



Culture, Leadership Practices and Organizational Commitment at Commercial Banks in Vietnam

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[*Abstract*]

This study attempted to investigate the effects of collectivism as an individual cultural value and leadership practices on employees' organizational commitment of six commercial banks in Vietnam. The study used collectivism and the implementation of five leadership practices as the independent variables, the three components of organizational commitment as the dependent variables and employees' personal factors served as controlling variables. The study utilized a quantitative method of research with questionnaires as the main data collection instrument. The findings of the study have revealed that the individual cultural value of collectivism positively, but to a marginal degree, affected the level of employees' organizational commitment. Among five leadership practices, only the implementation of encourage the heart, positively, but to a marginal degree, influenced employees' affective and normative commitment. The leadership practice of challenge the process had a negative impact on the employees' affective commitment. The personal factors of employees did not have an impact on

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organizational commitment. The findings and conclusions of this study may be used by the leaders to create the favorable working environment, improve the relationship between leaders and followers and to increase organizational commitment.

Keywords: organizational commitment, commercial banks, culture, leadership practices

I . Introduction

Organizational commitment is considered to be one of the most important work attitudes that gives direction to behavior and binds a person to a course of action. When employees are committed, they did not tempt to look for other opportunities (Lok, Wang, Westwood & Crawford, 2007). According to Mowday, Steers & Porter (1979) organizational commitment is gained when employees strongly believe in and accept the goals and values of an organization, when they are willing to do their utmost on behalf of the organization and to stay with the organization. Organizational commitment, serves as an important factor impacting several outcome variables including job satisfaction, work performance, turnover rate, leading to the higher level of achievement in many organizations. Organizations try to encourage commitment in their employees in order to achieve stability and improve the efficiency of its human capital. Thus, for organizations which want to retain the employees, it is important to recognize factors leading to higher organizational commitment. It can be seen that Vietnamese commercial banks are now facing the challenge of leaving of competent and experienced employees. In hard times, the banks want their skilled and talented staffs to stay on to share difficulties and exhibit strong commitment to serving customers for the business interest. A review conducted by PwC Vietnam in 2013 indicated that 38% of the banking workforce was 'rookies', or employees with less than two years' tenure, and that the resignation rate was at 14% (PwC Vietnam, 2013). In 2014, the turnover rate was still at a high level of 13.6% (Towers Watson, 2014).

In fact, the relationship between the cultural dimension of collectivism, leadership practices and organizational commitment have been studied by the researchers in various contexts over the years. However, there has been a limited amount of research in this field conducted in Vietnam. Furthermore, only few studies examining the collectivism and leadership practices in relation with employees' organizational commitment have been undertaken in the context of the banking system of Vietnam. This indicates the necessity to make a contribution to fill the research gap in this area. Therefore, this study was undertaken to determine dominant supervisors' leadership practices, the level of employees' collectivism and relate those factors to the employees' organizational commitment in the Vietnamese commercial banks.

II. Literature review

2.1. Organizational Commitment

Although there are several conceptualizations of commitment, they seem to reflect one of three general themes: affective attachment, perceived costs and obligation (Meyer and Allen, 1987). The present study views commitment as “a force that binds an individual to a target and to a course of action of relevance to that target” (Meyer et al., 2006). According to (Acar, 2012) ensuring continuous and desirable work outcomes of employees lead to positive impact on organizational commitment of employees. In such circumstances, employees easily accept the organizational culture of the company. Le (2013) showed that dimensions of transformational leadership and employees' trust in managers have a significantly positive influence on organizational commitment.

In a model of commitment created by Meyer and Allen (1987) the three perspectives of organizational commitment were named 'affective', 'continuance' and 'normative' commitment, respectively. *Affective commitment* is a desire to take part in a particular organization, or an employee's emotional cohesion and enthusiastic feeling for the organization. *Continuance commitment* refers to awareness in employees about the loss they will suffer if they leave

an organization. Finally, *normative commitment* incorporates a sense of obligation to continue the work in an organization.

Consequences of Organizational Commitment.

The consequences that have been of particular interest to organizational behavior research, generally, are work performance and turnover.

Work performance. It is noteworthy that previous studies reported positive correlations between commitment and work performance. Meyer and Herscovitch (2001), however, argued that since affective, calculative, and normative commitment reflected three different mind-sets, they would have distinguishable implications on the outcome behaviors. The desire to belong to the organization (affective commitment) might be the most likely to have a positive correlation with job performance.

Turnover. The underlying assumption regarding turnover and turnover intention behaviors is that committed employees are less likely to leave. A great deal of attention has been devoted to the relationship between commitment and turnover. Taken together, the studies have provided strong support that such a negative relationship exists (Blau and Boal, 1989). Low commitment is a danger sign for turnover. The studies conducted by Dunham et al. (1994), Hackett et al. (1994), and Meyer and Allen (1997) continued to support stronger relationship between turnover and affective commitment rather than continuance commitment.

2.2. Culture

Many definitions have been proposed to explain culture. According to Vincent and Candy (2014), culture is the shared way of life of a group of people. Culture is defined as learned beliefs, values, rules, norms, symbols and traditions that are common to a group of people. It is these shared qualities of a group that make them unique (Northouse, 2013). Hofstede (2010) identified four dimensions that he labeled power distance, masculinity-femininity, uncertainty avoidance, and individualism-collectivism. Sharifian (2017) puts the cultural cognition at the heart of the theoretical

framework of cultural linguistics, in which language serves as a 'collective memory bank' of the cultural cognition of a speech community.

Individualism-collectivism: The nature of relationship between the individual and the group is broadly referred to individualism and collectivism. According to Hofstede (1984), individualism pertains to societies in which the ties between individuals are loose, people are expected to people look after themselves and their immediate families.

Collectivism: Collectivism is defined as the extent to which the members of a society see themselves as a part of a group rather than isolated individual entity (Triandis, 1995). In a collectivist culture, the interest of the group prevails over the interest of the individual. Collectivists are more likely to develop organizational commitment than individualists are. Group values, norms, and goals are important to collectivists. Therefore, collectivists are distinctly possible to develop affective commitment to the organization. Based on the above argument, we propose the hypothesis that collectivist orientation has a positive relationship with organizational commitment.

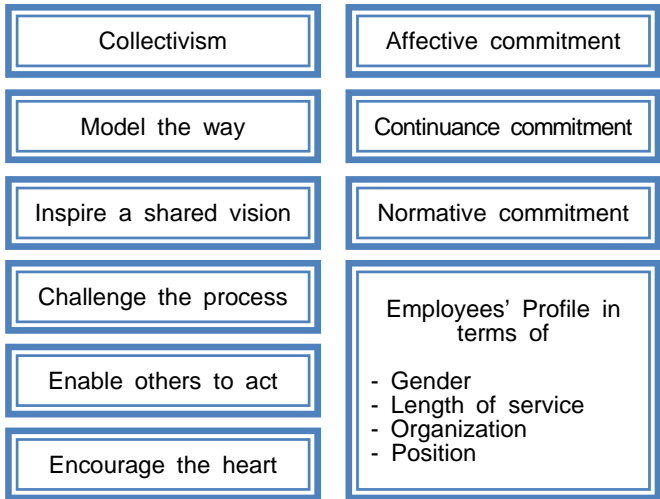
2.3. Leadership Practices

Kouzes and Posner (2012) considered leadership practices as personal leadership experiences that are absolutely essential for heads to lead others to get extraordinary things in organizations. In their studies, Kouzes and Posner discovered that there was a fundamental pattern of leadership behavior that emerges more than 70% of the time when people are accomplishing extraordinary things in organizations. The leadership practices are: challenge the process, inspire a shared vision, enable others to act, model the way, and encourage the heart. Al-sharafi and Rajiani, (2013) found that most of the leadership practices have medium level of implementation in Yemeni Banks, except leadership practice of *challenge the process* which has low level of implementation. And at the same time employees reported a quiet high level organizational commitment and OCB. Meanwhile, Mitchell (2013) supported a positive relationship between five leadership and effective, continuance, and

normative commitment. However, the study revealed a weak correlation between all five leadership practices and continuance commitment, especially low for the practice of challenge the process. There are two behaviors commitments for each leadership practice. A manager may use one, two or even three of the practices and behaviors described by Kouzes and Posner (2012), but it is the star manager who utilizes all five practices and ten behaviors and becomes an extraordinary leader.

2.4. Conceptual Framework

The conceptual framework of the study is shown in Figure 1. The independent variable is the collectivism of employees and five leadership practices of supervisors whether they are utilizing model the way, inspire a shared vision, challenge the process, enable others to act, encourage the heart. It is believed that leadership practices are the key determinant of the leadership process in bank management. The dependent variable is employees’ organizational commitment, which is reflected in three dimensions: affective, continuance and normative commitment. The employees’ personal factors which included gender, length of service, organization and position served as the controlling variables.



<Figure 1> Conceptual Framework of The Study

2.5. Hypotheses of the Study

In line with the statement of the problem and the research paradigm, the following null hypotheses were tested in the study:

✓ H₀₁: are no significant effects of employees' collectivism on their affective, continuance and normative commitment, controlling for employees' personal factors.

✓ H₀₂: There are no significant effects of the leadership practice based on *model the way* on employees' affective, continuance, and normative commitment, controlling for employees' personal factors.

✓ H₀₃: There are no significant effects of the leadership practice based on *inspire a shared vision* on employees' affective, continuance, and normative commitment, controlling for employees' personal factors.

✓ H₀₄: There are no significant effects of the leadership practice based on *challenge the process* on employees' affective, continuance, and normative commitment, controlling for employees' personal factors.

✓ H₀₅: There are no significant effects the leadership practice based on of *enable others to act* on employees' affective, continuance and normative commitment, controlling for employees' personal factors.

✓ H₀₆: There are no significant effects of the leadership practice based on *encourage the heart* on employees' affective, continuance and normative commitment, controlling for employees' personal factors.

III. Research methodology

3.1. Data collection

The study used a quantitative method which determines the quaty or extent of phenomenon in the form of number. To gather necessary data, questionnaires were used in this study. Three sets of

instruments were utilized: the Cultural Value Scale (CVSCALE) which is an adaption of cultural values (Hofstede, 1984), Leadership Practices Inventory - Observer (LPI-O) of (Kouzes and Posner, 2012) and Organizational Commitment Questionnaire (OCQ).

Collectivism as a cultural value orientation was measured at the individual level using six items in CVSCALE. The cultural dimension of collectivism was evaluated using a five-point scale: '5' = '*strongly agree*'; '4' = '*agree*'; '3' = '*neutral*'; '2' = '*disagree*'; '1' = '*strongly disagree*'.

Leadership Practices were measured through LPI-O. The instrument consists of 30 descriptive statements related to various behaviors of effective leaders. Each response to the items ranged a five-point scale, with (1) being "*never*" and (5) being "*frequently, if not always*". There are five leadership practices, each of which contains two elements designed to define the actions the leaders takes in order to exemplify the leadership practice: (1) *model the way* by finding one's voice and setting the example; (2) *inspire a shared vision* by envisioning the future and enlisting others; (3) *challenge the process* by searching for opportunities and experimenting and taking risks; (4) *enable others to act* by fostering collaboration and strengthening others, and (5) *encourage the heart* by recognizing contributions and celebrating the values and victories.

OCQ which was developed by Meyer and Allen (1997) was utilized to measure the level of *commitment* that a banking employee feels towards his organization. The original questionnaire consists of 24 items which measured three components of organizational commitment: affective, continuance & normative. OCQ used a five-point Likert scale which includes the following options: '5' = '*strongly agree*'; '4' = '*agree*'; '3' = '*neutral*'; '2' = '*disagree*'; '1' = '*strongly disagree*'.

The data were gathered, computed and analyzed using the Statistical Package for Social Sciences (IBM Corp), version 26.0. The statistical treatment such as frequency, descriptive statistics, means, standard deviation, multiple regression analysis was applied in describing and analyzing the data of this study. The data were

organized and presented in tabular form and some pie charts for descriptive analysis.

Samples and Sampling

Participants in the research were employees working in different branches of six out of the largest and most popular banks in Vietnam, including three state-owned banks: *Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)*; *Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank)*; *Bank for Investment and Development of Vietnam (BIDV)*; and three private joint-stock commercial banks: Military Commercial Joint Bank (MB); Vietnam Prosperity Joint Stock Commercial Bank (VP Bank); and Nam A Commercial Joint Stock Bank (Nam A Bank). The employees of these banks were purposively chosen because of some similarities among them. They held different positions in the banks' branches and were based in diverse teams and departments, such as customer care, business, IT, credit officers, and transaction staff. One-third of the subjects was heads of departments or divisions. The number of females was substantial (67%), with the number of male employees slight (33%). They were graduates, with university degrees in economics, finance, and banking, and had worked for the banks for 3 to 10 years. All participants answered the questionnaire in their free time, at home or in the office. Each participant was given an envelope with the postal address of the researcher and asked to give back the answers to the researcher in a sealed envelope or via email. The questionnaires (in both paper and electronic format) were given to 450 employees. Eventually, 390 responses were received, showing a response rate of 87%. Ultimately, there were 375 valid responses among received ones, on the basis of which the data analysis was conducted.

3.2. Measurement Test

Reliability Test

The validity and reliability of the study's data collection instruments were both tested. First, Cronbach's alpha was used to

check reliability of collectivism variable in CVSCALE, and other variables in LPI-O and OCQ. In the results, the Cronbach's alpha value of *collectivism* was 0.815, indicating a high level of reliability. In addition, the item-total correlation yielded values of more than 0.4 for all items, indicating a very good discrimination.

The Cronbach's alpha values for the five dimensions of *Leadership Practices* in the LPI-O ranged from 0.74 to 0.84. In addition, the item-total correlation for all the items in the LPI-O exceeded the values of 0.30, which is a criterion for acceptability. It can be concluded that values showed satisfactory reliability for the five leadership practices in the LPI-O. So, the questionnaire was considered to be reliable to measure leadership practices of managers.

The results for three components of *organizational commitment*: For the first data analysis, nine (9) items (out of 24) in the OCQ coding as O1, O2, O3, O7, O9, O16, O20, O22, O23 were eliminated because their item-total correlation did not achieve a satisfactory level of more than 0.03. After eliminating these variables, a total of 15 reliable items was remained to measure organizational commitment. After a series of item-selection procedures, high level of reliability, ranging from 0.787 to 0.818, was gained for three components of commitment. It can be noted that the measure instrument of organizational commitment in this study was considered to be reliable.

Validity Test

The validity of the scale was tested using Exploratory Factor Analysis (EFA), which is a cluster of common methods used to explore the underlying pattern of relationships among multiple observed variables. The results show that the items have been placed in the same categories as presented in the original instruments. All items in collectivism dimension loaded over .50 on a single factor. This factor also had an Eigenvalue of 3.145 and explained 42, 41% of the total variance. After eliminating 9 items in the OCQ because of the weak item-total correlation (less than 0.3), factor analysis was conducted for 15 remaining items. All of the items, loading over .65 (except for O4 variable) on three factors

which explained 71,11% of total variance. a 30-item scale of five leadership practices factors highly loaded over .50 on the appropriate factors as in the original LPI-O of Kouzes and Posner (1988).

These five factors gained Eigenvalues of 2.693 and for *model the way*, 3.165 for *inspire a shared vision*, 2.802 for *challenge the process*, 2.994 for *enable others to act* and 3.385 for *encourage the heart*, exceeding a satisfactory level of 1. Five distinct factors emerged in the sample and cumulatively these five factors explained 59.33% of the total variance. To sum up, the reliability of the questionnaires was tested using Cronbach's values and their validity was tested using Exploratory Factor Analysis (EFA). The results of the test showed that the collectivism dimension in CVSCALE, LPI-O and OCQ exhibited appropriate reliability (high internal consistency) and validity (content, construct). This supported the decision to make use of three sets of questionnaires to measure collectivism at the individual level, leadership practices and organizational commitment in Vietnamese commercial banks.

IV. Results

Multiple regression is generally used to explain the relationship between multiple independent or predictor variables and one dependent or criterion variable. In this research, Stepwise Multiple regression analysis was used to determine whether the independent variables, including the employees' collectivism and five dimensions of leadership practices effect three components of organizational commitment. Regression analyses were used to determine whether the independent variables, including the employees' collectivism and five dimensions of leadership practices effect three components of organizational commitment. Following are the resulting equations as well as the discussions of the abovementioned multiple regression analyses.

4.1. The Effects of Collectivism and Five Leadership Practices on Affective Commitment

<Table 1> presents the standard multiple regression analysis of collectivism, five leadership practices and effective commitment. The regression equation appears to be significant as indicated by the F value of 3.544 at $p < 0.05$. The R^2 value of 0.381 indicates that 38.1 percent of the variance in the dependent variable can be jointly explained by the independent variables. Thus, the independent variables included in the regression equation can predict to a significant degree the variations in the dependent variable, which is the level of affective commitment. It can be realized from the data that collectivism as a cultural orientation value came out to be statistically significant at $p < 0.05$. The unstandardized regression coefficient, β of 0.188 and the standardized β coefficient of 0.237 of collectivism were both statistically significant at $p < 0.05$. The β coefficient of 0.188 means that when the collectivism changes by one unit, affective commitment changes by .188 units. In the same way that Beta coefficient of 0.237 means that when affective commitment changes by one standard deviation unit, collectivism changes by .237 standard deviation units. This result implies that employees’ collectivism positively affects their affective commitment. A further look at the data would reveal that the leadership practice

<Table 1> Regression Analysis of Collectivism and Leadership Practices on Affective Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
(Constant)	2.013	0.186		10.797	0.000
Model the way	0.049	0.058	0.062	0.840	0.401
Inspire a shared vision	-0.084	0.052	-0.119	-1.626	0.105
Challenge the process	-0.167	0.066	-0.202	-2.543	0.011
Enable others to act	0.089	0.053	0.110	1.688	0.092
Encourage the heart	0.285	0.063	0.363	4.508	0.000
Collectivism	0.188	0.043	0.237	4.359	0.000
Gender	0.045	0.055	0.040	0.818	0.414
Organization	-0.053	0.056	-0.049	-0.948	0.344
Position	0.041	0.068	0.031	0.600	0.549
Length of service	0.019	0.058	0.017	0.321	0.748

R= 0.425 R Square= 0.381 F=3.544 Significance of F at 0.05

of *encourage the heart* and *challenge the process* came out to be statistically significant at $p < 0.05$. While the β coefficient of 0.285 implies that *encourage the heart* positively affects the employees' affective commitment, the β coefficient of -0.167 of *challenge the process* means employees' affective commitment would decrease given an increase in the extent of *challenge the process* implementation. With regards to the profile of employees, it can be seen that there was no personal factor that can predict organizational commitment of employees, because significance is more than 0.05.

4.2. The Effects of Collectivism and Five Leadership Practices on Continuance Commitment

The results in <Table 2> indicate the standard multiple regression analysis of collectivism, and five leadership practices and continuance commitment. The regression equation appears to be significant as indicated by the F value of 7.017 at $p < 0.05$. The R^2 value of 0.303 indicates that 30.3 percent of the variance in the dependent variable can be jointly explained by the independent variables.

<Table 2> Regression Analysis of Collectivism and Leadership Practices on Continuance Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
(Constant)	2.424	0.203		11.945	0.000
Model the way	-0.077	0.063	-0.094	-1.217	0.224
Inspire a shared vision	-0.033	0.056	-0.044	-0.580	0.562
Challenge the process	0.122	0.072	0.142	1.708	0.088
Enable others to act	0.093	0.057	0.110	1.616	0.107
Encourage the heart	-0.086	0.069	-0.105	-1.252	0.211
Collectivism	0.245	0.047	0.297	5.223	0.000
Gender	0.056	0.059	0.049	0.950	0.343
Organization	-0.091	0.061	-0.081	-1.504	0.134
Position	0.118	0.074	0.086	1.594	0.112
Length of service	-0.029	0.063	-0.025	-0.461	0.645

$R = .320$ $R \text{ Square} = .303$ $F = 7.017$ Significance of F at 0.05

It can be recognized that none of the personal factors of employees affected organizational commitment. Similarly, none of

leadership practices were found to have an effect on organizational commitment. However, the results presented in table 15 reveal that collectivism, as a cultural orientation value emerged as statistically significant at $p < 0.05$. The unstandardized regression coefficient, β of 0.245 and the standardized β coefficient of 0.297 of the *collectivism* dimensions were both statistically significant at $p < 0.05$. This result implies that *collectivism* positively affects the employees' continuance commitment.

4.3. The Effects of Collectivism and Five Leadership Practices on Normative Commitment.

<Table 3> depicts the standard multiple regression analysis of collectivism as a cultural dimension, five leadership practices and normative commitment.

It can be seen from that data that the cultural value of *collectivism* and *encourage the heart* were discovered to statistically significant at $p=0.000<0.05$. The unstandardized regression coefficient, β of 0.177; 0.134 and the standardized β coefficient of 0.362; 2.75 respectively imply that *collectivism* and *encourage the heart* positively influence the employee normative commitment.

<Table 3> Regression Analysis of Collectivism and Leadership Practices on Normative Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
(Constant)	2.333	0.113		20.564	0.000
Model the way	-0.006	0.035	-0.012	-0.160	0.873
Inspire a shared vision	0.005	0.032	0.012	0.166	0.868
Challenge the process	-0.038	0.040	-0.075	-0.961	0.337
Enable others to act	-0.036	0.032	-0.072	-1.131	0.259
Encourage the heart	0.134	0.039	0.275	3.469	0.001
Collectivism	0.177	0.026	0.362	6.760	0.000
Gender	-0.034	0.033	-0.049	-1.010	0.313
Organization	-0.041	0.034	-0.062	-1.209	0.227
Position	-0.001	-0.042	-0.011	-0.019	0.985
Length of service	-0.017	0.035	-0.024	-0.475	0.635

R= .453 R Square= .406 F=5.864 Significance of F at .05

The significance values (p values) for personal factors ranged from 0.227 to 0.985. So, it can be concluded that gender, organization, length of service and position turned out to have no impact on organizational commitment.

4.4. Employee Organizational Commitment

The findings reveal that bank staffs exhibited a moderate level of organizational commitment. It can be inferred from the data that the employees experienced all three forms of commitment. However, their desire to work with the banks, their feeling of emotional attachment to their organizations, and their responsibility to their organization were not strong as expected. This is an important finding since commitment has been confirmed to correlate with a wide range of outcomes such as turnover, absenteeism, job performance and job satisfaction.

V. Discussion

The results clearly indicate that there is a relationship between collectivism and three components of organizational commitment, namely affective, continuance and normative commitment. First of all, the positive influence of collectivism at the individual level on affective commitment could be explained by the following arguments. In this study, the employees of the banks appear to be at the collectivist side and expressed a high collectivistic orientation. Influenced by a collectivist culture, the employees of this study tend to appreciate being part of a group, have a stronger striving for belongingness to a community, fulfill these emotional needs for attachment and develop a close relationship with their organization. Furthermore, as employees with a high collectivist orientation, they take an interest in group values and norms, adopt organizational values and regulations within the bank context, and link organizational commitment to personal gains. Therefore, these behaviors of the bank employees eventually have contributed to the development of their affective commitment to the organization. Based on the above arguments, it can be concluded that collectivism has a positive

relationship with employees' affective commitment.

With respect to the relationship between a cultural dimension of collectivism and continuance commitment, it can be seen that there are several explanations. As previously stated, continuance commitment refers to calculations, including costs, investments and payoffs. Recent investments or unattractive alternatives are important rationales that employees with continuance commitment consider when leaving the organization. It is argued that in this research employees appeared to be collectivistic and put an emphasis on close relationships with other people in the organization. They probably invested time and efforts to build and maintain intensive and satisfactory social relationships. These investments would be lost, and gains like status and security would be sacrificed, when changing the organization. Rebuilding a new adequate social framework in another company requires collectivistic employees to devote time and efforts, which as be considered as a cost. Moreover, employees with a collectivist orientation are willing to give up individual goals in order to make the group successful.

One possible explanation for the influence of collectivism on normative commitment is that in collectivistic societies, interpersonal relationships are regulated through norms and duties. In the case of organizational commitment, this entails moral obligations by the family or wider community to stay in an organization, regardless of personal feelings. As previously discussed, the bank staffs appear to exhibit a high degree of collectivism which is laden with cultural values of duties and obligations to the group. Their feelings of obligation and duty to stay in an organization, which are characteristics of normative commitment, result from the internalization of societies' values and beliefs. Having internalized and accepted group-related norms of moral duty, the employees of the banks feel more obligated to stay in an organization. The value of respecting commitment, responsibility, and reciprocity in collective culture creates more normative pressure for employees to share tasks with their group members and feel committed to remain in their organizations.

The results of regression analysis previously indicate that the

participants perceived the great extent of the leadership practice implementation. To put another way, the supervisors of the banks frequently engage in five leadership practices, including *model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart*. However, looking closer into each dimension of leadership practices, it can be seen that there is a positive correlation between two perceived leadership practices of managers and the subordinates' organizational commitment. In particular, the leadership practice of *encourage the heart* has been found to have a significantly positive influence on affective and normative commitment, whereas *challenge the process* has been found to have a negative relationship with affective commitment. The possible explanations for these findings are presented below.

As discussed in the previous section, the respondents perceive *encourage the heart* as the most outstanding leadership practice. The leaders' behaviors associated with the praise others for a job well done; creative rewards for contributions and public recognition of others are highly appreciated and supported by their employees. It can be inferred that the bank leaders of the study seem to understand their subordinates very well, knowing that the members need to share in the rewards of their efforts. The employees may work more efficiently if their efforts are appreciated by the supervisors. That's why the leaders regularly show appreciation for staffs' contributions and find creative ways to ensure that their contributions were noted. They do celebrations and rituals with authenticity and from the heart, so they can build a strong sense of collective identity and community that can draw people forward. In other words, by paying attention, offering encouragement, personalizing appreciation, and celebrating people's accomplishments publicly in group settings, these leaders create, stimulate and rekindle team spirit. Thus, employees feel that they are important and valuable assets of the organization. As a result, the employees feel employees more committed and obliged to the bank and put in more efforts for its success. Considering these arguments into consideration, the fact that the leadership practice of *encourage the heart* is positively related to affective and normative commitment may be easily understandable.

The finding surprisingly arrives at a significantly negative relationship, between the leadership practice of *challenge the process* and affective commitment of the staffs of Vietnamese commercial banks. That means, the subordinates' affective commitment decreases if the leaders engage more frequently in the practice of *challenge the process*. Although managers of three banks exhibited a high extent of engaging in the practice of *challenge the process*, it did result in the decline of affective commitment among subordinates. The explanation for this finding should be viewed in terms of the leaders' perspectives and employees' notions. On the part of the banks leaders, they frequently engage in the practice of *challenge the process* by searching opportunities to improve and get new products, processes, services, and systems adopted. Leaders know well that extraordinary outcomes cannot be achieved by keeping things unchanged. Therefore, these leaders always encourage their subordinate to think out of the box, and take the initiative in improvements. They also support their subordinates to accept the challenges in their works, including experiments, risks, and even failures.

On the part of employees, it can be seen that banks' employees always work in a highly competitive environment; they feel stressful all the time when fulfilling their tasks and responsibilities in the banks. Although the subordinates are encouraged to confront with challenges in innovative ways by their leaders, they cannot and do not like to work under challenges. Another reason may be due to the fact that Vietnamese culture is characterized by stability. Like many other Vietnamese people, the bank staffs prefer stability, so they do not want to think out of the box, accept the challenges in their works and take risks. Living in a country with a low level of social and economic development, the employees do not get used to a highly competitive workplace in which changes, experiments, and innovation are encouraged. It is argued that the high pressure of the working environment combined with the requirement of changes derived from leaders make the employees frightened and unconfident, thus leading to the decrease of affective commitment. There is an assumption that the employees of these commercial banks will feel stronger desire to stay with the workplace if they work in a stable environment. It is suggested that it will be better

if supervisors make sure that the extent of change isn't very large. They should generally approach change and innovation through incremental steps and small wins. Little accomplishments, when piled on top of each other, may build confidence. By so doing, they probably strengthen employees' affective commitment to the long-term future.

The results from the Regression Analysis show that there is no statistically significant relationship between five leadership practices and continuance commitment. As presented before, the supervisors' prevailing practices were model the way, enable others to act and encourage the heart. In particular, it is assumed that the leaders engaged in these desirable leadership practices with the aim to create favorable conditions for their subordinates. However, the employees did not seem to recognize the value of the positive conditions created by such leaders, might seek other opportunities to leave. This can be explained by the fact that Vietnamese tend to be practical and flexible. These characters have been formed in the light the rice-water civilization and the fight against the harsh natural phenomenon. Focusing on direct and short-term benefits, they might not see any benefits when working with their leaders who display such positive leadership behaviors. To put another way, bank employees did not notice that the cost of the desirable environment created by leaders would be lost if they decided to leave the organization. That's why managers of six commercial banks implemented to a high extent all leadership practices, it did not lead to continuance commitment among subordinates. Another argument is that the conceptual link between leadership practices and continuance commitment has been more complex and differed depending on the strength of the other two components that is affective and normative commitment. Taking into account the strength of these two components, it can be seen that the correlation between the leadership practices of *challenge the process and encourage the heart* and affective and normative commitment was weak ($0.3 < r < 0.5$). So, the zero-relationship between five leadership practices and continuance commitment is obvious. To sum up, the only one leadership practice of *encourage the heart* has been found to have a significantly positive influence on affective and

normative commitment. The leaders' engagement in *challenge the process* was believed to have a positive impact on affective commitment, turned out to have a negative effect. The remaining leadership practices, including *inspire a shared vision, enable others to act and model the way* do not affect three components of commitment. These findings are, to some extent, in contrast with most of literature review, which reveals that there is a positive link between five leadership practices and three components of organizational commitment.

Employees displayed a moderate level of commitment to the banks. This may be the explanation for the fact that personal factors came out to have no impact on organizational commitment. Whether the participants were in the state of being males or females; whether they were managers or staffs; whether they worked in state-owned and joint stock commercial banks for long time or short time did not make them show more commitment to their work place.

VI. Conclusions

The study has examined leadership practices of managers, personal profiles, collectivism and organizational commitment of employees working in six commercial banks of Vietnam. The major findings show bank managers, to a great extent, engaged in five leadership practices, including *model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart*. Among these leadership practices, *enable others to act* and *encourage the heart* were the most outstanding practices. With regard to the employees' collectivism and organizational commitment, the finding indicates that employees working at Vietnamese commercial banks appeared to be at the collectivist side and expressed a high level of collectivism. However, they exhibited the average level of affective, continuance and normative commitment. It is suggested that Board of Management of three banks need to find out the reason why their employees were not highly committed to the banks. The leaders also need to think of the ways to retain employees and increase their commitment.

The only one leadership practice of *encourage the heart* has been found to have a significantly positive influence on affective and normative commitment. The leaders' engagement in *challenge the process* was believed to have a positive impact on affective commitment, turned out to have a negative effect. The remaining leadership practices, including inspire a shared vision, enable others to act and model the way did not affect three components of commitment. These findings are, to some extent, in contrast with most of literature review, which reveals that there is a positive link between five leadership practices and three components of organizational commitment.

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All authors have contributed equally to the paper. The authors declared that there were no conflicts of interest with respect to the authorship or the publication of this article.

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