

The Effect of Authentic Leadership on Planned Organisational Change Implementation

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Abstract

This study is an empirical research which examined the effect of AL practiced by branch managers on the implementation of planned organisational changes by assistant branch managers in the case of the banking industry in Ethiopia. To ensure representativeness, the research sampled Commercial Bank of Ethiopia (CBE) among the government banks and Oromia International Bank (OIB) among the private banks. The respondents of the study are randomly selected managers and assistant managers of the branches operating under Addis Ababa districts. The research hypothesised that authentic leadership positively predicts the planned organisational change implementation. The research employed a quantitative and two-phase cross-sectional research design. The study developed and followed a model incorporating AL as an independent variable and POCI as an outcome variable. The regression analysis was employed to examine the data. The study found that AL has positively predicted POCI, and therefore, the hypothesis was supported.

Keywords: AL, SA, IMP, BP, RT, POCI

Introduction

Among the set of factors that contribute to the implementation of planned organisational changes is the leadership model followed by the leaders (Alavi & Gill, 2017; Belias & Koustelios, 2014; Baesu & Bejinaru, 2013; Herold et al., 2008). This study takes authentic leadership (AL) as an independent variable to see its effect on planned organisational change implementation (POCI); the dependent variable. AL is explained as being

true to oneself and guided by and acting consistently with one's internalised values and beliefs (Gardner et al., 2011). AL becomes an eye-catching model of leadership among scholars and practitioners as a result of some incidents such as scandals involving well-known leaders from different categories of society, including business and politics; organisations have called for leaders who are transparent, communicate their values, live according to them, and whose behaviour is guided by a moral perspective (Gardner et al., 2005). As a consequence, the concept of AL has been introduced to the literature and received increasing attention, both in the popular press and in the writings of leadership scholars (Peus et al., 2012; Walumbwa et al., 2008; Gardner et al., 2005; Avolio et al., 2004). AL was chosen in this research because the extant literatures have implied that AL could foster the implementation of organisational change initiatives, and called for more theoretical and empirical researches (Alavi & Gill, 2017).

Leadership is one of the main factors that brings a positive change to the organisation (Hao & Yazdanifard, 2015; Belias & Koustelios, 2014). The notions of leadership and organisational change have been closely linked and frequently discussed in tandem (Oreg & Berson, 2019). If there is no effective leadership, organisations will not be able to change in the direction they desire and could experience negative change instead. Leaders are directly in charge of leading their organisations successfully through organisational changes (Oreg & Berson, 2009). Creating a conducive situation for implementing planned organisational change is one of the leaders' responsibility (Hage, 1999). The topic

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of interest is: which leadership model is more appropriate to successfully implement the planned change initiatives. (Agote et al., 2016; Battilana et al., 2010; Herold et al., 2008). Prior researches have been conducted to examine the role of different leadership approaches on planned organisational change implementation (Alavi & Gill, 2017; Battilana et al., 2010). On top of the fact that AL is among the leadership models argued to be in their early stages of development, research in this area is still limited (Alavi & Gill, 2017; Peus et al., 2012; Avolio et al., 2006). As a result, AL is continuing to be a target of interest, both among scholars and practitioners, and further researches are recommended in recognition of the fact that theoretical and empirical researches in this area are still inadequate (Alavi & Gill, 2017; Rego et al., 2012; Peus et al., 2012; Avolio et al., 2009; Walumbwa et al., 2008; Avolio & Gardner, 2005). Taking into consideration these points, this research thus focuses on the role that AL plays on POCI.

Regarding the empirical gap observed, drawing on the reported poor success rate of change programmes in general, it has been recommended that further empirical research into the nature of change management is conducted (Carol, 2015; By, 2005). On the other hand, on top of the fact that AL theoretical literature is in its early stage of development (Avolio et al., 2009), it is also claimed that limited empirical researches have been conducted regarding its antecedents, outcomes, and the process through which it attains the proposed effects (Peus et al., 2012; Avolio et al., 2009; Gardner et al., 2005). Therefore, it is suggested that a clear examination of the process of AL from its antecedents to consequences is vital, both from the theoretical and empirical point of view (Peus et al., 2012; Luthans & Avolio, 2003). Following this, researchers in the area are recommending more empirical researches (Peus et al., 2012; Avolio, 2005). The role of AL in change management in general and POCI in particular remain slightly touched.

Moreover, majority of the prior researches conducted on the subject matters of this study have been taking into consideration the context of developed countries (Oreg & Berson, 2019); the case of countries with emerging economies is not sufficiently addressed to the best of the researcher's knowledge. It is assumed that taking the case of countries with emerging economies will add a different value to the existing empirical stock of knowledge.

Therefore, this research empirically examined the role that AL plays on POCI, by considering the case of selected commercial banks in Ethiopia (CBE and OIB).

Coming to the practical gap, it is well documented in the previous researches that planned organisational change initiatives regularly fail to achieve the desired outcomes, and as a result, successful implementation of several changes initiated by various organisations at different levels is of high concern across the globe (Rene et al., 2014; Pieterse et al., 2012). A Harvard study report of fortune 100 firms who have invested USD of 1 billion each in change initiatives over a period of 15 years has shown that only 30 per cent of those initiatives have improved bottom-line results that exceed the companies' cost of capital, and only half resulted in an improved market share price (Parish et al., 2008, Pascale et al., 1997). Other studies have also reported that only one-third of organisational change initiatives were considered successful (Pieterse et al., 2012; Beer & Nohria, 2000). In this regard, the issue of change management has never been a retired topic, as organisations are constantly going through the process of several change scenarios of different nature and their successful execution is continuing to be an area of concern.

Even though the targeted banks are trying their level best to successfully implement the change initiatives, there are still gaps in realising the intended purpose and objectives of the change initiatives (Getahun & Aynalem, 2016). Among the factors which are believed to contribute to the gap, the issue of proper leadership of the change process is a major one. While different leadership approaches are implemented to lead the change scenarios so far, the issue of which leadership approach can serve better than others in improving the success rate of the initiated changes has remained a subject open for researchers. Therefore, this research empirically explored the contribution of AL in filling the existing gap of POCI.

Regarding the theoretical contribution (contribution to the body of knowledge) of this research, it adds to the existing literature of AL and POCI. Looking at the empirical contribution of the research, while there is an ever-growing generic literature emphasising the importance of change and suggesting ways to approach it, very little empirical evidence has been provided in support of the different theories and approaches suggested (Alavi & Gill, 2017;

By, 2005). Indeed there have been calls for empirical research to bridge the missing gap between theory and practice in change management literature (Alavi & Gill, 2017; Raineri, 2011). Therefore, this research will add to the stock of empirical studies on AL and POCI.

Additionally, different leadership models and theories have different consequences based on the contextual situations. Despite a plethora of studies on the relationship between different leadership models and their impact on success of change implementation in developed economies, little has been done in the context of emerging economies. Therefore, this research has tested theories and models in an emerging economy by empirically examining the data collected from selected commercial banks in Ethiopia.

Practically speaking, managing changes successfully is an issue of concern for organisations everywhere (Belias & Koustelios, 2014; Pieterse et al., 2012). In spite of the fact that several preparations and care have been taken to lead changes towards the desired result, many organisations still fail to succeed in their change implementation. Therefore, the research on change and its leadership is among the topics that continue to be relevant across the globe. To this end, the results of this research can help organisations take remedial actions that enhance their POCI.

Theory and Hypothesis

The hypothesis in this research was set by exploring extant literature on the topics under study. In this regard, literature which are directly or impliedly related with the variables under examination are consulted in reaching the hypothesis. Moreover, the ideas, assumptions, rules, and norms and principles of the social exchange theory (SET) are used in explaining the expected relationship between AL and POCI.

As noted previously, one of the factors that determine the implementation of planned organisational change is the style and nature of leadership followed while practicing the planned change (Hao & Yazdanifard, 2015). This research looks at the effect of AL on POCI.

The first argument for the contribution of AL while implementing planned organisational change emanates from its self-awareness (SA) component. According to

this component, authentic leaders are aware of their strengths and weaknesses, and hence they can capitalise on their strengths while inviting others to assist them in their areas of weakness (Walumbwa et al., 2008; Kernis, 2003; Ilies et al., 2005). This can foster a spirit of complementarity and synergy between the authentic leaders and the followers, which enable them to comfortably work towards a common end, such as the implementation of planned organisational change. This could be explained via SET's principle of social penetration, as the leaders share their innermost traits (their strengths and weaknesses) with their followers (Cseh, 2011). Moreover, the awareness that authentic leaders have on their weaknesses can safeguard them from making costly mistakes during the execution of the planned organisational change (Alavi & Gill, 2017).

The second justification is connected with the internalised moral perspective (IMP) component of AL. This view states that authentic leaders use their innermost ethical principles in their action, and do the right things and do not allow outside pressures to control them (Walumbwa et al., 2008; Ilies et al., 2005; Kernis, 2003). This characteristic helps authentic leaders in doing the right things during the implementation of the planned change, guided by their internal ethical principles and values. This argument goes in line with the rationality norm of SET, as the leader logically differentiates the right thing to do from the wrong one (Shafir & LeBoeuf, 2002) in executing planned organisational changes. Besides, the fact that such leaders are defending themselves against outside pressure helps them in channelling the execution of planned organisational changes towards the right end by coping with the challenges (Northouse, 2013).

The third argument is based on the balanced processing (BP) component of AL. According to this component, AL is characterised by openness and fairness, where opinions are not only welcomed, but also encouraged, so that opposing viewpoints are entertained before embarking on actions (Walumbwa et al., 2008; Kernis, 2003; Ilies et al., 2005). This characteristic of authentic leaders fosters an open discussion with followers in which they can freely forward any supporting or opposing opinion that they might have on the planned organisational change initiatives. This enhances the execution of the company's planned change by incorporating diversified perspectives from followers, correcting problems, and preventing

potential resistance to the execution of the planned organisational change (Alavi & Gill, 2017).

The fourth justification for the contribution of AL for implementation of planned organisational change is supported by the relational transparency (RT) component of AL. According to this component, authentic leaders are communicating and acting honestly, and it is believed that there is no room for hidden agendas and games behind their initiatives (Walumbwa et al., 2008; Ilies et al., 2005; Kernis, 2003). This characteristic of authentic leaders helps them earn the confidence of their group during the implementation of the company's planned change. Hence, the follower group will engage themselves wholeheartedly, without hesitation, regarding the presence of hidden agendas behind the company's planned change initiatives. Besides, as explained through the SET principles of reciprocity and social penetration, the honest approach of the leaders creates a situation in which followers will communicate and act honestly during the execution of the company's planned change, which in turn can positively contribute to the triumph of the change initiative.

In the empirical research conducted by taking the context of companies and respondents from Germany, Peus et al. (2012) have shown that AL has resulted in positive consequences, such as follower's satisfaction with the supervisor, organisational learning, and extra effort. In the other empirical study conducted in the USA, AL has also proved to enhance team performance, and followers' organisational commitment and satisfaction with their supervisor (Walumbwa et al., 2011; Walumbwa et al., 2008). Additionally, other empirical investigations have provided further evidence on the positive impact of AL on followers' work-related attitudes and performance (Clapp-Smith et al., 2009). It is expected in this research that AL plays a similar positive role on POCI.

Therefore, based on the arguments discussed above, it is hypothesised that authentic leadership positively predicts the planned organisational change implementation.

Research Methodology

This study is situated in the positivist paradigm, and therefore proceeds with the assumption that reality is based on a singular independent truth, which describes regularities and cause and effect (Henn et al., 2009), that

is, the nature of the world is rational and can be explained quantitatively because reality is encoded into agreed symbolic systems. The aim of the research is to look for the association between the study variables and their cause and effect relationship. Therefore, this research follows a positivist paradigm and commits itself to empirically test the hypothesis introduced previously, through gathering and analysing quantitative data.

This research is quantitative in nature. This research has applied a two-phase cross-sectional design. A cross-sectional study entails scrutinising the data from a target population at one specific given time. The data for this research were collected from primary sources. In this research, respondents who are branch managers and assistant branch managers at the Commercial Bank of Ethiopia (CBE) and Oromia International Bank (OIB) in branches operating under Addis Ababa districts were approached. The data were collected from branch managers and assistant branch managers with the purpose of mitigating the problem emanating from the common method bias. The level of analysis of this research is the individual level, as the focus of the study examines the effectiveness of assistant branch managers in POCI.

In this study, random sampling technique is used to select branches and individuals from whom the data are to be collected. The approach is chosen because it eliminates the bias in selecting respondents for the study (Bhattacharjee, 2012; Kumar et al., 2012). The sample size in this study is 450. Accordingly, the questionnaire was distributed to 450 respondents (to the branch managers and assistant branch managers) in two phases of data collection. The number of branch managers and assistant branch managers who responded in phase 1 and 2 from the same branch is 312 (69.33%) altogether. Therefore, the final sample size for this research is 312 and the analysis made in this research was conducted based on the data obtained from these respondents (branch managers and assistant branch managers who responded in phase 1 and 2 from the same branch).

Survey method was used to collect the data for this research. In general, surveys are considered an effective and efficient method for gathering data in a relatively short period of time from large sample sizes, and hence have been used widely in quantitative research designs (Zikmund et al., 2013; Neuman, 2011; Cooper

& Schindler, 2008; Collis & Hussey, 2013). Besides, surveys are regarded as a sufficient tool to acquire insights into respondents' attitudes, beliefs, orientations, and perceptions (Sarantakos, 2005). Survey is a widely used method to collect data, due to its low cost in terms of time, finance, and administration of the process (Zikmund et al., 2013; Neuman, 2011). Besides, from the view point of the respondents, a survey offers freedom of time in terms of filling the instrument at their convenience within a given time period. The utilisation of survey in this research is most appropriate, because the study is based in a positivist paradigm to examine causal relationships among independent and dependent variables in the form of gathering numerical data from a relatively large number of respondents (Zikmund et al., 2013).

Questionnaire (Instrumentation)

The questionnaire used in this study was adopted from instruments used and tested in previous studies. All the questionnaires were developed in a five-point Likert scale, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree.

The items used for measuring the AL are adapted from the one developed by Walumbwa et al. (2008). The questionnaire involves 16 items established to measure the four dimensions of AL (self-awareness, internalised moral perspective, balanced processing, and relational transparency). The questionnaire was framed in such a way that the assistant branch managers have responded on the AL practice of their respective branch managers. All items began with 'My branch manager'; sample item includes '...can list his/her three greatest weaknesses'.

The items measuring POCI are adopted from Liu (2010), Herold et al. (2008), Self et al. (2007), Furst and Cable (2006), Caldwell et al. (2004), Wanberg and Banas (2000), Armenakis et al. (1999), Kotter (1996), Brockner et al. (1994), and Konovsky and Folger (1991). The questionnaire measuring POCI is meant to obtain the data on the three dimensions of POCI, namely change selling (CSE), change implementation (CI), and change success (CSU). The instrument was filled by branch managers in consideration of the POCI executed by their fellow assistant branch managers. The questionnaire originally consisted of 23 items. However, it was reduced to 19 items by removing cross-loading items. The sample item

from the questionnaire includes, 'My assistant branch manager made it clear up front to those in our branch why the change was necessary'.

Regarding data utilisation for analysis conducted in this research, the data of AL were taken from the one filled by assistant branch managers. The data on AL were taken from assistant branch managers' data because previous researches suggested that followers can better measure the extent of the AL practice of their leaders (Bakari & Hunjra, 2017; Walumbwa et al., 2008), and to mitigate self-rating bias. The data on POCI were taken from the data set of branch managers. This is because the change implementation measured in this study is the one executed by assistant branch managers. Therefore, such an assessment needs to be external evaluation, not self-rating. To this end, the data the branch managers filled regarding the implementation of planned organisational change by their fellow assistant branch managers is utilised for analysis in this research.

Reliability and Validity of the Instrument Used

The Cronbach's alpha reliability coefficient of the items measuring AL is .85 and POCI is .85. These results indicate the existence of good internal consistency of the items in the scale. Therefore, the research instrument is found reliable and was used for the research.

On the other hand, validity of the instrument examines the extent to which it is measuring what it intends to assess (Robson, 2011; Blumberg et al., 2005). It is the degree to which the instrument accurately reflects or assesses the specific concept or construct that the researcher is attempting to examine (Creswell, 2009). In this research, on top of using the tested and reliable scales, the validity of the survey instrument was further tested and assured by conducting the common method bias (Variance) test and confirmatory factor analysis (CFA).

Method of Data Analysis

With the purpose of examining the existence and strength of the relationship among the variables researched in this study, correlation analysis was conducted. In addition, regression analysis was conducted to analyse the effect size of AL on POCI.

The set of assumptions required to be met for running regression analysis were examined. These assumptions are linearity of the relationship between the study variables, normality in distribution of error, homoscedasticity of errors (equal variance around the line), multi-collinearity, independence of the observations (autocorrelation), and no significant outlier (Field, 2005). To this end, all these assumptions have fulfilled the desired requirement.

Data Analysis and Result

Confirmatory Factor Analysis (CFA) of AL and POCI

Confirmatory factor analysis (CFA) is used to test whether measures of a construct are consistent with the researcher’s understanding of the nature of that construct or factor (Brown, 2015). It enables the researcher to examine the factor structure underlying the set of variables under scrutiny. The fit indices extracted from the CFA conducted incorporate chi-square, degree of freedom, RMSEA (root mean square error of approximation), CFI (comparative fit index), and AIC (Akaike information criterion).

The confirmatory factor analysis (CFA) of the AL four-factor model has shown good model fitness, with indices of chi-square = 305.12, df = 98, CFI = .91, RMSEA = .08, and AIC = 381.12. The CFA chart for the AL four-factor model is portrayed in Fig. 1 below.

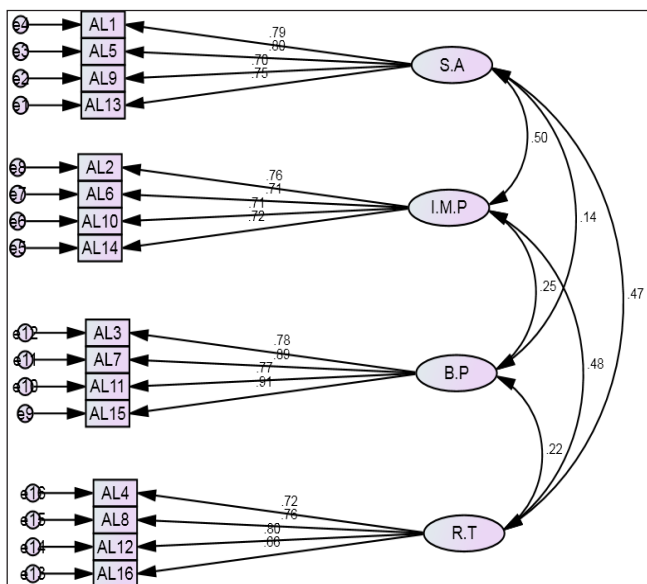


Fig. 1: AL (Four-Factor Model)

The confirmatory factor analysis (CFA) of the POCI three-factor model fit indices are $\chi^2 = 373.69$, $df = 147$, $CFI = .91$, $RMSEA = .07$, and $AIC = 459.69$. These fit indices show that the model is within an acceptable range. The pictorial presentation of the three-factor model on AMOS is depicted in Fig. 2 below.

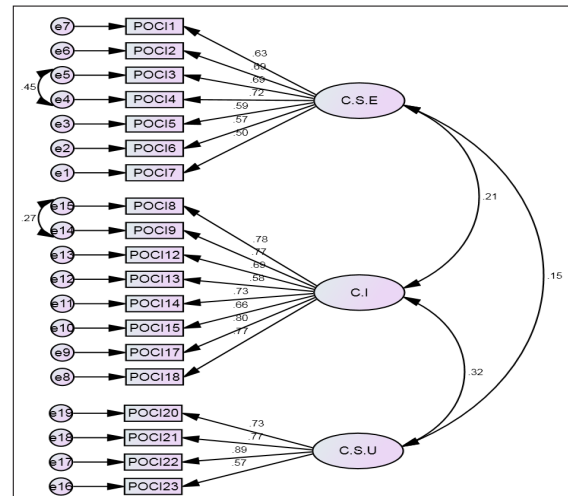


Fig. 2: Three-Factor Model for POCI.

Confirmatory Factor Analysis (CFA) Outputs for All Factors

The confirmatory factor analysis is conducted by bringing all factors of AL and POCI together. The model fit indices obtained are: $\chi^2 = 16.14$, $df = 13$, $CFI = .99$, $RMSEA = .03$, and $AIC = 46.14$. These fit indices show that the model has manifested good fit to the data set and are within an acceptable range. The pictorial presentation of the CFA is shown in Fig. 3 below.

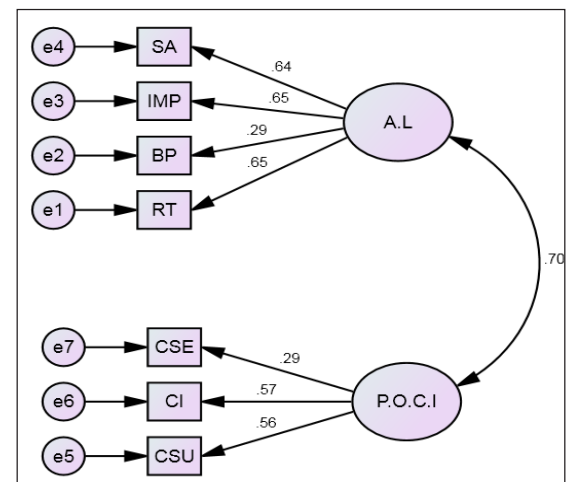


Fig. 3: CFA of All Factors Together

Correlation Analysis

The correlation analysis result in Table 1 below shows that there is a positive relationship among the variables of the study. Moreover, the magnitude of the relationship is also within the acceptable range as the correlation observed between the variables is .37.

Table 1: Correlation among the Independent Variables (Pearson Correlation Values)

Variables	AL	POCI
AL	(.85)	
POCI	.37**	(.85)

Note: Reliabilities are in diagonal.

Hypothesis Testing

The hypothesis set for this study has predicted that AL would be positively related to POCI. The regression analysis was used to examine whether AL affects POCI or not, and if so, to measure the extent of the effect. The computed adjusted R square shows that 13.5% of the change in POCI is explained by AL. The ANOVA test (F-test) revealed that the model adopted for the analysis is significant at 1%, confirming that the model fits well for the desired analysis. Besides, the beta value revealed that the independent variable, AL, has a statistically significant positive effect on the outcome variable, POCI ($b = .37$, $s.e = .06$, $p < .01$). Specifically, the coefficient shows that a 1% change in AL practice is accompanied by a 37% change in POCI. Therefore, the predictor has a positive regression weight, indicating that if AL is practiced, branches are expected to have improved POCI.

In a nutshell, the regression analysis conducted above is in favour of the hypothesis, which asserts that AL positively predicts POCI, and hence, the hypothesis is supported.

Discussion and Implication

The main objective of this research has targeted the examining of the effect of AL on POCI. The result of the study has shown that a 1% change in AL practice has brought a 37% change in POCI ($p < .01$). This finding supports the hypothesis which predicted that AL would be positively related to POCI. Moreover, the result of the study is in line with extant literatures that argued

that AL can positively predict organisational change implementation (Alavi & Gill, 2017; Gardner et al., 2011).

The finding which asserted that the authenticity of the leader has contributed to POCI is in harmony with the social penetration, reciprocity, and rationality principles of the theory used to explain the relationships in this research – the social exchange theory (SET). The finding is in line with the social penetration principle of SET, as the authentic leaders are sharing their innermost traits (their strengths and weaknesses) with their followers. Accordingly, the awareness that authentic leaders have on their weaknesses can safeguard them from making expensive mistakes during implementation of planned organisational change (Alavi & Gill, 2017). The finding is aligned with the reciprocity principle, in that the honest approach of an authentic leader creates a situation in which followers will act honestly during the implementation of the planned organisational change. Moreover, the finding is synchronised with the rationality principle of SET, as the leader logically differentiates the right thing to do from the wrong one in implementing planned organisational changes. The result is also in line with extant empirical studies that found AL as having positive organisational consequences (Peus et al., 2012; Walumbwa et al., 2011; Clapp-Smith et al., 2009).

Implications of the Study

The AL and POCI theory are under continuous development. The theories are still attracting the attention of many scholars in the area (Alavi & Gill, 2017; Peus et al., 2012; Rego et al., 2012). To this end, this research expands the existing frontier of knowledge of AL and POCI.

With regard to empirical contribution, the research further strengthens empirical supports for the leadership and POCI theories. The fact that this research is conducted in the context of emerging economies by taking banks in Ethiopia is also considered as another empirical contribution, as this can provide additional perspective; the scenario in developed economies has relatively been more researched. Accordingly, the research can enhance insight regarding the holistic implication of leadership models on change implementation in the context of a country with an emerging economy.

Looking at its practical contribution, organisational leaders can gain good learning from this research regarding the benefit of adopting AL in implementing organisational changes. The research informs leaders that developing the characteristics of AL (self-awareness, internalised moral perspective, balanced processing, and relational transparency) can foster better implementation of planned changes in the organisations they lead. Self-awareness enables leaders to be cognizant of the strengths and limitations they have, how others see them, and their impact on others. The balanced processing dimension of AL helps leaders to objectively analyse the relevant data before coming to a decision and solicits views that challenge their deeply held positions. The dimension of internalised moral perspective makes leaders set a high standard for moral and ethical conduct, guide actions by internal moral standards and values (instead of group, organisational, and societal pressures), and express decision-making and behaviours that are consistent with such internalised values. The relational transparency dimension causes the leaders to present their authentic selves (as opposed to a false or distorted selves) to others, openly share information, and express their true thoughts and feelings, reinforcing a level of openness with others that provides them with an opportunity to be forthcoming with their ideas, challenges, and opinions during POCI.

Study Limitations, Future Research Directions, and Strengths of the Research

This research has some limitations to acknowledge, research directions to propose, and strengths to count. The study was confined to investigating change implementation in the context of planned organisational changes. However, given the volatility, uncertainty, complexity, and ambiguity (VUCA) of the environment within which organisations operate, examining unplanned (emergent) change is worthy of note. Therefore, other researchers are suggested to test the applicability of the model used in this research for unplanned (emergent) organisational change implementation.

The finding of this study has been drawn from the quantitative data. However, there are attributes of leadership and change management that can be explained better qualitatively. Therefore, it is believed that the

quality of the research output can be enhanced by triangulating the quantitative findings with the qualitative one. In relation to this, different leadership and change management theories and practices have been studied through qualitative and mixed approaches as well (Antonakis et al., 2004). Therefore, other researchers can conduct further investigation by employing qualitative or mixed approaches and investigate if the same result will be obtained using the model employed in this study. Moreover, the study used the data collected over two weeks. This limits its capacity to examine the degree of consistency of the findings of the research, as the situation may provide differing results if a longer time frame had been chosen. Therefore, to further test the internal consistency of the result, future research can be conducted on the related thematic area by collecting data over a longer period of time.

The data for this research was collected from the banking sector in Ethiopia only. However, the findings of the research would have been more generalisable than it is now if the context of other countries with emerging economies were also included in the study. Therefore, future researchers are advised to test the generalisability of the finding by employing the same model in the context of other similar countries. Moreover, this study has been conducted by taking the case of the banking industry's planned change implementation practices, which is found in the service sector. However, the result of the data would have been more generalisable if other sectors were also included in the study. Therefore, extending the model to other sectors, in particular, taking the case of the manufacturing sector is believed to be worthy of consideration for examining the generalisability of the findings obtained in this research.

Despite the limitations stated above, there are strengths to recognise in this research. The study followed a strong design which curbs a common method bias (Kock & Assaf, 2021). The data were collected from two different sources: branch managers and assistant branch managers. Regarding the data used for the analysis in this research, the predicting variable AL was taken from the dataset of assistant branch managers and the data on POCI was taken from the data set of branch managers. The data were passed through several examinations to ensure its quality, and it has fulfilled all the assumptions needed to be satisfied. The depth and method of data analysis

conducted in the study is also a part of the strengths of the research.

Conclusion

This study developed and followed a model incorporating AL as an independent variable and POCI as an outcome variable. It is found out that AL positively predicts POCI.

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