

轉換型領導、工作滿意度對組織承諾之影響 — 以銀行業為例

The Effects of Transformational Leadership, Job Satisfaction and Organizational Commitment-An Example of the Banking Industry

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Abstract

In the research investigated the detailed relationship among transformational leadership, job satisfaction (intrinsic satisfaction and extrinsic satisfaction) and organizational commitment (affective commitment、continuance commitment and normative commitment) in the banking industry. Further attempts are also made to explain the above correlations in terms to enhance the performance of banking industry.

The sample was collected from eight banks, including local banks and foreign investing banks. The total issue amount is 500 with the effective questionnaire amount of 256. The effective rate is 51.2 %.

The results are found the positive relationship among transformational leadership, job satisfaction and organizational commitment. The study not only confirms the positive relationship, but also proves the intervening role of job satisfaction.

This paper provides suggestions for banking managers who are seeking to develop effective working relationship with the subordinates. Besides, it also explores the application on transformational leadership on the banking industry.

Keywords: transformational leadership, job satisfaction, organizational commitment

1. Introduction

It is getting competitive in the banking industry during this decade since a series of financial reformations on 2001. The “first financial reformation” aims at the erase of delinquency, while the “second financial reformation” intends to integrate the variety of banks and intensify the core competition among the Asian area.

As to the financial reformation, the banking industry becomes not only competitive but also with diversity. According to the Financial Supervisory Commission official data on the end of 2006, there are totally 421 financial institutions with the amount of 6,186 branches in Taiwan. As the Financial Institution Merging Law and Financial Holding Company Law passed on 2000 and 2001, it encourages the banking industry to integrate all resource in order to be more efficient and more competitive. It leads to busy working style and heavy loading of the banking staff which attract less attention.

It is commonly accepted that the behavior of the leader influences the performance of the follower. Bass (1985) indicated one leadership style named transformational leadership which motivates and inspires the follower to attain the vision. Hence, in this research hypothesizes the positive effect of the transformational leadership in banking industry. Besides, if the positive relationship is verified, the result could be the suggestion of banking reformation.

In addition, Naumann (1993) referred “Satisfied workers are important contributors to the organization’s effectiveness and long-term success”. As satisfaction is an explicit component which is difficult to be noticed, in this research takes it into account to hypothesize its positive and intervening effect. Hope the outcome could help the banking industry stress the satisfaction of the employee.

Finally, this research examines if the organizational commitment exists positive relationship in the banking industry. Employees with high commitment will result in significant performance. Porter (1974) suggested belief, willingness, and desire are three components of commitment. How to increase the organizational commitment to decrease the quickly turnover in the banking industry is significant because the human capital is crucial to the competition.

Therefore, in this research intends to understand if the transformational leadership has positive effect on job satisfaction and organizational commitment, and if the job satisfaction is the intervening variable between transformational leadership and organizational commitment, especially in the competitive banking industry. Hope the research consequence could contribute to the progress of the banking industry.

2. THEORETICAL FRAMEWORK

2.1 Hypothesis building

2.1.1 Transformational leadership and job satisfaction

The rewards from the leader influence the satisfaction of the follower. The results of overall meta-analysis findings of Avolio et al. (2002) indicated the correlations of transformational leadership scales with satisfaction are consistently high and positive.

Hypothesis1 : transformational leadership has positive effect on job satisfaction.

2.1.2 Transformational leadership and organizational commitment

Transformational leadership discusses from the standpoint of the leaders. As to what influence of the leadership effects to the subordinates. On the contrary, the organizational commitment is from the followers' side to investigate the antecedents and results of it. The organizational identification and personal identification can be defined as the process of leadership. According to Lord's self-concept theory (1999), transformational leadership engages the relational self and collective self levels of follower's social-self concepts and leads to follower's identification with the leader and the organizational unit. Salancik and Pfeffer (1975) and Stogdill (1963) indicated the socialization process and work experience are related to the leadership behavior. Fukami & Larson (1984) collected data from the unionized newspaper employees and indicated the positive correlation between supervisor relations and commitment.

Hypothesis2 : transformational leadership has positive effect on organizational commitment.

2.1.3 Organizational commitment and job satisfaction

Commitment has been linked intentions to a variety of behaviors, including job attitude relationship and psychological process. Bluedorn (1982) considered job satisfaction to be the cause of commitment. There are evidences that commitment is closely related to affect, such as job satisfaction. The following reviews the findings of some scholars. Bateman (1984) collected data from nursing department employees and found there is a significant correlation between commitment and job satisfaction. Moreover, the organizational commitment was the antecedent to job satisfaction, appearing to be one of the many causes of job satisfaction. Hrebiniak & Alutto (1972) took the nurses and teachers as samples and obtained that the organizational commitment is inversely related to the degree of dissatisfaction. Bartol (1979) selected randomly from the members of a list of national association of computer specialists. Professionalism multidimensional attitudes are related to the degree of commitment to organizations. And job satisfaction is one of the antecedents.

Hypothesis3 : job satisfaction has positive correlation on organizational commitment.

2.1.4 The intervening effect of job satisfaction between transformational leadership and organizational commitment

Though transformational leadership, job satisfaction, and organizational commitment have their own antecedents and outcomes, the three variables have correlations among them. In this study hypothesizes the job satisfaction to be the intervening variable of transformational leadership and organizational commitment. Following are some findings of the former scholars. Stone & Porter (1976) suggested the common theme linking many variables is the traditional role as antecedents and correlations of the affective motivational responses, such as job satisfaction. Schneider (1972) indicated job satisfaction as an intervening variable in the job characteristics-commitment relationship.

Hypothesis4 : job satisfaction has an intervening effect between transformational leadership and organizational commitment.

3. RESEARCH METHODS

3.1 Data Collection

The research collected the questionnaires from eight banks. The original issue amount is 500, and the retrieving amount is 283. After kicking away the unqualified ones, the effective questionnaire amount is 256 and the effective rate is 51.2%. The sample structure is as following:

- (1) Sex: The female and male occupy 62.5% and 37.5% respectively. It shows that female takes the majority in the banking industry.
- (2) Age: About the distribution of age, the age from 26 to 30 takes the majority and age from 31 to 35 is the second. The average age is 30 years old.
- (3) Education: The university education takes the majority of 82.8% and under high school takes the minority of 3.9%.
- (4) The tenure of present employment: Present tenure under 3 years is the majority of 44.9%.
- (5) The tenure of banking industry: Present tenure under 3 years is the majority of 37.3%.
- (6) Position: The survey divides the position section into 2 groups and most of the samples are non-manager.
- (7) Company property : This section has 4 groups including financial holding local banks, non-financial holding local banks, the government owned banks and foreign investment banks. Among these banks, the financial holding local banks take the majority of 36.7%.

4. RESULTS

Table 1 presents the means, standard deviations and inter-correlation of all study variables. Generally speaking, significant positive correlations exist among these variables.

(Insert Table 1 here)

4.1 The effect of transformational leadership to job satisfaction

Table 2 shows that transformational leadership has significant positive effect on the dimensions of job satisfaction, after controlling sex, age, education, present tenure, banking tenure, position, and company property (intrinsic satisfaction $r = .62$, $p < .01$ and extrinsic satisfaction $r = .27$, $p < .01$). Therefore, the result supports the Hypothesis 1: transformational leadership has positive effect on job satisfaction.

(Insert Table 2 here)

4.2 The effect of transformational leadership to organizational commitment

Table 3 shows that transformational leadership has significant positive effect on the dimensions of organizational commitment, after controlling sex, age, education, present tenure, banking tenure, position, and company property (affective commitment $r = .37$, $p < .01$, continuance commitment $r = .17$, $p < .01$ and normative commitment $r = .18$, $p < .01$). Hence, the result supports the Hypothesis2: transformational leadership has positive effect on organizational commitment.

(Insert Table 3 here)

4.3 The effect of job satisfaction to organizational commitment

Table 4 shows that job satisfaction has significant positive effect on the dimensions of organizational commitment (affective commitment, continuance commitment and normative commitment). Thus, the result supports the Hypothesis3: job satisfaction has positive effect on organizational commitment.

(Insert Table 4 here)

4.4 Intervening effect analysis of job satisfaction

Based on the literature review, correlation analysis and regression analysis, it indicates that there is correlation among transformational leadership, job satisfaction and organizational commitment. In this section takes the hierarchical multiple regression analysis to test that if job satisfaction plays the role as the intervening effect. The purpose is to prove the Hypothesis4: job satisfaction has an intervening effect between transformational leadership and organizational commitment.

The result presents in Table 5. In the Table 5, we put the control variables only into model 1, and then put the independent variable into model 2 (transformational leadership). In model 3 and 4 put the independent variable and intervening variables (job satisfaction) and observe if the regression coefficient of the models less than model 2. It is used to prove the intervening effect. From Table 5, model 2 indicates that transformational leadership has positive significant effect on affective commitment with the regression coefficient of 0.37 ($p < .01$). And then, when we put transformational leadership and intrinsic satisfaction variables in model 3, we find the intrinsic satisfaction has significant influence on affective commitment. Besides, the regression coefficient of transformational leadership variable goes down to 0.16 and with no significant influence but the Adj- R^2 up to 23%. To sum up, intrinsic satisfaction plays the intervening effect between transformational leadership and affective commitment. Similarly, when we put transformational leadership and extrinsic satisfaction variables in model 4, we find the extrinsic satisfaction has significant effect on affective commitment with regression coefficient of 0.24 ($p < .05$). Moreover, the Adj- R^2 goes up to 21%. Therefore, extrinsic satisfaction has the intervening effect between transformational leadership and affective commitment. Because the mediation effect is almost the same between transformational leadership and continuous and normative commitment, Therefore, Hypothesis 4 was supported.

(Insert Table 5 here)

5. CONCLUSION

5.1 The effect of personal background to organizational commitment

Based on the regression analysis, tenure has significant effect on the affective commitment. It means that staff becomes stable as his tenure adds. Besides, position has significant influence on the continuance commitment. It shows that taking the management role or not will affect the continuance. Moreover, no personal background character has significant influence on the normative commitment. It indicates that the whole staff has the normal attitude toward the normative commitment.

5.2 Outcomes of the research hypotheses

There are four hypotheses in this research and they are all proved. Following are the hypotheses outcomes.

5.2.1 Transformational leadership has positive effect on the dimensions of job satisfaction

The outcome shows that [1] transformational leadership has significant positive effect on intrinsic satisfaction, meaning the transformational leadership of the managers, such as vision making and consideration, will improve the intrinsic satisfaction of banking staff. [2] transformational leadership has significant positive effect on extrinsic satisfaction, indicating that the transformational behaviors of the managers enhance the extrinsic satisfaction. The result of the research accords with Avolio (2002) who indicated that the correlations of transformational leadership scales with satisfaction are positive.

5.2.2 Transformational leadership has positive effect on the dimensions of organizational commitment

The outcomes indicate that [1] transformational leadership has significant positive effect on affective commitment, meaning the transformational leadership of the managers, will improve the personal commitment of the banking staff. [2] transformational leadership has significant positive effect on continuance commitment, indicating that the transformational behaviors will enhance the commitment of staying in the organization. [3] transformational leadership has significant positive effect on normative commitment, showing that transformational behaviors will advance the obligation to remain within an organization of the banking staff. The result of the research accords with the data research of Fukami & Larson (1984) which revealed the positive correlation between supervisor relations and commitment.

5.2.3 Job satisfaction has positive effect on the dimensions of organizational commitment

The outcomes show that [1] job satisfaction has significant positive effect on affective commitment, meaning that staff who has higher satisfaction will improve the personal commitment. [2] job satisfaction has significant positive effect on continuance commitment, indicating that staff who has higher satisfaction will enhance the commitment of staying in the organization. [3] job satisfaction has significant positive effect on normative commitment,

showing that staff who has higher satisfaction will advance the obligation to remain within an organization of the banking staff. The result of the research accords with the research of Bateman (1984) finding there is a significant correlation between commitment and job satisfaction.

6. Limitation

As to the time constraint and strength of efforts limit, there are some limitations of the research. First, most of the questionnaires come from the staff. It means the lack of the managers' opinions. This could lead to some aberration of the research outcome. Second, as to the questionnaire concerns about the experience about the leadership style of the managers, staff could have the conservative attitude about the answer. Therefore, the research could not control the part about the error of social desirability answers. Third, the numerous banking institutions and the heavy working load increase the difficulty of questionnaire passing. It leads to the difficulty of target levels choosing. Therefore, the limitation of sampling way and region could affect the research results.

7. Suggestion to future studies

First of all, there should be other variables that can be used to be the intervening factors between transformational leadership and organizational commitment. In the research finds out some factor of the job satisfaction doesn't have significant effect. Therefore, there should be other factors, like psychology and organizational culture, which could have positive significant intervening effect.

Second, as to the changing working pattern of the banking industry, suggest the future researchers to investigate that if job satisfaction factors change as time goes by.

Third, as to the busy working stereotype, the return rate of the banking questionnaires is not high. Besides, the staff of the managers takes minority of the whole. Therefore, future researcher could try to figure out how to increase the returning rate and setting the proportion of the managers.

Finally, suggest the future researchers enlarge the data collecting range from the managers, staff to the first line staff in order to enrich the accuracy and objectivity.

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<u>Organizational Commitment</u>			
	Affective commitment	Continuous commitment	Normative commitment
Control Variables			
constant	1.44**	2.74**	3.22**
sex	.07	-.11	.09
age	.07	.05	.05
education	.06	-.07	-.11
present tenure	-.07**	-.01	-.01
banking tenure	.08**	.01	.00
position	.09	.20**	.01
company property	.05	-.00	-.01
Independent Variable			
transformational leadership	.37**	.17**	.18**
R ²	.20	.16	.08

p* < .05, p** < .01, p*** < .001

Table 4 The effect of job satisfaction to organizational commitment

	<u>Organizational Commitment</u>		
	Affective commitment	Continuous commitment	Normative commitment
Control Variables			
constant	.74	2.32**	2.56**
sex	.07	-.10	.10
age	.06	.05	.04
education	-.00	-.10	-.15*
present tenure	-.07**	-.01	-.01
banking tenure	.07**	.01	.00
position	.01	.16*	-.03
company property	.05	-.01	-.01
Independent Variable			
job satisfaction	.66**	.33**	.41**
R ²	.26	.22	.20

p* < .05, p** < .01, p*** < .001

Table 5 The intervening effect of job satisfaction between transformational leadership and affective commitment.

	Model 1	Model 2	Model 3	Model 4
Control variables				
Constant	3.084**	1.447**	1.206**	.82
Sex	-.02	.07	.10	.06
Age	.03	.07	.08	.06
Education	.04	.06	.01	.06
Present tenure	-.05*	-.07**	-.08**	-.07**
Banking Tenure	.06*	.08**	.08**	.07**
Position	.02	.09	.04	.08
Company property	.03	.05	.05	.05
Independent variable				
Transformational leadership		0.37**	0.16	0.30**
Intervening variable				
Intrinsic satisfaction			.34**	
Extrinsic satisfaction				.24*
R ²	0.07	0.23	0.26	0.24
Adj- R ²	0.04	0.20	0.23	0.21