Perceived leadership practices and organizational commitment of lending officers in Thai banks

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ABSTRACT

This study examines the relationship between the perception of leadership practices and organizational commitment of lending officers in Thai commercial banks. The research question tests the relationship between lending officers' perception of their leaders' practices and commitment attitudes for their organizations. The Three Components of Organizational Commitment Questionnaire (TCOCQ), developed by Meyer, Allen, and Smith (1993), was used to establish the affective, continuous, and normative commitment of respondents. The Leadership Practices Inventory-Observer (LPI-O), developed by Kouzes and Posner (2002), was used to test the perceived leadership practices of the respondents. These leadership practices are model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart. A demographic characteristics questionnaire was also included in the survey instrument. The respondents of this study were the lending officers in Thai commercial banks. Six hundred and one surveys were sent to the respondents; five hundred and nine copies were returned and completed. The Pearson correlation coefficients indicated that there were positive relationships with significance at the 0.01 level between each of the five leadership practices and each of the three components of commitment. However, the relationships between each of five leadership practices and continuous commitment were weak. The results of this study also revealed that there were strong positive internal-relationships among the five leadership practices and among the components of commitment.

Keywords: Leadership practices, organizational commitment, motivation, Thai banks, lending

INTRODUCTION

Between 1997 and 2001, Thailand was at the center of the Asian economic crisis. This crisis had a significant impact on banks and, at its peak in 1999, substandard loans accounted for 47.7% of the total loans of Thai banks (Bank of Thailand: Supervision Report 2000). This crisis had a significant negative effect on the Thai economy and the employment rate, and forced Thai financial institutions to increase their reserves and decrease lending for new customers and projects. The result was that 56 financial institutions in Thailand were forced to close by the end of 1997 and non-performing loans (NPLs) increased to 2,729 billion baht in 1999. By 2003, NPLs had decreased to 641.4 billion baht (12.7% of total credits), and the Thai government attempted to extend the export business, and promote small and medium enterprises (SMEs) (Bank of Thailand: Supervision Report, 2003). Initially, Thai financial institutions were successful in improving loan growth and increased their volume of domestic loans from 5,170.7 billion baht in 2000 to 5,791.4 billion baht in 2003. As a result, the Gross Domestic Product (GDP) at 1988 prices increased approximately 25%, from 2,749.7 billion baht in 1999 to 3,457.7 billion baht in 2003 (Bank of Thailand: Supervision Report, 2003).

More recently, however, loan growth has been decelerating. Loan growth in 2015 to large corporate borrowers declined to 0.1% from 4.8% the year before. In that same year, NPLs increased by 60.3 billion baht, increasing the total gross NPL to total loan ratio from 2.15% to 2.55%. As a result of this, return on assets (ROA) declined from 1.3% in 2014 to 1.1 % in 2015, and net interest margin (NIM) declined from 2.6% to 2.5% (Bank of Thailand: Supervision Report 2015). This recent decline is of significant concern to the financial professionals who, in most cases, are responsible for the collection of these loans.

Compounding this problem is that these difficulties are occurring at a time when more international commercial banks have opened branches in Thailand, and are creating a competitive environment not seen before in the Kingdom. How to compete with these banks has become an important question for Thai banks. The banks understand changes have to be made in their operations, especially in their employment and personnel practices, because many studies have shown that it is the people of the organization who increase an organization's competitive advantage, and the satisfaction of the employees (See, Pfeffer & Veiga, 1999; Sikula, 2001: Groenendaal & Harvey, 2003: Chordiya, Sabharwal, & Goodman, 2017).

Personnel development, however, has many facets. Bergmann, Lester, De Meuse, & Grahn (2000), and Leininger (2004) found that helping organizations survive and increasing their competitiveness depends on getting the best workers and keeping them committed to the organization. Bragg (2002) states that committed employees do better work than uncommitted employees and those companies with committed employees do better financially than companies with uncommitted workers. Many researchers have found that organizational commitment is essential for the success of organizations and teams (See for example, Brooks, 2002; Jassawalla & Sashittal, 2003; Kauser & Shaw, 2004; Mc Elroy, 2001).

According to Mowday (1999) organizational commitment has become one of the most popular management topics of research. Organizational commitment is important because it is associated with other positive organizational outcomes such as improved performance, higher employee retention, and improved financial performance (Su & Baird, 2017; Khoreva, 2016; Kirkman & Shapiro, 2001; Svallfors, Halvorsen, & Anderson, 2001). The studies of Bishop, Dow, and Burroughs (2000), Chen, Tsui, and Farh (2002), Riketta (2002), and Schappe (1998) have confirmed that there are strong positive relationships between organizational commitment

and performance both in-role and extra-role. The studies of Conchas (2000), Laschinger (2001), Miller and Lee (1999) found that organizational commitment was positively related to the return on assets (ROA), greater returns to shareholders, and effectiveness of organizations. Many researchers have indicated that organizational commitment could reduce the turnover intention and absenteeism of employees (Chen & Francesco, 2000; Lum, Kervin, Clark, Reid, & Sirola, 1998; Sagie, 1998; Wasti, 2003; Wong, Hui, Wong. & Law, 2001).

Numerous studies have also found that organizational commitment is related to job involvement, job satisfaction, fairness, person-organization (P-O) fit, knowledge management, trust, and ethics of employees (Chordiya, Sabharwal, & Goodman, 2017; Gupta, Iyer, & Aronson, 2000; Nyhan, 1999; Park, Gowan, & Hwang, 2002; Perry, 2004; Valentine, Godking, & Lucero, 2002; and Yousef, 2001).

Exactly how one develops organizational commitment has become one of the more interesting questions in the area of organization and human resource management. Many researchers have suggested that researchers, top management leaders, and human resource management should concentrate on how to increase employee commitment to the organization (Allen & Grisaffe, 2001; Ellis, 2004; Mathews & Shepherd, 2002). Researchers have found that training, mentoring, and coaching can increase the organizational commitment (Klein & Weaver, 2000; Kent & Sullivan, 2003; Stallworth, 2003). Finegan (2000) reports that perceived organizational value is positively related to the organizational commitment of employees. Researchers have also found several factors that influence the development of organizational commitment such as job characteristics (Gautam, Van Dick, & Wagner, 2001), personality of the employee (Elizur & Koslowsky, 2001), length of employment (Colbert & Kwon, 2000), organizational characteristics (Mayer & Schoorman, 1998; Suliman, 2000; Probst, 2003), and downsizing (Bishop, Goldsby, & Neck, 2002; Cross & Travaglione, 2004).

Wilkins (2004) found that keeping employees motivated and committed to the organization is a necessary function of a leader. Numerous studies have found a strong relationship between leadership practices and organizational commitment (Chiok Foong Loke, (2001); Adeyemi-Bello (2003); and Viator (2001). Evidence also indicates that organizational commitment is a major outcome of effective leadership.

Lending departments play an important role in developing a country and generating higher profitability for companies. Still, outside the United States there has been only limited research on organizational commitment in commercial banks, and this is especially so in Thailand. The limited research that has taken place in Thailand has primarily focused on management functions, with little research into the accounting functions. Furthermore, the majority of these organizational commitment studies have been one-dimensional. Some researchers such as Mayer & Schoorman (1992), and Meyer & Allen (1997) have suggested that this type of research needs to focus more on the multidimensional aspects of employees' commitment.

PURPOSE OF STUDY

Given the above, the purpose of this study is to examine the relationship between the perceived leadership practices and the organizational commitment of Thai commercial banks' lending officers. The research uses the LPI-O to measure these perceived practices. The LPI-O classifies the perception of subordinates toward their leader's behavior in five practices: (1) model the way, (2) inspire a shared vision, (3) challenge the process, (4) enable others to act, and

(5) encourage the heart. The TCOCQ questionnaire is used to measure the organizational commitment of lending officers. TCOCQ classifies the organizational commitment in three components: (1) affective commitment, (2) continuance commitment, and (3) normative commitment.

THEORY DEVELOPMENT

Paul, et al. (2002) and Ackoff, (1999) believe that the concept of leadership has been studied since the time of the ancient Egyptian and Greek eras. Paul, et al. (2002) classified modern leadership research in three approaches or phases: (1) trait approach, (2) behavior approach, and (3) contingency (situation) approach. The majority of trait approach studies were developed during the 1930s and 1940s in areas such as military units, business organizations and universities. The aim of the trait approach was to identify individual characteristics such as demographic factors (age, height, academic, etc.) or personality (sociability, popularity, intelligence, achievement, judgment ability, etc.) that distinguishes leaders from followers (Doyle & Smith, 2001). Yukl (1989) says that many researchers have attempted to study how to develop skills, character, and attitudes of the successful leader. He also states that, "In recent years, the investigation of leader traits has been more productive, due to the inclusion of more relevant traits, use of better measures of traits, examination of trait patterns, and use of longitudinal research" (p. 202).

Unfortunately, the leadership theories in trait approach failed to find a universal set of traits that consistently differentiated effective leaders from ineffective ones. Accordingly, during the late 1940s and early 1950s, researchers shifted their attention from the trait approach to the behavior approach (Paul, et al., 2002). The effect of this was that researchers shifted their focus away from what the leader was, to concentrate on what the leader actually did in his or her position, and how such behaviors were related to leader effectiveness (Doyle & Smith, 2001; Paul, et al., 2002; and Romm, 1999). For example, researchers studied how often a leader communicated with followers, types of discipline they practiced, and decisions they made. Bass (1985) states that it was found by later researchers that to study only the behavior of the leader could not explain the whole leadership process. For instance, it is likely that different types of leadership behavior are needed in different situations.

During the 1960s and 1970s researchers began examining leadership theories using the contingency approach (Romm, 1999). Doyle & Smith (2001) conclude that the leadership theories in this approach attempted to explain the processes by which leaders emerge in different circumstances. Researchers attempted to study the role of situational factors in the relationship between leader characteristics (traits or behaviors) and leadership effectiveness (Yukl, 1989). Yukl (1989) summarized the contingency theory as follows:

> Situational theories of leader effectiveness are concerned with the mode rating influence of situational variables on the relationship between leader behavior and outcomes or between leader traits and outcomes. These theories assume that different situations require different patterns of behavior or traits to be effective (p. 121).

The Three Components of Organizational Commitment Theory

Meyer & Allen (1997), and Meyer & Herscovitch (2001) believe that the earlier theories of organizational commitment typically were described in a unidimensional (one-dimensional) construct. These unidimensional construct theories could be divided into two distinct areas of study, (1) attitudinal commitment, and (2) behavioral commitment (Meyer & Allen, 1991; Mowday, Steers, & Porter, 1979). Other researchers also worked in the area of the unidimensional attitudinal commitment. Some of the more significant of these were Buchanan (1974), Kanter (1968), Mowday, et al. (1979), and Sheldon (1971). According to Meyer and Allen (1997), this earlier research was expanded into multidimensional aspects and was conducted by such researchers as O'Reilly and Chatman (1986), and Meyer and Allen (1991). O'Reilly and Chatman's commitment theory (1986) classified the organizational commitment into three dimensions: (1) compliance, (2) identification, and (3) internalization. Meyer and Allen (1991) classified the organizational commitment into the three components: (1) affective commitment, a person's emotional attachment to, identification with, and involvement in the organization; (2) continuance commitment, an awareness of the costs associated with leaving the organization; and (3) normative commitment, a feeling of obligation to continue employment in the organization.

Not everyone agrees that Meyer and Allen's work offered anything new to this type of research. Liou and Nyhan (1994), for example, stated that the concept of affective and continuance commitment, developed by Meyer and Allen (1991), was similar to the attitudinal and behavioral commitment in the traditional theory that had been developed in earlier research. In Thailand, a review of the literature finds only a few research studies examining the three-components of commitment theory (See for example, Suthisai, 2001; Kimpakorn, & Tocquer, 2009). Suthisai (2001) used this theory to examine the relationship between the three components of organizational commitment and employee involvement. Others have used this relationship to examine the differences in the work-related culture effect of the employee commitments.

Leadership Practices Theory

As stated above, Paul, et al. (2002) classified modern leadership research according to three approaches or phases: (1) trait approach, (2) behavior approach, and (3) contingency (situation) approach. Yukl and Van Fleet (1992) found that the leadership theories in trait approach attempted to explain the different effects of personal attributes and characteristics of leaders on their followers, while the theories in behavioral approach concentrated on what the leaders actually did in their position and how such behaviors were related to leader effectiveness (Doyle & Smith, 2001; Paul, et al., 2002; Romm, 1999). The later leadership theories focused on the process of major changes in the attitudes and assumptions of organization members and on building commitment for the organization's mission and objectives (Yukl & Van Fleet, 1992).

Two primary approaches have appeared in the current theories of leadership: (1) charisma approach, and (2) transformational leadership approach. Yukl and Howell (1999) defined the effectiveness of charismatic leadership as "the degree of its influence on followers' self-concepts, values, and motivations" (p. 259). The charismatic leadership theory attempts to study what the effects of symbolic leader behavior, visionary, inspirational messages, nonverbal

communication, ideological values, emotions, and intellectual stimulation are on their followers (Bass, 1985).

Yukl and Van Fleet (1992) found that the transformational leader should have similar attributes to those of the charismatic leader, but they should also change and stimulate the attitudes and assumptions of the organization members. Transformational leadership theory is viewed as a hybrid approach that brings together aspects of earlier leadership theories with the current leadership theories (Yukl & Van Fleet, 1992). Kouzes and Posner (1988) proposed their own leadership theory, the Leadership Practices Inventory Theory (LPI).

The LPI-O has been used by other researchers, such as Metscher, et al. (2011) who examined how leadership can increase commitment for civil servants and Air Force personnel in times of conflict, and Stonestreet (2002) whose research was in the field of engineering. This study uses the LPI-O, to measure the perception of lending officers of their leaders' practices.

RESEARCH QUESTION DEVELOPMENT

Three types of variables are used to examine the relationship between the leadership practices and organizational commitment. The independent variable is leadership practice. This research uses the Five Practices of Exemplary Leadership, developed by Kouzes and Posner (1988, 1995, 2002), as the leadership practices theory base. The Five Practices of Exemplary Leadership is a construct variable, which consists of five sub-variables. All of the five leadership practices are provided as the interval variables.

The dependent variable is organizational commitment. The research uses the three components of commitment model as the organizational commitment theory base. The three components of commitment theory is a construct variable, which consists of three sub-variables. All of the three commitment components are provided as the interval variable.

This study also provides the demographic variable to measure the personality of the respondents. The variables are concluded with nominal variables (gender and marital status) and interval variables (age, educational level, number of years working in the current company, and number of years working with the current leader).

Given the above, the research questions examined in this study is:

Is there a relationship between the five perceived leadership practices (model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart) and the three organizational commitments (affective, continuance, and normative commitment) of the Thai commercial banks' lending officers?

This research develops fifteen hypotheses to evaluate the relationship between each of the leadership practices and each of the organizational commitment dimensions. The objective of the design is to clarify the necessary practices of a leader upon which the management level should act in order to motivate their subordinates' attitudes toward organizational commitment in each of the dimensions. The null of the research hypotheses 1-15 are as follows:

For Thai commercial banks' lending officers, there is a negative or no relationship between the perceived leadership practice of:

1. "model the way" and affective commitment.
2. "inspire a shared vision" and affective commitment.
3. "challenge the process" and affective commitment.
4. "enable others to act" and affective commitment.

5.   "encourage the heart" and affective commitment.
6.   "model the way" and continuance commitment.
7.   "inspire a shared vision" and continuance commitment.
8.   "challenge the process" and continuance commitment.
9.   "enable others to act" and continuance commitment.
10. "encourage the heart" and continuance commitment.
11. "model the way" and normative commitment.
12. "inspire a shared vision" normative commitment.
13. "challenge the process" and normative commitment.
14. "enable others to act" and normative commitment.
15. "encourage the heart" and normative commitment.

The Pearson Product-Moment correlation is used to examine each relationship in hypotheses 1-15. The reason for using the Pearson Product-Moment correlation method is that the direction and strength of the relationship between a leadership practice and a component of commitment can indicate the tendency for a component of commitment to exist when a leadership practice is developed.

RESEARCH METHODOLOGY

Instruments and Participants

This study uses three sets of questionnaires as the survey instruments: (1) The TCOCQ, (2) The LPI-O, and (3) A demography of the respondents. All three instruments were available in both Thai and English and participants were allowed to use the language of their choice. The TCOCQ used a Likert scale anchored at 1 and 7, where: 1 = strongly disagree, 2 = disagree, 3 = moderately disagree, 4 = neither agree nor disagree, 5 = moderately agree, 6 = agree, and 7 = strongly agree. The questionnaire classified the commitment in three dimensions: (1) affective, (2) continuance, and (3) normative commitment.

Six items in the questionnaire measured for each of the three components of commitment. The six questions for each component are shown in Table 5.

The Reliability and Validity of TCOCQ:

There are several studies that have evaluated the reliability and validity of the three-commitment scale. Allen and Meyer (1990) reported the reliability of the scale by using the coefficient alpha (cronbach). The results of the coefficient alpha revealed the following: affective commitment (AC) = .87, continuance commitment (CC) = .75, and normative commitment (NC) = .79. Meyer and Allen (1997) also evaluated the reliability of the three-scale commitment, the results showed that AC = .85, CC = .79, and NC = .73. Resanond (2002) reported the reliability testing of TCOCQ for both Japanese and Thai respondents. The results show that AC = .92, CC = .93, NC = .90 for Japanese respondents, and show AC = .92, CC = .92, and NC = .94 for Thai respondents. This study pre-tested 40 respondents to determine the reliability of the questionnaire. The coefficient alphas for each commitment revealed that AC = .8152, CC = .6189, NC = .8219. To evaluate the results of reliability testing, Aiken (1997) stated that reliabilities over .60 are considered good. It was therefore concluded that the reliability of the

TCOCQ is acceptable. Factor analyses also confirmed that the three commitment constructs are distinguishable from measures of other factors such as job satisfaction, career commitment, and work value etc.

Leadership Practices Inventory-Observer

The LPI-O in this study used 30 items, which asked the respondents for their perceptions toward their current leader's practices. The questionnaire used a Likert type scale anchored at 1 and 10, where: 1 = almost never, 2 = rarely, 3 = seldom, 4 = once in a while, 5 = 110 occasionally, 6 = sometimes, 7 = fairly often, 8 = usually, 9 = very frequently, and 10 = almost always. Six questions measured each leadership practice. The six questions for each of the five leadership practices are shown in Table 6.

The Reliability and Validity of LPI-O

Many studies confirmed the reliability of the LPI. Most of these used the coefficient alpha (cronbach) to evaluate the reliability of the questionnaire. Herold, et al. (as cited in Kouzes & Posner, 2002) in a study of engineering managers and their constituents, found that reliabilities generally ranged from .80 to .92. Stone-Zemel (as cited in Kouzes and Posner 2002) also reported reliabilities between .80 and .90 for frontline supervisors in a large telecommunications firm. The reliabilities ranged between .78 and .90 for a cross-section of mid-level managers (Crnkovich & Hesterly, 1993 as cited in Kouzes & Posner, 2002). Kouzes and Posner (2002) also report that the reliability of the LPI-O is between .88 to .92.

This study pre-tested 40 respondents to determine the reliability of the LPI-O. The coefficient alphas for each five leadership practices were "model the way" = .9653, "inspire a shared vision" = .9447, "challenge the process" = .9360, "enable others to act" = .9631, "encourage the heart" = .9674. As for the TCOCQ, a coefficient alpha values over .60 was considered good.

FINDINGS

A total of 601 questionnaires were distributed to five Thai commercial banks. Five hundred and twenty-nine questionnaires (88.2%) were returned. After examining the completeness of the returned surveys, 509 questionnaires were used. The respondents consisted of 56.4% female, and 43.6% male. Remaining demographics of the respondents are included in Tables 1 through 4.

Table 1: Frequency Distribution of Respondents by Age Group

Age Group	Frequency	Percentage
Less than 30 years of age	111	21.8%
30 to 39 years of age	272	53.4%
40 to 49 years of age	107	21.1%
50 years of age and over	19	3.7%
Total	**509**	**100.0%**

Table 2. Frequency Distribution of Respondents by Education Level

Education Level	Frequency	Percentage
Less than Bachelor's Degree	24	4.7%
Bachelor's Degree	256	50.3%
Master's Degree	229	45.0%
Doctoral Degree	-0-	-0-
Total	509	100.0%

Table 3. Frequency Distribution of Respondents by Number of Year(s) working in the Current Bank.

Year(s) Working in Current Bank	Frequency	Percentage
Less than 5 years	143	28.1%
Between 5-10 years	123	24.2%
Between 11-20 years	188	36.9%
More than 20 years	55	10.8%
Total	**509**	**100.0%**

Table 4. Frequency Distribution of Respondents by Number of Year(s) working with Current Leader.

Year(s) Working with Current Leader	Frequency	Percentage
Less than 3 years	284	55.8%
Between 3-7 years	177	34.8%
Between 8-12 years	36	7.0%
More than 12 years	12	2.4%
Total	**511**	**100.0%**

Descriptive Statistics of Dependent and Independent Variables

The descriptive statistics, including the mean and standard deviation for each dimension of the three components of organizational commitment are shown in Table 5.

Table 5. Descriptive Statistics for each of the Three Organizational Commitments (N = 509)

Organizational Commitment	Mean	S.D.
• *Affective Commitment*		
1. I would be very happy to spend the rest of my career with this organization.	4.5481	1.8218
4. I really feel as if this organization's problems are my own.	4.6051	1.7066
7. I do not feel a strong sense of "belonging" to my organization. (R)	4.1218	2.0081
10. I do not feel "emotionally attached" to this organization. (R)	4.8487	1.7710
13. I do not feel like "part of the family" at my organization. (R)	4.6660	1.7350
16. This organization has a great deal of personal meaning for me.	4.3517	1.7161
Total "Affective Commitment"	*4.5236*	*1.2087*
• *Continuance Commitment*		
2. Right now, staying with my organization is a matter of necessity as much as a desire.	4.7171	1.5857
5. It would be very hard for me to leave my organization right now, even if I wanted to.	4.2947	1.8927
8. Too much of my life would be disrupted if I decided to leave my organization now	4.0275	1.9969
11. I feel that I have too few options to consider leaving this organization.	3.6051	1.7745
14. If I had not already put so much of myself into this organization, I might consider working elsewhere.	4.1768	1.8099
17. One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.	3.8880	1.9944
Total "Continuance Commitment"	*4.1182*	*1.2019*

• *Normative Commitment*	2.9096	1.7376
3. I do not feel any obligation to remain with my current employer. (R)	4.0550	1.8317
6. Even if it were to my advantage, I do not feel it right to leave my organization now.	3.5933	1.9526
9. I would feel guilty if I left my organization now.	4.6935	1.6531
12. This organization deserves my loyalty.	4.5540	1.7217
15. I would not leave my organization now because I have an obligation to the people in it.	4.3811	1.7770
18. I owe a great deal to my organization.		
Total "Normative Commitment"	***4.0311***	***1.1890***

Table 5 shows that affective commitment has the highest mean score of all components of commitment and normative commitment has the lowest mean score.

The independent variable of the study is leadership practices. The descriptive statistics of the five leadership practices are shown in Table 6. This table presents the means and standard deviations (S.D.) for each of the five leadership practices as follows.

Table 6. Descriptive Statistic of Lending Officers for Each of the Five Leadership practices.

Leadership Practices	Mean	S.D.
• *Model the Way*		
1. Sets a personal example of what he/she expects of others	6.3399	2.3038
2. Spends time and energy making certain that the people he/she works with adhere to the principles and standards that we have agreed on.	6.3242	2.2534
11. Follows through on promises and commitments he/she makes.	5.9784	2.3134
16. Asks for feedback on how his/her actions affect other people's performance.	5.3615	2.2798
21. Builds consensus around a common set of values for running our organization.	6.2220	2.3550
26. Is clear about his/her philosophy of leadership.	5.7682	2.2534
Average of "Model the Way"	***5.9990***	***1.9714***
• *Inspire a Shared Vision*		
2. Talks about future trends that will influence how our work gets done.	6.0923	2.0643
7. Describes a compelling image of what our future could be like.	5.2947	2.3062
12. Appeals to others to share an exciting dream of the future.	5.2770	2.3785
17. Shows others how their long-term interests can be realized by enlisting in a common vision.	5.6503	2.3384
22. Paints the "big picture" of what we aspire to accomplish.	6.3124	2.0977
27. Speaks with genuine conviction about the higher meaning and purpose of our work	6.0216	2.2531
Average of "Inspire a Shared Vision"	***5.7747***	***1.9224***
• *Challenge the Process*		
3. Seeks out challenging opportunities that test his/her own skills and abilities.	5.8409	2.1618
8. Challenges people to try out new and innovative ways to do their work.	5.4381	2.2690
13. Searches outside the formal boundaries of his/her organization for innovative ways to improve what we do.	5.5344	2.3057
18. Asks "What can we learn?" when things don't go as expected.	5.3969	2.1626
23. Makes certain that we set achievable goals, make concrete plans, and establish measurable milestones for the projects and programs that we work on.	6.1356	6.1356
28. Experiments and take risks, even when there is a chance of failure.	5.1061	2.3462
Average of "Challenge the Process"	***5.5753***	***1.8371***

• _Enable Others to Act_		
4. Develops cooperative relationships among the people he/she works with.	6.1375	2.2798
9. Actively listens to diverse points of view.	6.0177	2.2653
14. Treats others with dignity and respect.	6.5422	2.4863
19. Supports the decisions that people make on their own.	6.0982	2.1876
24. Gives people a great deal of freedom and choice in deciding how to do their work	6.1454	2.3699
29. Ensures that people grow in their jobs by learning new skills and developing themselves.	5.8723	2.4474
Average of "Enable Others to Act"	**_6.1356_**	**_2.0261_**
• _Encourage the Heart_		
5. Praises people for a job well done.	5.9293	2.3550
10. Makes it a point to let people know about his/her confidence in their abilities.	6.1945	2.3333
15. Makes sure that people are creatively rewarded for their contributions to the success of projects.	5.8684	2.4488
20. Publicly recognizes people who exemplify commitment to shared values.	6.2927	2.2846
25. Finds ways to celebrate accomplishments.	5.5363	2.3763
30 Gives the members of the team lots of appreciation and support for their contributions	6.0629	2.4830
Average of "Encourage the Heart"	**_5.9807_**	**_2.0360_**

Table 6 shows that the mean scores for each of the five leadership practices range from 6.1356 to 5.5753. "Enable others to act" shows the highest mean score of all of the five leadership practices (mean = 6.1356, S.D. = 2.0261). "Model the way" (mean = 5.9990, S.D. = 1.9714), "encourage the heart" (mean = 5.9807, S.D. = 2.0360) and "inspire a shared vision" (mean = 5.7747, S.D. = 1.9224) show a moderate mean score. The lowest mean score was given to "challenge the process" (mean = 5.5753, S.D. = 1.8371).

Relationship between Practices and Commitment

Table 7 shows the Pearson correlation coefficients for the dependent and independent variables in the model (two-tailed). The confidence level for the analysis is 95%. The ** correlation is significant at the 0.01 level (two-tailed). Table 7 shows that the score range of the Pearson correlation coefficient are between .446** and .396** for the relationship between the five leadership practices and affective commitment. All pairs of variables testing have positive relationships, and significance at the 0.01 level. The highest score of the correlation is the relationship between "inspire a shared vision" and affective commitment, while the lowest score is the relationship between "challenge the process" and affective commitment. It can be concluded, therefore, that there is a positive relationship, significant at the 0.01 level, between each of the five leadership practices and the affective commitment of the respondents. Accordingly, the null hypotheses for each of the first five hypotheses is rejected.

Table 7. Correlation Between Leadership Practices and Organizational Commitments

	1	2	3	4	5	6	7	8
1. Affective Commitment	1.000							
2. Continuance Commitment	.345**	1.000						
3. Normative Commitment	.670**	.618**	1.000					
4. Model the Way	.431**	.200**	.466**	1.000				
5. Inspire a Shared Vision	.446**	.257**	.472**	.906**	1.000			
6. Challenge the Process	.387**	.245**	.457**	.882**	.916**	1.000		
7. Enable Others to Act	.396**	.161**	.433**	.905**	.840**	.830**	1.000	
8. Encourage the Heart	.412**	.208**	.468**	.920**	.882**	.854**	.928**	1.000

** Correlation is significant at the 0.01 level

With regard to hypotheses six through ten, Table 7 shows that the Pearson correlation coefficient range is between .257** to .161** for the relationship between the five leadership practices and continuance commitment. All pairs of variables tested have a positive relationships and are significant at the 0.01 level. The highest score of the correlation is the relationship between "inspire a shared vision" and continuance commitment, the lowest score is the relationship between "enable others to act" and continuance commitment. It can be concluded, that even though the correlation is weak, there is a positive relationship, significant at the 0.01 level, between each of the five leadership practices and the continuance commitment of the respondents. Accordingly, the null for hypotheses six through 10 is rejected.

Table 7 shows that the Pearson correlation coefficient scores range between .472** to .433** for the relationship between the five leadership practices and normative commitment. All pairs of variables tested have a positive relationship and are significant at the 0.01 level. The highest score of the correlation is the relationship between "inspire a shared vision" and normative commitment, the lowest score is the relationship between "enable others to act" and normative commitment. Therefore, the null for hypotheses 11 through 15 is rejected.

Table 8, summarizes the results of testing Hypotheses 1 to 15.

Table 8: Summary of Hypotheses Testing (Hypothesis 1 to 15)

Leadership Practices	Direction of Relationship		
	Affective	Continuance	Normative
▪ Model the Way	+	+ (weak)	+
▪ Inspire a Shared Vision	+	+ (weak)	+
▪ Challenge the Process	+	+ (weak)	+
▪ Enable Others to Act	+	+ (weak)	+
▪ Encourage the Heart	+	+ (weak)	+

Table 8 gives rise to three notable observations. First, the normative commitment has the strongest relationship with all of the five leadership practices. The affective commitment shows the second priority of relationship strength with all of the five leadership practices. The continuance commitment shows the lowest relationship strength with all of the five leadership practices.

Second, "inspire a shared vision" has the strongest relationship with all of the three commitment's components. The strengths of relationship are .446**, .257**, and .472** for the relationship with affective, continuance, and normative commitment, consecutively.

Third, all of the relationships (hypothesis 1 to 15) are positive relationships and are significant at the 0.01 level. Nevertheless, the relationship between the three components of the commitment and the five leadership practices are not high (affective and normative commitment are shown as having a moderate relationship, continuance commitment has a weak relationship with all of five leadership practices).

Internal-relationship in the Three Components of Commitment

Table 7 presents the internal relationship in the three – components of commitment. The statistics indicate that there are positive relationships, which are significant at the 0.01 level among all three components of commitment. The relationship between affective and continuance commitment is .345**, between affective and normative commitment it is .670**, and between continuance and normative it is .618**.

Internal-relationship in the Five Leadership Practices

The results from Table 7 reveal that there are positive relationships significant at the 0.01 level among all five leadership practices. The three highest of the correlation coefficients are .928** (relationship between "enable others to act" and "encourage the heart"), .920** (relationship between "model the way" and "encourage the heart"), and .916** (relationship between "inspire a shared vision" and "challenge the process"). The lowest of the correlation coefficients is the relationship between "challenge the process" and "enable others to act" (.830**).

DISCUSSION AND CONCLUSION

The first major finding is that all five Leadership Practices have positive relationships with all three Components of Commitment. The results from Table 7 show that all of the five leadership practices have positive relationships with all three components of commitment. An evaluation of each of the components of commitment shows that normative commitment has the strongest relationship with all of the five leadership practices, ranging between .472** and .433**. All strengths of correlation coefficients were shown to be at the moderate level. All of the five leadership practices also have positive relationships with the affective commitment, ranging between .446** to .387**. All strengths of correlation coefficient are shown in the moderate level. All of the five leadership practices have the weakest relationship with the continuance commitment, ranging between .257** to .161**. All strengths of correlation coefficients are shown to be at a weak level. From the data above it can be concluded that all of the five leadership practices have a relationship with all components of commitment.

The second finding is that there are strong positive internal-relationships among the five leadership practices. These internal-relationships range between .928** to .830**. The relationship between "enable others to act" and "encourage the heart" is the strongest. The relationship between "challenge the process" and "enable others to act" has the lowest correlation. The results of the study show that each of the five leadership practices can influence the other leadership practices.

The third finding is there are strong positive internal-relationships among the three components of commitment. These internal-relationships range between .670** and .345**.

The relationship between affective commitment and normative commitment has the strongest correlation while the relationship between affective commitment and continuance commitment has the lowest correlation. It can be concluded then, that each of the components of commitment can influence the others. Although, continuance commitment has a weak positive relationship with all of the five leadership practices, it can still influence the positive relationship in both affective and normative commitment. In addition, both tables also show the internal-relationship among the five leadership practices and the three components of commitment. This implies that the leadership practices can be a direct or an indirect influence on the organizational commitment in Thai commercial banks' lending officers.

The statistics in Table 5 further indicate that the lending officers studied have a moderate level for all three components of commitment, with an average mean of 4.2243 on a seven-point scale. It can be concluded that Thai Commercial Banks' lending officers have a strong desire and need to stay in the organization, and an obligation to stay with the current bank in a moderate level.

Application of the Findings

This research contributes to the knowledge of organization and leadership practices in the business sector by providing evidence that there is a positive relationship between the leadership practices and the organizational commitments of the Thai commercial banks' lending officers. The results of the study can assist in improving the Thai commercial banks and Thai organizations generally, which affect the economic growth of both the bank and the country. The results of the study may motivate managers and executive directors of the lending departments of the banks to recognize the benefit of developing a feeling of organizational commitment in their staff. This motivation could lead the banks to develop strategies and policies on how to increase employee commitment.
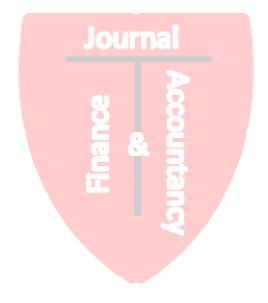
This research also indicates the importance of the five leadership practices, which are comparatively easy to learn and put into practice. Not only leaders who have management and accounting positions, but everyone in the organization can use these practices to become effective leaders. Human resource departments could also apply these results to set up training courses to improve the performance of their employees. These training courses could assist employees in understanding these practices and guide them on how to become effective leaders.

Current leaders in banks must be concerned with the means required to improve the practices of "challenge the process" and "inspire a shared vision". For "challenge the process" practice, the banks' leaders may wish to experiment more and to take risks, even when there is a chance of failure. The banks' leaders should also challenge employees to try out new and innovative ways to do their work.

For "inspire a shared vision" practice, banks' leaders should describe a compelling image of what their future could be like. They also should appeal to other employees to share in a dream of the future. While the leadership practices can help leaders manage the organization effectiveness, employees also want their managers to be ethical and honest. Blanchard (2004) pointed out that, "… in the wake of recent corporate scandals, people want leaders who foster ethical values and deliver ethical performance" (p. 20). Ethics and honesty should be a primary requisite for both leaders and everyone else in the organization. The current research supports the contention that leaders in Thai commercial banks should act and perform ethically and honestly.

Further commitment studies may wish to study other management factors that affect organizational commitment. This could include such factors as organizational culture, job involvement, job satisfaction, and equity theory, etc. This study examined the lending department, but other departments in commercial banks also play an important role in improving the bank's performance and survival in a highly competitive environment. Further studies could be done in other departments such as the audit department, risk and asset management department, and international banking department, etc.

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Table 1: Frequency Distribution of Respondents by Age Group

Age Group	Frequency	Percentage
Less than 30 years of age	111	21.8%
30 to 39 years of age	272	53.4%
40 to 49 years of age	107	21.1%

50 years of age and over	19	3.7%
Total	**509**	**100.0%**

Table 2. Frequency Distribution of Respondents by Education Level

Education Level	Frequency	Percentage
Less than Bachelor's Degree	24	4.7%
Bachelor's Degree	256	50.3%
Master's Degree	229	45.0%
Doctoral Degree	-0-	-0-
Total	509	100.0%

Table 3. Frequency Distribution of Respondents by Number of Year(s) working in the Current Bank.

Year(s) Working in Current Bank	Frequency	Percentage
Less than 5 years	143	28.1%
Between 5-10 years	123	24.2%
Between 11-20 years	188	36.9%
More than 20 years	55	10.8%
Total	**509**	**100.0%**

Table 4. Frequency Distribution of Respondents by Number of Year(s) working with Current Leader.

Year(s) Working with Current Leader	Frequency	Percentage
Less than 3 years	284	55.8%
Between 3-7 years	177	34.8%
Between 8-12 years	36	7.0%
More than 12 years	12	2.4%
Total	**511**	**100.0%**

Table 5. Descriptive Statistics for each of the Three Organizational Commitments (N = 509)

Organizational Commitment	Mean	S.D.
• *Affective Commitment*		
1. I would be very happy to spend the rest of my career with this organization.	4.5481	1.8218
4. I really feel as if this organization's problems are my own.	4.6051	1.7066
7. I do not feel a strong sense of "belonging" to my organization. (R)	4.1218	2.0081
10. I do not feel "emotionally attached" to this organization. (R)	4.8487	1.7710
13. I do not feel like "part of the family" at my organization. (R)	4.6660	1.7350
16. This organization has a great deal of personal meaning for me.	4.3517	1.7161
Total "Affective Commitment"	*4.5236*	*1.2087*

• *Continuance Commitment*		
2. Right now, staying with my organization is a matter of necessity as much as a desire.	4.7171	1.5857
5. It would be very hard for me to leave my organization right now, even if I wanted to.	4.2947	1.8927
8. Too much of my life would be disrupted if I decided to leave my organization now	4.0275	1.9969
11. I feel that I have too few options to consider leaving this organization.	3.6051	1.7745
14. If I had not already put so much of myself into this organization, I might consider working elsewhere.	4.1768	1.8099
17. One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.	3.8880	1.9944
Total "Continuance Commitment"	*4.1182*	*1.2019*
• *Normative Commitment*		
3. I do not feel any obligation to remain with my current employer. (R)	2.9096	1.7376
6. Even if it were to my advantage, I do not feel it right to leave my organization now.	4.0550	1.8317
9. I would feel guilty if I left my organization now.	3.5933	1.9526
12. This organization deserves my loyalty.	4.6935	1.6531
15. I would not leave my organization now because I have an obligation to the people in it.	4.5540	1.7217
18. I owe a great deal to my organization.	4.3811	1.7770
Total "Normative Commitment"	*4.0311*	*1.1890*

Table 6. Descriptive Statistic of Lending Officers for Each of the Five Leadership practices.

Leadership Practices	Mean	S.D.
• *Model the Way*		
1. Sets a personal example of what he/she expects of others	6.3399	2.3038
2. Spends time and energy making certain that the people he/she works with adhere to the principles and standards that we have agreed on.	6.3242	2.2534
11. Follows through on promises and commitments he/she makes.	5.9784	2.3134
16. Asks for feedback on how his/her actions affect other people's performance.	5.3615	2.2798
21. Builds consensus around a common set of values for running our organization.	6.2220	2.3550
26. Is clear about his/her philosophy of leadership.	5.7682	2.2534
Average of "Model the Way"	*5.9990*	*1.9714*
• *Inspire a Shared Vision*		
2. Talks about future trends that will influence how our work gets done.	6.0923	2.0643
7. Describes a compelling image of what our future could be like.	5.2947	2.3062
12. Appeals to others to share an exciting dream of the future.	5.2770	2.3785
17. Shows others how their long-term interests can be realized by enlisting in a common vision.	5.6503	2.3384
22. Paints the "big picture" of what we aspire to accomplish.	6.3124	2.0977
27. Speaks with genuine conviction about the higher meaning and purpose of our work	6.0216	2.2531
Average of "Inspire a Shared Vision"	*5.7747*	*1.9224*
• *Challenge the Process*		
3. Seeks out challenging opportunities that test his/her own skills and abilities.	5.8409	2.1618
8. Challenges people to try out new and innovative ways to do their work.	5.4381	2.2690
13. Searches outside the formal boundaries of his/her organization for innovative ways to improve what we do.	5.5344	2.3057
18. Asks "What can we learn?" when things don't go as expected.	5.3969	2.1626
23. Makes certain that we set achievable goals, make concrete plans, and establish measurable milestones for the projects and programs that we work on.	6.1356	6.1356
28. Experiments and take risks, even when there is a chance of failure.	5.1061	2.3462
Average of "Challenge the Process"	*5.5753*	*1.8371*
• *Enable Others to Act*		
4. Develops cooperative relationships among the people he/she works with.	6.1375	2.2798
9. Actively listens to diverse points of view.	6.0177	2.2653
14. Treats others with dignity and respect.	6.5422	2.4863
19. Supports the decisions that people make on their own.	6.0982	2.1876
24. Gives people a great deal of freedom and choice in deciding how to do their work	6.1454	2.3699
29. Ensures that people grow in their jobs by learning new skills and developing themselves.	5.8723	2.4474
Average of "Enable Others to Act"	*6.1356*	*2.0261*
• *Encourage the Heart*		
5. Praises people for a job well done.	5.9293	2.3550
10. Makes it a point to let people know about his/her confidence in their abilities.	6.1945	2.3333
15. Makes sure that people are creatively rewarded for their contributions to the success of projects.	5.8684	2.4488
20. Publicly recognizes people who exemplify commitment to shared values.	6.2927	2.2846
25. Finds ways to celebrate accomplishments.	5.5363	2.3763
30 Gives the members of the team lots of appreciation and support for their contributions	6.0629	2.4830
Average of "Encourage the Heart"	*5.9807*	*2.0360*

Table 7. Correlation Between Leadership Practices and Organizational Commitments

	1	2	3	4	5	6	7	8
1. Affective Commitment	1.000							
2. Continuance Commitment	.345**	1.000						
3. Normative Commitment	.670**	.618**	1.000					
4. Model the Way	.431**	.200**	.466**	1.000				
5. Inspire a Shared Vision	.446**	.257**	.472**	.906**	1.000			
6. Challenge the Process	.387**	.245**	.457**	.882**	.916**	1.000		
7. Enable Others to Act	.396**	.161**	.433**	.905**	.840**	.830**	1.000	
8. Encourage the Heart	.412**	.208**	.468**	.920**	.882**	.854**	.928**	1.000

** Correlation is significant at the 0.01 level

Table 8: Summary of Hypotheses Testing (Hypothesis 1 to 15)

Leadership Practices	Direction of Relationship		
	Affective	Continuance	Normative
▪ Model the Way	+	+ (weak)	+
▪ Inspire a Shared Vision	+	+ (weak)	+
▪ Challenge the Process	+	+ (weak)	+
▪ Enable Others to Act	+	+ (weak)	+
▪ Encourage the Heart	+	+ (weak)	+