.878	0.126	0.000**
Transactional-autocratic → Continuance	0.288	3.868	0.78	14.962	0.083	0.000**
Transactional-autocratic → Normative	0.141	1.832	0.14	3.357	0.020	0.069***

p ≤ 0.05, *p ≤ 0.1

Source: Ibidunni et al. (2018)

The result from the Table 1 shows that the extent to which the transactional-autocratic leadership style has any effect on affective commitment is 12.1% (i.e., Adj R²=0.121). This relationship is found to be significant (p ≤ 0.05, β=0.356, t=4.887). Also the results shows extent to which transactional-autocratic leadership style has an influence on continuance commitment (Adj R²=0.78; 7.8%). The relationship is found to be positive (β=0.288, t=3.868, p ≤ 0.05) indicating that the null hypothesis should be rejected. More so, results from regression analysis reveal that transactional-autocratic leadership style has a positive significant on the last dimension of organizational commitment i.e., normative commitment (Adj R²=0.14, 14%), indicating positive relationship; (β=0.141, t=1.832, p ≤ 0.1).

H₂ There is no significant relationship between transactional-bureaucratic leadership style and organizational commitment.

Variables Independent → Dependent	B-value	T-value	Adj R²	F-value	R²	P-value
Transactional-bureaucratic → Affective	0.309	4.168	0.090	17.374	0.095	0.000**
Transactional-bureaucratic → Continuance	0.206	2.708	0.037	7.333	0.043	0.007**
Transactional-bureaucratic → Normative	0.092	1.188	0.002	1.410	0.008	0.237***

*p ≤ 0.01, **p ≤ 0.05, ***p ≤ 0.1

Source: Ibidunni et al. (2018)

Table 2 showed a positive significant relationship between Transactional-bureaucratic leadership style and affective commitment where 9% (Adj R²=0.090). This relationship is found to be significant (p ≤ 0.05, β=0.309). Also the result showed that the relationship that exists between transactional-bureaucratic leadership style and Continuance commitment is found to be significant where 3.7% (Adj R²=0.037). This relationship is found to be significant (p ≤ 0.1, β=0.206). However the result reveal the relationship that exists between transactional-bureaucratic leadership style and normative commitment is found not to be significant where 0.002% (Adj R²=0.002), the relationship is found not to be significant (p ≥ 0.1, β=0.092).

H₃ Transformational-charismatic leadership style has no impact on organizational commitment.

Variables Independent → Dependent	B-value	T-value	Adj R²	F-value	P-value	R²
Transformational-Charismatic → Affective	0.277	3.707	0.071	13.745	0.000	0.077***
Transformational-Charismatic → Continuance	0.021	0.265	-0.006	0.070	0.792	0.000**
Transformation-Charismatic → Normative	-0.030	-0.385	-0.005	0.148	0.701	0.001*

*p ≤ 0.01, **p ≤ 0.05, ***p ≤ 0.1

Source: Ibidunni et al. (2018)

Table 3 indicates a significant effect of Transformational-charismatic leadership style on affective commitment (Adj R²=0.071). The relationship is found to be significant (p ≤ 0.05, β=0.227). However the outcome from regression analysis reflects that the relationship that exists between transformational-charismatic leadership style and continuance commitment indicates the relationship found is not significant (p ≥ 0.1, β=0.021). More so, the result from regression analysis reflects that relationship that exists between transformational-charismatic leadership style and normative commitment is not found to be significance (p ≤ 0.001, β=-0.030).

H₄ Transformational-democratic leadership style has no effect on organizational commitment.

Variables Independent → Dependent	B-value	T-value	Adj R²	F-value	P-value	R²
Transformational-democratic → Affective	0.332	4.527	0.105	20.498	0.000**	0.111
Transformational-democratic → Continuance	0.354	4.868	0.120	23.702	0.000**	0.126
Transformational-democratic → Normative	0.189	2.470	0.030	6.103	0.015**	0.036

*p ≤ 0.01, **p ≤ 0.05, ***p ≤ 0.1

Source: Ibidunni et al. (2018)

Table 4 reveals a positive significant effect of transformational-democratic leadership style on affective commitment (Adj R²=0.105). The relationship is found to be significant (p ≤ 0.05, β=0.332). More so, the outcome from the regression analysis reflects that relationship that exists between transformational-democratic leadership style and Continuance commitment indicates a positive significance where 12% (Adj R²=0.120). The relationship that exists is significant (P ≤ 0.05, β=0.354). However, the relationship between transformational-democratic leadership style and normative commitment indicates a significant effect where 3% (Adj R²=0.030) the relationship is found to be significant (P ≤ 0.05, β=0.189).

DISCUSSION

This study was poised at investigating employees' perceived ethical working conditions in the organisation which results from the relationship between leadership styles based on a task-trait perspective and organizational commitment of employees. Respondents that make up the framework of the present study suggest that transactional-autocratic leadership style has a significant influence on organizational commitment. This suggest that when transactional-autocratic leadership is operational the employees are driven by the rewards and recognition they tend receive when tasks are done effectively and targets are met as at when required, also due to the autocratic nature of the leader, compliance to policies and ethical bank practices is achieved. To this effect the employees are more committed to their jobs and the organization at large (Ivey & Kline, 2010; Olokundun et al., 2017). Moreso, the significant relationship between transactional-bureaucratic and organizational commitment implies that the impact transactional-bureaucratic leaders will employ certain coercive approaches whilst operating in alignment with the organization's policies. The result from analysis suggests that transformational-charismatic leadership style has no impact on organizational commitment. Thus implying that the transformational-charismatic leader is generally admired for his personal attributes and his ability to create an inspiring big picture, rather than a compelling influence to induce commitment to the organization (Ojokuku, Odetayo & Sajuyigbe, 2012). The fourth hypothesis testing disclosed transformational-democratic leadership style has significant effect on organizational commitment. This means that when a transformational-democratic leader is in charge, the leader applies a visionary ability and democratic nature to instils the spirit of motivation and creates a participatory and team spirit lead when decision making is carried out in the organization, thus the transformational-democratic leadership style brings about futuristic changes and also it increases the commitment of employees to their jobs and the organization in the long run.

CONCLUSION AND RECOMMENDATION

This research work was focused on identifying the role of leadership style on organizational commitment in the Nigerian banking industry. Based on the findings of this study, the relationship that exists between the dimensions of leadership style and levels of organizational commitment were statistically demonstrated in the Nigerian banking industry. Therefore, it was recommended that top management especially in the banking industry should review the leadership style practiced in their organization and ensure that it creates the enabling organizational climate to achieving the set goals, bearing in mind that leadership style affects employee performance and ultimately organizational performance. As such, success or failure of the organization depends on the leadership style adopted.

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