

Full Length Research Paper

A study on the relationship between leadership style, emotional intelligence, self-efficacy and organizational commitment : A case study of the Banking Industry in Taiwan

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The purpose of this study is to analyze by means of a quantitative research method the impacts among the emotional intelligence and leadership style, self-efficacy and organizational commitment of employees in the banking industry in Taiwan. The research framework is primarily constructed based on Bandura's Social Cognitive Theory. As a research design, the structural equation model is adopted to explore the relationship between research constructs. To test the model, the researchers employed purposive sampling and collected a total of 251 copies of questionnaire as research samples from employees in the banking industry in Taiwan. This study has found that a supervisor's emotional intelligence has a significant positive influence on his/her personal leadership style, that a supervisor with high emotional intelligence is able to perform excellent leading skills to elevate the employee self-efficacy, and that employees self-efficacy results in a significant positive influence on organizational commitment. The present research empirically suggests that the emotional intelligence of a supervisor plays a mediating role in the relationship between the leadership style of a supervisor and the self-efficacy of employees. Meanwhile, there have been few studies in the discipline of human resources concerning the influence of self-efficacy on organizational commitment. It is thus expected that the findings of this study serves to propel increasingly insightful research on the two constructs in the discipline of human resources.

Key words: Emotional intelligence, leadership style, self-efficacy, organizational commitment.

INTRODUCTION

The banking industry plays the role as a financial supplier to enterprises in the entire economy. Therefore, whenever changes occur in political or economic environment, the industry is bound to get affected to some extent. Especially during an economic recession, it would withstand much higher risk on business operation than any other industries. By 1990, most banks in Taiwan had

been owned or controlled by the government, monopolizing the banking market, dealing mostly with deposit and loan businesses, and making profits from interest spreads on deposits and loans. To facilitate financial internationalization and liberalization, the government began in 1990 to launch more liberal policies on the financial market to allow new banks to be chartered and have its control of interest rates lifted. Consequently, the number of banks rapidly increased from 23 in 1990 to 45 in 2009.

Meanwhile, since 1994 the government has gradually relaxed conditions for foreign banks to establish branches and representative offices in Taiwan, with all restrictions

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lifted on the number, location and capital of branches. It has given foreign banks opportunities to compete equally with domestic ones. As a result, already-established banks in Taiwan have suffered greater-ever impacts amid a sharp rise in the number of banks and keen competition from foreign banks.

Moreover, a cross-strait financial memorandum of understanding, signed by Taiwan and mainland China in November 2009, stipulates that enterprises in the finance industry across the Taiwan Strait are entitled to mutually establish investment or operation footholds. Though the opening of cross-strait financial markets may boost business opportunities, it also results in an increasing number of competitors. This financial policy is seen to have brought both positive and negative impacts to the local finance industry.

In response to competitions and changes, the banking employees should learn extensively to satisfy the demand of business operations. They are required not only to improve their professionalism but also to possess capabilities to deal with multiple business operations. Besides, they are expected to obtain various types of professional certification as required specifically in the finance industry. As far as the banking industry is concerned, whether human capital can work to effectuate organizational performance in reaction to changes in the entire economic environment is potentially the greatest challenge for an organization and its members.

Under the impacts of global capital flows as well as the rising demand of consumers for service quality, the banking industry has transformed itself from a "golden bowl" industry to a service industry. Hence, questions are raised concerning how the banking personnel can survive such a transformation, whether they are willing to retain or leave their posts, and whether they are professionally competent to work against pressure to deal with increasingly diverse business operations. With these questions taken into consideration, this study intends to work out any feasible solutions for the banking personnel in response to the current economic environment.

Hellervik et al. (1992) proposed that those who wish to achieve a mission effectively must make better use of various kinds of skills and possess a belief of self-efficacy. It is because that success often results from continuous trials. Especially in a changeable, ambiguous and unpredictable environment, self-doubters are apt to suffer setbacks and give up, while self-confident people are more likely to keep on and succeed. This study intended to address the individual sustainability and organizational commitment of banking employees under work pressure. Theoretically, it set off with the Social Cognitive Theory (SCT) proposed by Bandura (1977, 1982, and 1986) to explore the relationship between the working environment (leadership style and emotional intelligence), individuals (self-efficacy) and behaviors (organizational commitment). Practically, it was expected to better understand the current status of employees in the banking industry.

THEORETICAL BACKGROUND AND HYPOTHESES

Social cognitive theory

Social Cognitive Theory was brought up by Albert Bandura, a psychologist in 1977, which integrated a concept of behaviorism and social learning to interpret the interaction among person, behavior and environment on human behavior. Bandura (1982) determined that human behavior could create environmental condition, and vice versa. Therefore, not only are people passive respondents to environment, but also creators of the development of surroundings in certain status. Many scholars in this decade utilize this theory on career development and emphasize the relationship between environment and people (Betz and Voyten, 1997; Chronister and McWhirter, 2003; Morris et al., 2009). The study focuses on the influence of emotional intelligence and leadership style onto employees' self-efficacy and organizational commitment, which also suits the career development for banking staff.

Emotional intelligence

Everybody experiences various kinds of emotions at work, at study or in interpersonal relationship. Emotions are an indispensable part of life that should not be overlooked. However, the issue of emotions in business organizations has never been taken seriously in earlier studies (Domagalski, 1999; Fineman 1996). The term Emotional Intelligence was first proposed by Salovey and Mayer (1990) and later gradually known as Emotional Quotient. There are many possible definitions of emotional intelligence. According to Mayer et al. (1990), emotional intelligence (EI) represents the ability to perceive, distinguish and manage the feelings/emotions of one self or of others as a guide to enhance thinking and actions. To Goleman (2006), EI concerns the ability of a person to maintain self-control, enthusiasm, persistence and self-encouragement, as shown in five major dimensions: knowing your emotions, managing your own emotions, motivating yourself, recognizing and understanding other people's emotions, and managing relationships. Another definition is given by Bar-On et al. (2007) that EI is a kind of multiple-level ability that crosses over self emotions and social composition.

A person with high emotional intelligence will not only understand, manage and accommodate the emotions of self and others but also alleviate emotional disturbances and anxieties, which will contribute considerably to productivity and performance at the workplace on both personal and organizational level (Seipp, 1991).

According to Goleman (2006), emotional intelligence can be improved by learning. A leader with high emotional intelligence shown in stable emotions and desirable interpersonal relationship performs more successfully than those with only high IQ. To raise competitiveness, an

enterprise should endeavor to improve the emotional intelligence of its employees (especially the supervisor) and include emotional intelligence as a reference indicator for talent cultivation and recruitment. A higher emotional intelligence to manage, transform and use emotions is more crucially required of the leaders of an organization, who are responsible for policy formulation, organizational climate management, employee education and cultivation, and communication with external manufacturers and customers.

At present, the definitions and assessment scales of emotional intelligence are diversifying. With practical business operations taken into account, a new version of assessment scale developed by Goleman (2006) is composed of five kinds of emotional intelligence: Self-Awareness, Self-Regulation, Motivation, Empathy, and Social Skill. This study has its assessment scale of emotional intelligence developed with reference to Goleman's theoretical structure and further modified from the perspective of Chinese culture.

Leadership style

Leadership style is the general characterization of a leader's thinking, behavior and organizational environment. It can be viewed as a series of managerial attitudes, behaviors, characteristics and skills based on individual and organizational values, leadership interests and reliability of employees in different situations (Mosadeghrad, 2003). Organizational Success in achieving its goals and objectives depends on its managers and their leadership style. By using appropriate leadership styles, managers can affect employee job satisfaction, commitment and productivity (Mosadeghrad and Yarmohammadian, 2006).

Various leadership styles have been defined and found in research literature. (Burns, 1978; House et al., 2004; Hirtz et al., 2007; Huang et al., 2008). According to Burns (1978), one of the first few scholars to conceptualize leadership styles in terms of transactional and transformational characteristics, transactional leadership involves a kind of exchange process in which a leader offers subordinates benefits or incentives in exchange for their service. Such a leadership approach is based on a variety of reward mechanisms intended to stimulate subordinates to raise their work performance. In its basic practice, a leader guides and inspires subordinates in pursuit of established goals by clearly identifying the roles, task requirements, and effectiveness objectives.

Another leadership approach is transformational leadership which deals with the leadership issue from a total different perspective or on another level of cognition. A transformational leader has a profound influence on the followers and encourages them to place group benefits over individual interests (Burns, 1978). Bass (1985) held that transactional leadership emphasizes the process in which a leader makes a commitment of reward exchange

to subordinates. Therefore, the influence of transactional leadership tends to happen when a leader makes a promise to the best interests of their subordinates. In his study aimed to identify the characteristics of transformational and transactional leadership, Bass (1985) referred to relevant research and established seven dimensions of leadership behavior indicators, including task direction, consideration, participation, representation, performance feedback, integrity, and performance reward. A comparison of two groups of MBA students in the study has found a common existence of transformational and transactional leadership. To further distinguish the leadership behavior between the two approaches, Bass (1985) conducted a survey of 70 managers with a semi-structural questionnaire of leadership characteristics and behaviors shown at the workplace. It resulted in a total of 142 question items of leadership behavior, which were further classified into the three categories of transformational style, transactional style and the undistinguishable. Finally a number of 73 typical items have been selected in the formation of Multifactor Leadership Questionnaire (MLQ).

The first MLQ developed by Bass (1985) is composed of transformational leadership in the four dimensions of charisma influence (later modified into idealized influence), inspirational motivation, intellectual stimulation, and individualized consideration; transactional leadership in the two dimensions of contingent reward and management-by-exception; and laissez-faire in the dimension of the undistinguishable.

Between 1985 and 1990, Bass and Avolio had successively developed four types of MLQ: MLQ-5X-leader form and MLQ 5X-rater form with each containing 80 items, and MLQ5X-short leader form and MLQ 5X-short rater form with each containing 45 items. The leader forms were used for the leaders to measure their own leadership style while the rater forms were used for the subordinates to evaluate their leaders.

In compliance with this study, the researchers adopted the Multifactor Leadership Questionnaire developed by Bass and Avolio (1995) to develop an assessment scale of leadership style based on the present status of the banking industry and modified by experts.

Self-efficacy

The concept of self-efficacy was first proposed by Bandura in 1977. It refers to one's perceived capabilities to execute the courses of action, with emphasis placed on performing skills rather than possessing skills, to achieve a given mission (Bandura 1986). Hellervik et al. (1992) also noted that to effectively achieve a mission one must make better use of various kinds of skills and possess a belief of self-efficacy. It is because that success often results from continuous trials. Especially in a changeable, ambiguous and unpredictable environment,

self-doubters are apt to suffer setbacks and give up, while self-confident people are more likely to keep at it and succeed. Hence, it is arguable that the interaction between an individual and the environment will be partially influenced by perceived self-efficacy. As proposed by Bandura (1986), a personal belief of self-efficacy may influence one's behavior, way of thinking and emotional reactions in a difficult situation.

Self-efficacy is a useful concept for explaining human behavior as research reveals that it plays an influential role in determining an individual's choice, level of effort, and perseverance (Chen et al., 2004). According to Bandura (1997), self-efficacy can be developed and enhanced from four major sources: enactive mastery experience, vicarious experience, verbal persuasion, and psychological and affective states. Reasonable and accurate estimate of self-efficacy is quite important to an individual in pursuit of success. An individual who fails to achieve a given mission due to overestimated self-efficacy will be situated in a predicament, lose self-confidence and suffer unnecessary setbacks. In contrast, an individual who underestimates self-efficacy is likely to limit the development of personal capabilities and potentials, and lose plenty of opportunities.

According to Bandura (1986), the optimal self-efficacy perception is the one that surpasses slightly the scope of one's capabilities. Such perception will prepare an individual with the willingness and abilities to take challenges and the motivation to develop and advance personally. Based on the definition of self-efficacy by Bandura (1986) and the scales of self-efficacy developed by Bandura (1997) and Brown et al. (2005), this study intended to assess self-efficacy perception in terms of interpersonal relationships, capabilities of control task and judgment.

Organizational commitment

Organizational commitment concerns the extent to which an organizational member is loyal and willing to contribute to the organization. The sense of cohesion among members in the organization is the key to organizational effectiveness. Only when organizational members have a sense of belonging with organizational mission, goals, and values will they contribute all efforts to their work and the organization (Jaskyte and Lee, 2009; Sinclair et al., 2005). Salancik (1977) considered that organizational commitment was the behavior of an individual expressed in correspondence to his/her reliance on a specific organization. To some scholars, organizational commitment can explain individual and organizational behaviors (Becker et al., 1996). It is also believed that organizational commitment can effectively predict the resignation of employees (Porter et al., 1974).

In light of its significance, organizational commitment has been explored as a hot issue in the literature of organizational management.

Meyer et al. (1990) summed up the conceptualizations

of organizational commitment into two mainstreams. One is the viewpoint proposed by Becker in 1960 that organizational commitment is a mechanism for employees to desire to stay and work in the organization. The other is the idea presented by Porter and other scholars in 1974 that organizational commitment concerns the individual's organizational identification and involvement. Porter et al. (1974) regarded organizational commitment as a kind of attitudinal inclination toward the organization, which can be characterized into three types: (1) value commitment containing a strong belief in and acceptance of organizational goals and values; (2) retention commitment with a strong desire to remain a part of the organization; and (3) effort commitment with a willingness to contribute more efforts to the interests of the organization. While there are multiple schools and scholars of organizational commitment, their ultimate goal is to find out the ways in which employees identify with the organization and desire to commit to the organization.

A number of scales of organizational commitment have been developed from various definitions of organizational commitment. Porter et al. (1974) applied the theory of individual and organization goal congruence to the development of Organizational Commitment Questionnaire (OCQ) comprised of 15 items in the three dimensions of value commitment, retention commitment and effort commitment to measure organizational members in terms of organizational loyalty, individual willingness to achieve organizational goals, and individual acceptance of organizational values. Mathieu and Zajac (1990) has found from a survey of 174 studies a total of 103 using the OCO developed by Porter et al. (1974), indicating that the OCO has been most used as a scale of organizational commitment. However, The results of empirical research, theoretical connection and statistical analysis conducted by Benkhoff (1997) showed that the OCO lacks homogeneity in multiple dimensions which will result in inconsistent models of cause and effect, affecting statistical analysis and the relationship between other major variables. Thus it is not recommended that the OCO be used as a scale for this study or be explored in terms of its dimensions alone.

Meyer and Allen (1984) revised the OCQ into a scale of organizational commitment comprised of the three dimensions of affective commitment, continuous commitment and normative commitment. The modified OCQ was empirically confirmed by Clugston et al. (2000) to be able to measure various orientations of organizational commitment. Mathieu and Zajac (1990) considered that the scale, which has the properties of psychological tests and can measure the psychological level of organizational commitment, is the best instrument for understanding organizational behaviors. Therefore, the OCQ revised by Meyer and Allen (1984) is used in this study as a scale to measure employee identification and involvement in the organization.

The relationship between leadership style, emotional intelligence and self-efficacy on organizational commitment

Based on the Social Cognitive Theory, this study intended to explore the relationship between organizational environment (leadership style and emotional intelligence), self-efficacy and organizational commitment. In terms of the relationship between leadership style and emotional intelligence, Carmeli (2003) noted that a manager with higher emotional intelligence performs better at the workplace than those with lower emotional intelligence. Sunindijo et al. (2007) has found from a sample of project managers that emotional intelligence affects leadership style. A project manager with higher EI tends to use open communication and proactive leadership style. Accordingly, the following hypothesis is proposed:

H₁: A supervisor's emotional intelligence has a positive effect on leadership style

In terms of the relationship between leadership style and self-efficacy, Schyns (2001) found a slightly positive relationship between perceived transformational leadership and occupational self-efficacy. Gong et al. (2009) also noted that a supervisor's leadership style, especially a transformational one, will stimulate employee self-efficacy. Felfe and Schyns (2006) held that the followers with high occupational self-efficacy tend to accept the leadership of transformational supervisors. According to these findings, the following hypothesis can be proposed:

H₂: A supervisor's leadership style has a positive effect on employee self-efficacy.

Derivatively through empirical research, this study also intended to understand whether a supervisor's emotional intelligence via a better leadership style can further improve employee self efficacy. With the combined results of Hypothesis 1 and 2, this study assumed that a supervisor's emotional intelligence via leadership style will affect employee self-efficacy. Therefore, the following hypothesis was proposed:

H₃: A supervisor's emotional intelligence has a positive influence on employee self-efficacy through a supervisor's leadership style.

In the relationship between emotional intelligence and self-efficacy, emotional self-awareness and control are critical to the development of self-efficacy perception. Those who exhibit higher self-awareness and higher control of their emotions are likely to develop stronger efficacy beliefs (Bandura, 1997). Accordingly, Gundlach et al. (2003) considered that emotional intelligence, which influence emotional awareness and control, plays an important role in the development of self-efficacy. For this reason emotional intelligence should have impact on self-

efficacy through its influence on the causal reasoning processes and emotions involved in reacting to important workplace outcomes. These findings led to the following hypothesis:

H₄: A supervisor's emotional intelligence has a positive effect on employee self-efficacy.

With regard to the relationship of self-efficacy and organizational commitment, little research has been found in the current scientific literature of organizational management. This study attempted to formulate its hypotheses based on the three factors of value commitment, retention commitment and effort commitment in the definition of organizational commitment by Porter et al. (1974).

In terms of value commitment, Jawahar et al. (2008) noted from their study that self-efficacy can effectively predict task performance and significantly help to achieve organizational goals.

Therefore, this study presumed that an employee with higher self-efficacy is more likely to accept organizational goals and values. Concerning retention commitment, Perdue et al. (2007) conducted a study of the relationship between self-efficacy and job satisfaction from the perspective of career decision theory, indicating that significantly positive correlations exist between self-efficacy and job satisfaction and that high self-efficacy helps one to adjust to the working environment. Hence, this study presumed that there are significantly positive correlations between self-efficacy and retention commitment. On the aspect of effort commitment, Fu et al. (2009) empirically found from a sample study of salespersons that there are significantly positive correlations self-efficacy and selling effort. It implies that there are significantly positive correlations between self-efficacy and effort commitment.

According to the above findings, this study proposed the following hypothesis:

H₅: An employee's self-efficacy has a positive effect on an employee's organizational commitment.

METHODOLOGY

According to research purpose and literature review, we constructed the framework of the study, as shown in Figure 1, in which emotional intelligence and leadership style were treated as independent variables, and self-efficacy and organizational commitment as dependent variables. In the research process, we worked to explore firstly the influence of supervisor emotional intelligence and leadership style on employee self-efficacy, secondly the mediating effect of self-efficacy, and the relationship between self-efficacy and organizational commitment.

Sample and data collection

A number of employees from the banking industry in Taiwan have been chosen as the subjects of the study through purposive

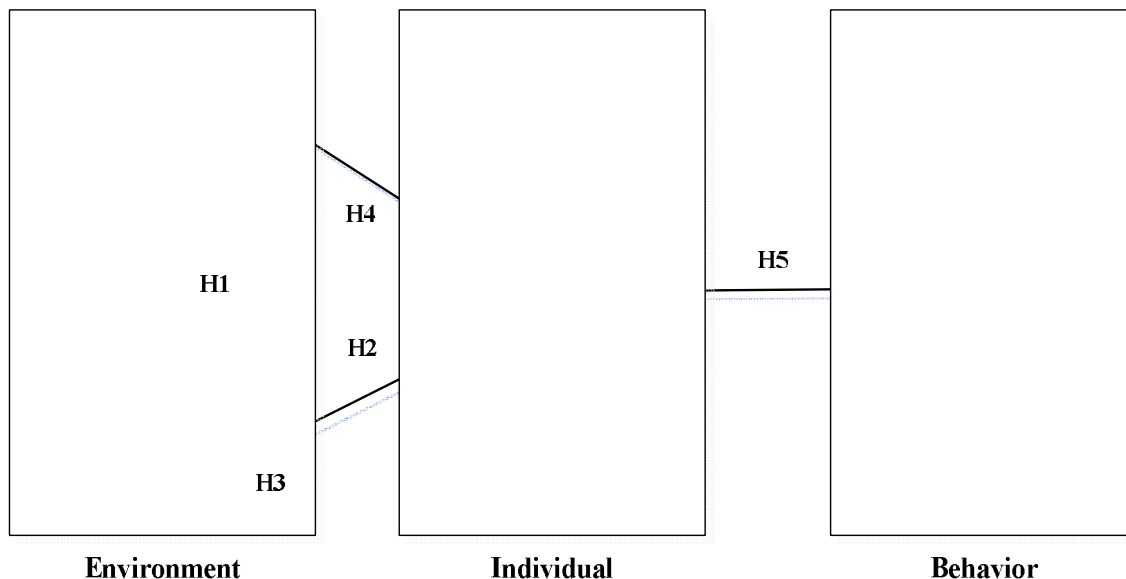


Figure 1. The framework of the study.

sampling. With the consent of the subjects on a questionnaire survey, we enlisted the help of the banks to each designate a window for questionnaire distribution and collection. A total of 600 copies of the questionnaire were delivered and confirmed by phone two days later. In the following two weeks, 196 copies had been returned with 183 valid samples.

In order to increase the number of valid samples, we proceeded to call for the return of more copies of the questionnaire either by phone or with a complimentary redistribution of the questionnaire. Eventually a total of 278 copies have been collected with 251 valid samples representing a return rate of 41.83%. According to Armstrong and Overton (1977), late respondents are characteristicly similar to non-respondents. Thus, a *t*-test of early and late samples was conducted with a significance level of 5% to determine if there were significant differences between them in terms of responses.

The result indicated that no significant differences have been found. While the analysis failed to completely rule out non-response bias. It enhanced our confidence in the representative of the samples.

Measurement scales

All constructs in the research model, except the demographic information of the respondents, were measured by a seven-point Likert-type scale ranging from 1=strongly disagree to 7=strongly agree. This study proceeded to develop a questionnaire based on previous research on emotional intelligence, leadership style, self-efficacy, and organizational commitment. It was further modified for adaptation to the research context. Also SPSS17.0 and LISREL 8.54 were employed to test the hypotheses. The questionnaire was confirmed with a high reliability and validity, as shown in Table 1.

To ensure that the survey design has a high degree of reliability and validity, this study conducted reliability, validity, and factor analysis tests. This study employed construct validity and criterion validity to evaluate the validity of the questionnaire. Zaltman and Burger (1975) and Kerlinger and Lee (2000) proposed a method of selecting factor dimensions using principal components analysis. Factors selected must conform to these conditions: (1) factor loadings must be greater than 0.5; (2) rotation sums of squared

loadings must be more than 50%; and (3) Kaiser-Meyer-Olkin measure of sampling adequacy must be greater than 0.7. When these conditions have been met, the test is considered stable. It can be seen on Table 1 that the validity value of this study exceeded that of the standard value. In measuring reliability, Nunnally (1978) proposed Cronbach's α coefficient as a measure of reliability; a coefficient greater than 0.7 is high reliability while less than 0.35 is low reliability. Table 1 presents a summary of validity and reliability analysis, in which the composite reliability values are larger than 0.7, indicating that the study has high reliability.

RESULTS AND ANALYSES

Measurement model

The study proceeded in this section to establish the linear structural relation model for the constructs of emotional intelligence, leadership style, self-efficacy and organizational commitment, which was intended to explore the cause-effect relationship between variables as well as to verify overall model fit. An analysis by LISREL integrated with factor analysis and path analysis in conventional statistics and simultaneous equations in econometrics can simultaneously deal with the relationship between a series of variables and is applicable to the exploration of the cause-effect relationship of the overall model.

In a complete analysis of the overall model fit, Bagozzi and Yi (1988) suggested that preliminary fit criteria, fit of internal structure of model and overall model fit be included. Accordingly, this study developed its theoretical models thus:

1. Preliminary fit criteria: The preliminary fit criteria serve to test model specification errors, identification problems or input errors in the model, whose error of each

Table 1. Summary of validity and reliability analyses.

Variable	Construct validity		Criterion validity	
	KMO ^a	Rotation sums of squared loadings (%)	Factor loading	Reliability
Emotional intelligence (EI)	0.918***	71.75	0.680 - 0.896	0.923
Leadership style (LS)	0.912***	76.43	0.808 - 0.901	0.911
Self-efficacy (SE)	0.864***	66.41	0.691 - 0.876	0.927
Organizational Commitment (OC)	0.893***	71.70	0.654 - 0.849	0.886

Kaiser-Meyer-Olkin (KMO) is a measure of sampling adequacy. *** denotes significance at the 0.1% level.

measurement indicator is not supposed to be a negative value and whose factor loading is supposed to be greater than 0.5 and reach the significance level.

The data in Table 2 indicates that each latent construct in this study has reached the significance level with factor loading greater than 0.7. On a whole, the preliminary fit criteria are acceptable for this study.

2. Fit of internal structure of model: These criteria function to assess the significant level of parameter estimation and the reliability for each item and latent variable in the model, which can be determined by whether the reliability of each individual item is greater than 0.7, whether the composite reliability for each latent variable is greater than 0.7, and whether average variance extracted estimate of each latent variable is greater than 0.5. The coefficients of individual item reliability ranged between 0.716 and 0.862, which were all greater than 0.7. Meanwhile, as shown in Table 3, the composite reliability was 0.867 for emotional intelligence, 0.842 for leadership style, 0.877 for self-efficacy, and 0.813 for organizational commitment with average variance extracted estimates of 0.814, 0.873, 0.772 and 0.753, respectively. All values were greater than the minimally acceptable level of reliability for instruments, indicating a good fit of internal structure of model.

3. Overall model fit: The overall model fit criteria are used to assess whether the overall model fits the sample data. There are various indexes for model fit measurement, which have been classified by Hair et al. (2005) into three types: absolute fit measures, incremental fit measures and parsimonious fit measures.

a) Absolute fit measures: Absolute fit measures, such as Chi-square statistic, Goodness-of-fit Index (GFI), Root mean square residual (RMR) and Root Mean Square Error of Approximation (RMSEA), were used to determine whether the overall model can predict covariance matrix distribution. As shown in Table 2, the absolute fit indices for the overall model of the study read: $\chi^2/df = 1.861$, GFI=0.957, RMR=0.023 and RESEA=0.048, satisfying model fit criteria. Accordingly, the overall model fits the sample data well.

b) Incremental fit measures: Incremental fit measures, such as Adjusted Goodness of Fit Index (AGFI), Normed Fit Index (NFI) and Comparative Fit Index (CFI), were used to assess model fit by comparing the theoretical model with a null model. As indicated in Table 2, Incremental fit indices read: AGFI=0.909, NFI=0.943 and CFI=0.962, reaching the acceptable level of 0.9.

c) Parsimonious fit measures: Parsimonious fit of each coefficient in comparison with models with various number of coefficients.

As shown in Table 2, the parsimonious fit indices read: PNFI=0.649 and PGFI=0.528, reaching the acceptable measures, such as Parsimonious Normed Fit Index (PNFI) and Parsimonious Goodness-of-Fit Index (PGFI), were used to adjust model measurement to decide the fit achieved level.

In light of the these indexes, the overall model fit tests indicated that the research model was adequate to represent the sample data.

Hypotheses model

We present the hypotheses results in Tables 3 and 4 and Figure 2. The expected relationship between manager's emotional intelligence ($\beta = 0.584$, $p < 0.05$) and manager's leadership style shows a positive and strong correlation, thus Hypothesis 1 is supported. Besides, there is a positive relationship between director's leadership style and employee's self-efficacy ($\beta = 0.376$, $p < 0.05$). Thus Hypothesis 4 is supported. Further, the empirical observations show that an employee's self-efficacy is positively correlated with an employee's organizational commitment ($\beta = 0.462$, $p < 0.05$). Thus Hypothesis 5 is accepted. However, manager's emotional intelligence and employee's self-efficacy were shown not to be significantly related. Lastly, our analysis revealed

Table 2. Summary of LISREL model analysis.

Model	Parameter	Result	t-value	
Exogenous variable				
	Self-awareness	0.831	a	
	Self-regulation	0.875	11.736*	
Emotional Intelligence	Motivation	0.849	9.328*	
	Empathy	0.744	4.943*	
	Social skill	0.857	10.569*	
	Endogenous variable			
Preliminary fit criteria and fit of internal structure of model	Leadership style	Transformational leadership	0.871	a
		Transactional leadership	0.876	11.429*
		Interpersonal relationships	0.763	a
	Self-efficacy	Capabilities of control task	0.855	10.935*
		Judgement	0.742	5.698*
	Organizational Commitment	Affective commitment	0.762	a
		Continuous commitment	0.739	5.802*
		Normative commitment	0.761	8.399*
	Evaluation indicator			
	Evaluation criterion	Model value		
Overall model fit	χ^2	Small is better	467.236	
	p-value	>0.05	0.000	
	χ^2/df	<3	1.861	
	GFI	>0.9	0.957	
	RMR	<0.05	0.023	
	RMSEA	<0.05	0.048	
	AGFI	>0.9	0.909	
	CFI	>0.9	0.962	
	NFI	>0.9	0.943	
	PNFI	>0.5	0.649	
	PGFI	>0.5	0.528	

* denote significance at the 0.5% level. 'a' denotes setting value is '1', non t-value, at the LISREL model. The coefficient of this table is the coefficient of standardization

Table 3. Correlations, composite reliability and AVE.

	EI	LS	SE	OC	Composite reliability	AVE
EI	<i>0.902</i>				0.867	0.814
LS	0.638	<i>0.933</i>			0.842	0.873
SE	0.311	0.417	<i>0.879</i>		0.877	0.772
OC	0.263	0.392	0.524	<i>0.867</i>	0.813	0.753

Those in italics (main diagonal) indicate square roots of the average variance extracted (AVE). All correlation is significant at the 0.01 level

that manager's emotional intelligence had an indirect influence on employee's self-efficacy through manager's leadership style, 0.220 (0.584×0.376). Thus Hypothesis 3 is supported.

DISCUSSION

(1) The relationship among emotional intelligence, leadership style, self-efficacy and organizational commitment;

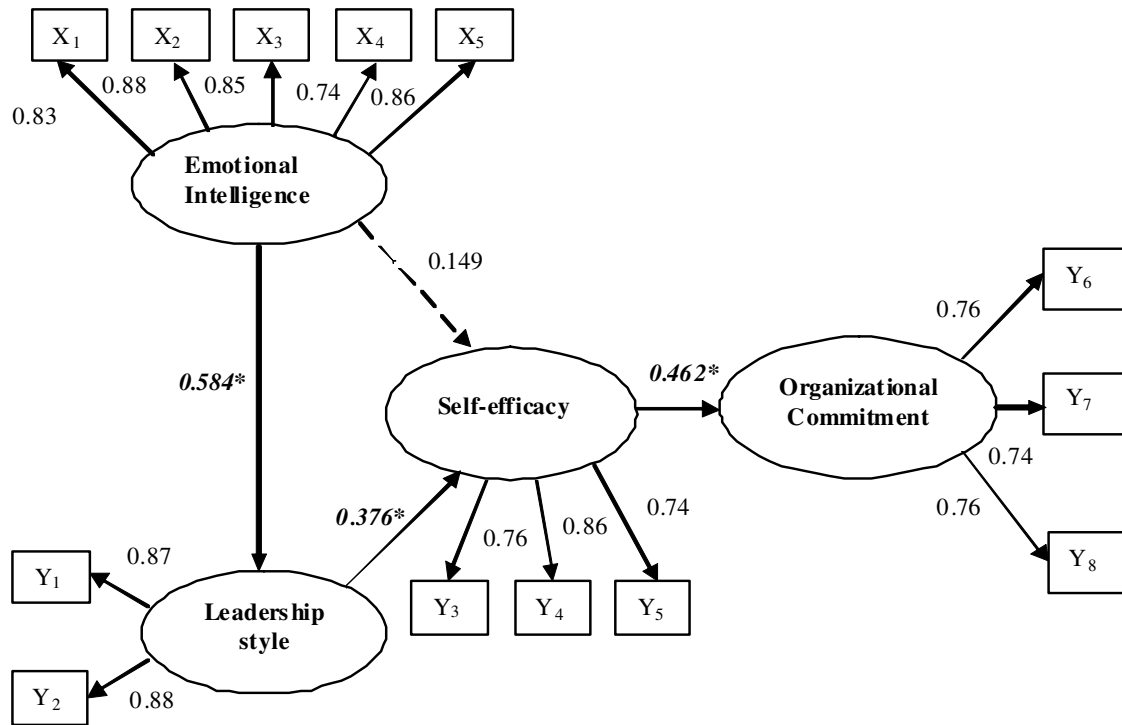


Figure 2. Estimate of research model.
 X₁: Self-awareness; X₂: Self-regulation; X₃: Motivation; X₄: Empathy; X₅: Social Skill; Y₂: Transactional leadership;
 Y₃: Interpersonal relationships; Y₄: Capabilities of control task; Y₅: Judgment; Y₃: Affective commitment; Y₄:
 Continuous commitment.

Table 4. Summary of hypotheses result.

Hypothesized path		Beta	t-value	Support
Direct effect	H ₁ : Emotional intelligence→ Leadership style	0.584*	5.383	Support
	H ₂ : Emotional intelligence→ Self-efficacy	0.129	1.305	Not support
	H ₄ : Leadership style→ Self-efficacy	0.376*	2.495	Support
	H ₅ : Self-efficacy→ Organizational commitment	0.462*	3.58	Support
Indirect effect	H ₃ : Emotional Intelligence→ Leadership Style→ Self-Efficacy	0.220		Support

*p<0.05

(2) The mediating role of leadership style in the relationship between emotional intelligence and self-efficacy; and

(3) The fit of the structural equation model based on the Social Cognitive Theory.

The research set off with the Social Cognitive Theory to explore the relationship between organizational environment (leadership style and emotional intelligence), individuals (self-efficacy) and behaviors (organizational commitment) in the finance industry. It has found that a supervisor's emotional intelligence has a significant positive influence on his/her leadership style, indicating that a supervisor's leadership style perceived by employees is influenced by his/her emotional intelligence.

The research results are generally identical with those published in recent years (Barling et al., 2000; Gardner and Stough, 2002; Barbuto and Burbach, 2006; Sunindijo et al., 2007; Antonakis et al., 2009). Although the samples explored in terms of emotional intelligence and leadership style in this study have been chosen from employees in the finance industry, we agree with Antonakis et al.(2009), who emphasized that a leader's emotional intelligence should not be seen as a specific factor for an individual case for some time. There is a need for leaders to be aware of their emotions and to manage their emotional intelligence in order to bring positive outcomes to the organization.

Moreover, this paper has discovered that a supervisor's

leadership style can boost employee self-efficacy, which is identical to the argument proposed by Felfe and Schyns (2006) and Gong et al. (2009). Accordingly, a bank supervisor who leads employees by giving a promising vision, establishing reward rules, granting full authorization, and providing timely-needed instruction, concern and encouragement at work is able to raise employee self-efficacy as a result of mutual experience exchanges, harmonious interpersonal relationship, and an a better command and judgment of work.

Meanwhile, this study has found that a leader with high emotional intelligence who performs an excellent leadership style is able to improve employee self-efficacy, indicating that a leader cannot simply count on emotional intelligence to change employee self-efficacy. Accordingly, this study argues that a leader with high emotional intelligence should make better use of leading skills to be able to boost employee self-efficacy.

Bandura (1988) determined people with different self efficacy might lead different strategy and behavior. The study finds that leadership style on banking staff's self-efficacy obtains a previous factor; therefore, leadership ability should be italicized when recruitment or promotion in banking industry occurs.

Finally, this study has found that self-efficacy has a significant positive influence on organizational commitment. According to the respondents, those employees with stronger capabilities to accommodate interpersonal relationship, to command and achieve organizational goals, to receive and respond to environmental messages are more likely or willing to identify with organizational values and goals, to work for organizational image and effectiveness, and to continue to serve the organization. Since few research has been found on the relationship between self-efficacy and organizational commitment in the past literature of human resources, the results of this study may bring up more profound research of the two constructs in the discipline of human resources.

According to the results of this study, we suggest that in the face of serious challenges in a competitive financial environment, an enterprise endeavor to improve its managing supervisor in terms of emotional intelligence and leadership style through comprehensive recruitment and training mechanisms in order to raise employee self-efficacy at the workplace, resulting in high organizational commitment among employees and desirable business performance.

LIMITATIONS AND FUTURE RESEARCH

This study, which intended to address the relationship between supervisors and subordinates, was subject to the difficulty of sampling within a limited time. For instance, the collected data contained only one-sided replies made by respondents based on personal experience, which may not be sufficient to fully represent their mutual

relationship. The major instance of limitation lies in its measurement scale whose items of each variable were developed and modified according to expert opinions and widely-used scales. Even though the original scales have reached standards of reliability and validity, they tend to be surveys of perception to which respondents express their subjective perception rather than provided objective figures. Thus, it is likely to result in research errors.

In the future, we suggest that researchers further apply the cross-level analysis approach to the research of the relationship between levels of management, employees, peers or organization to reap more findings as a reference for the improvement of an enterprise on all levels. Meanwhile, In order to enhance the generalization of research results, we suggest that follow-up research have more comprehensive samples collected from a region larger than Taiwan, such as the greater China area or the global Chinese community.

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