

CONTEXTUAL LEADERSHIP AND ORGANISATIONAL VITALITY OF COMMERCIAL BANKS IN BAYELSA STATE, NIGERIA.

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ABSTRACT

The focus of this paper was to empirically discern the relationship between contextual leadership and the organisational vitality of commercial banks in Bayelsa State. The research adopts a quantitative mono-methodology, and a correlational design in addressing three research questions bordering on identifying the relationship between contextual leadership and organisational vitality measures comprising strategic renewal, adaptability and innovativeness of commercial banks in Bayelsa State. The structured questionnaire was utilised to generate data, and reliability coefficients for all instruments were substantial (where $\alpha > 0.70$). The test revealed significant and positive effects of contextual leadership on the three measures of organisational vitality. It was concluded that contextual leadership contributes to improved outcomes of strategic renewal, adaptability and innovativeness of commercial banks in Bayelsa State. It was therefore recommended that policies and decisions are tailored to address the peculiar concerns of the banks' markets and environment.

Keywords: Strategic renewal, organisational vitality, contextual leadership, adaptability, innovativeness.

INTRODUCTION

Much like living organisms, organisations exist and operate within ecosystems within which they exchange value for resources. Their survival is therefore premised on the extent to which products and services, sufficiently match and satisfy the needs of their markets (Malik et al, 2015). Akpotu and Ozioko (2020) observed that organisations struggle when they are unable to engage their contexts and by that, they fail to offer value and as such, lose their customers and position in their markets. Akpotu and Ozioko (2020) further noted that the inability of organisations to innovate and renew their brands or features under the changing characteristics of their context impacts their operations, and contributes to the inefficiency and poor embeddedness of the organisation. The implications of such outcomes, thus emphasize the need for organisational vitality as a basis for ensuring its survival, effectiveness and competitiveness.

Organisational vitality refers to behaviour which demonstrates a renewal of form, and the adapting of systems to match the emerging needs and concerns of the market and overall context of the organisation (Bishwas, 2015; Burke, 2008). Vitality describes the organisation's capacity to maintain and consistently offer value through its continued realignment of systems and operations with the shifts in its market (Jonh-Eke & Gabriel, 2021). According to Bishwas (2015), organisational vitality is an expression of the organisation's commitment to customer satisfaction through consistent value creation, modelled in line with the dynamic nature of customer demands and expectations. It entails bridging relationships and strengthening the extent and quality of partnerships between the organisation and its stakeholders; a condition necessary for learning, support and information transfer.

Considerable research has been carried out on organisational vitality, building on its significance to the competitiveness and performance of the organisation. Malik et al (2015) identified the link between individual-level capacities and organisational health; emphasizing the reinforcement of such capacities

through competency management programs for improved outcomes of vitality and innovation. Akpotu and Konyefa (2018) showed that the leadership of the organisation, particularly through its mentoring activities, impacts positively on the vitality of the organisation. Similarly, Dickson (2021) affirmed the significant association between entrepreneurial orientation and corporate vitality; stressing learning and the change disposition of the organisation.

Bishwas (2011) in the conceptualisation of organisational vitality, pointed to the significance of context in its outcome. According to Bishwas (2011) vitality, is premised on an understanding of one's specific market, and environment. Such specificity is crucial to effective adaptation and innovation as it would build on the particular programs, service and product forms, branding approaches and models that can be considered suitable and appropriate for the environment. Such concerns of specificity anchor on a form of leadership that is not only open to change but also emphatic of their context and the tailoring of policies and competencies to suit such. These attributes describe contextual leadership, which according to Moir (2009) prescribes the situating of leadership strategies and approaches, based on the particular characteristics of the context.

Extant research (Ahiauzu & Ololube, 2016; Hossain, 2015; Fiaz et al, 2017) however, offers scant interest in the role of contextual leadership in organisational vitality, as demonstrated in the paucity of research in that area. Drawing on Fiedler's contingency theory of leadership (Amanchukwu et al, 2015), this paper focused on investigating the link between contextual leadership and organisational vitality outcomes such as strategic renewal, adaptability and innovativeness of commercial banks in Bayelsa State. The focus on the Nigerian banking industry is in line with developing knowledge and insight significant to understanding the imperatives of tailored leadership styles, policies and human resource management practices suited for effectively building or advancing desirable or preferred organisational outcomes. In this vein, this study focused on answering the following research questions:

- i. What is the relationship between contextual leadership and the strategic renewal of commercial banks in Bayelsa State?
- ii. What is the relationship between contextual leadership and the adaptability of commercial banks in Bayelsa State?
- iii. What is the relationship between contextual leadership and the innovativeness of commercial banks in Bayelsa State?

LITERATURE REVIEW

Contingency Theory of Leadership

This research draws on Fiedler's 1967 contingency theory of leadership. The tenets of the contingency theory of leadership, emphasize the imperatives of leader flexibility and adaptability to various, and unique environments or contexts (Amanchukwu et al, 2015). Bredeson et al (2011) noted that the effectiveness of leadership is anchored on the context of the leader and the extent to which leaders or managers can connect or engage their specific markets in a way that is also unique and particular to the concerns of such a context. This corroborates Moir's (2008) observation that the success or performance of leaders is tied to the nature and quality of their decisions, and style of leadership and the extent to which such are structured and patterned to suit the features or attributes of their environment. The contingency theory of leadership is thus adopted as the premise for this research; providing insight as it espouses the significance of contextual leadership to outcomes such as organisational vitality.

Contextual Leadership

Contexts are imperative to understanding not only the environment but also leadership itself (Oc, 2018; Roegman et al, 2018). Through contexts, the effectiveness of leadership can be explained and decision-making outcomes, best understood. Context-based or contextual leadership is a form of leadership that emphasizes the specifics or peculiarities of its environment (market, industry, nation, economy) in its decisions, behaviour, relationship and style (Moir, 2008; Hallinger, 2018). From this position, it can be described as that form of leadership that draws substantially on the context and focuses primarily on streamlining and realigning organisational forms, processes and operations to mirror and effectively synchronise with the dynamics of its operational environment (Bredeson et al, 2011). This differs from adaptive leadership which offers a broad position on leadership change readiness; with the contextual leadership specific as regards the lens or framework through which such change or emerging reconfigurations to style, decisions and policies are defined (Akparobore & Omosekejimi, 2020).

Organisational Vitality

Organisational vitality refers to the organisation's capacity for relevance and value (Uhl-Bein & Arena, 2018; (Burke, 2008). This is expressed in its behaviour of rejuvenating its brand presence, and services through its consistent renewal of strategies, innovations and adapting to the shifts and changes in its market (Bishwas, 2015; Dickson, 2021). Such allows for its competitiveness as it can remain in tune and also in touch with the changes in the characteristics of its customers, and effectively engage its market through renewed systems and operations designed to not only tackle its customers' needs but also address the evolving features linked to market operations, distributions, government laws and legislature and also development in technology (Bishwas, 2015). As such, organisational vitality is not fixated on the service and product offerings of the organisation alone, nor on the internal structures and processes of the organisation, but also on the nature of its interaction with its environment and the constituents of that environment (Burke, 2008).

Contextual Leadership and Organisational Vitality

Leadership is primarily defined by the context of its operations (Roegman, 2017). According to Bredeson and Klar (2008), leaders emerge and draw their meaning from the social and task-related gaps of a particular group. The context of the leader thus serves as a framework for understanding the necessary models and approaches to administration that can be considered as critical to the effectiveness and success of the leader. Research (Bamson & Ololube, 2018; Hossain, 2015) shows that when policies are tailored in line with the overarching factors and conditions of a system or environment, they effectively engage such a system in a distinct way, such that is detailed and emphasises the unique forms of relationships, structures, and functions. This follows the recognition of the prevailing characteristics such as existing infrastructure, technology, quality of talent and competence, social and cultural values, and also the legal structure of such systems (Moir, 2008).

Through the related specificity of decisions, and the aligning of actions and policies, leaders can advance their organisations' operations and processes in ways that address the core and primary needs of their markets; thus, achieving related outcomes of strategic renewal, adaptability and innovativeness (Ahiauzu & Ololube, 2016). Roegman et al (2018) however, opined that one of the fundamental actions and attributes of contextual leadership is its learning capacity. This focus on knowledge identifies with the dynamism of the environment and the consistency of leader adaptation to the emerging trends or changes in the environment or market. However, it is yet imperative that learning and knowledge forms are streamlined or narrowed to focus on the particular context of operations (Muteswa, 2016). This ensures that related operational models and policies considered as alien can be reevaluated through the lens of one's particular market; thus, advancing appropriate methods for coping and dealing with

the expectations and needs of its customers (Muteswa, 2016). Following the review, the following null hypothetical statements are tested in this research:

- Ho₁: There is no significant relationship between contextual leadership and the strategic renewal of commercial banks in Bayelsa State
- Ho₂: There is no significant relationship between contextual leadership and the adaptability of commercial banks in Bayelsa State
- Ho₃: There is no significant relationship between contextual leadership and the innovativeness of commercial banks in Bayelsa State

METHODOLOGY

The quantitative method is adopted for this research; drawing on an underpinning positivist disposition toward the social world. In this vein, a correlational research design is adopted in the investigative process for this research. 35 participants are selected purposively from the main branches of five tier 1 commercial banks in Bayelsa State, Nigeria. The choice of purposive sampling is hinged on the nature of the research and its unit of analysis, the organisation; hence the imperatives of participants occupant of specific roles of reference. Criteria for selection for these participants emphasized key leadership or supervisory roles in the banks, and substantiality of industry experience (not less than 10 years). The questionnaire was also adopted as the instrument for the collection of primary data for the study, and structured, using predefined items utilised in the operationalisation of the constructs of interest. Instruments for the variables, contextual leadership (Moir, 2008; Oc, 2018) and organisational vitality (Bishwas, 2011; 2015; Burke, 2008) are also sourced from existing literature. The reliability for the instruments was also carried out using the Cronbach Alpha reliability tool, with all instruments reflecting substantial levels of reliability (where $\alpha > 0.70$).

DATA FINDINGS

The analysis centred on the assessment of the significance of the effect of contextual leadership on the measures of organisational vitality, namely, strategic renewal, adaptability and innovativeness. This is carried out using the regression tool with the results presented accordingly.

Table 1: Effect of contextual leadership and strategic renewal

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.473	.221		2.142	.040
Contextual Leadership	.880	.052	.947	16.916	.000

a. Dependent Variable: Strategy Renewal

The result for the test for hypothesis one, identifies the relationship between contextual leadership and strategic renewal of commercial banks in Bayelsa State as significant (where $\beta = 0.947$ and $P = 0.000$). The result indicates a strong and also positive effect, where changes or alterations that focus on increasing contextual leadership is most likely to also increase or enhance the extent of strategic renewal by the organisation. In this vein, the null hypothesis is rejected as evidence affirms to the significance of the relationship between the variables.

Table 2: Effect of contextual leadership and adaptability

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.689	.327		2.105	.043
	Contextual Leadership	.827	.077	.882	10.736	.000

a. Dependent Variable: Adaptability

The outcome of the analysis on the relationship between contextual leadership and adaptability shows that contextual leadership has a strong and significant effect on the adaptability of commercial banks in Bayelsa State (where $\beta = 0.882$ and $P = 0.000$). The evidence affirms to the relationship between the variables as positive, indicating that an increased level of contextual leadership would contribute to improved levels of adaptability for the commercial banks in Rivers State. Drawing on the results from the analysis, the null hypothesis is rejected as the evidence points to the significance of the relationship between the variables.

Table 3: Effect of contextual leadership and innovativeness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.392	.478		5.006	.000
	Contextual Leadership	.452	.112	.573	4.021	.000

a. Dependent Variable: Innovativeness

Contextual leadership is revealed to significantly influence the innovativeness of commercial banks in Bayelsa State (where $\beta = 0.882$ and $P = 0.000$). The result demonstrates the extent to which contextual leadership explains the outcome of the innovativeness of commercial banks in Bayelsa State. As a positive relationship, evidence indicates that related alterations or improvements to practices of contextual leadership would most likely enhance the outcomes of innovativeness for the commercial banks in Rivers State. Following the result from the investigation, the related null hypothesis is therefore rejected, as evidence supports a significant relationship between the variables.

DISCUSSION OF THE FINDINGS

The outcome of this research identifies contextual leadership as significant to organisational vitality. This finding draws on the observed significance and positive effect of contextual leadership on measures such as strategic renewal ($\beta = 0.947$ and $P = 0.000$), adaptability ($\beta = 0.882$ and $P = 0.000$) and innovativeness ($\beta = 0.882$ and $P = 0.000$). This investigative outcome, coheres with the earlier observations of researchers (Bamson & Ololube, Oc, 2018; Bredeson et al, 2011) on the significance of contextual leadership in spurring the particular change outcomes, suited to stimulating organisational effectiveness and performance. The consistency in results, across these contexts not only demonstrates the imperatives of contextual leadership practices, but it also affirms to the validity of Fiedler's contingency theory of leadership (Amanchukwu et al, 2015) and its applicability in advancing and reinforcing contextual leadership practices and frameworks in the banking industry of developing African countries such as Nigeria.

The implications of this study's position, thus emphasize the need for managers and the leadership of commercial banks in the country to be more context-focused in their leadership; advancing tailored policies and structures that are suited to the Nigerian experience and features. This entails an increased focus on the quality of decisions, emphasizing facts and data, specific to the industry and the structuring as well as coordination of the organisations' resources (financial and non-financial) based on established

frameworks that reflect or which build on the particular attributes of the organisation's market. This agrees with Hallinger (2018) who also identified the need for context emergent models in the implementation of strategies and in engaging the various constituents of the market. This research thus answers all related questions, affirming to the positive relationship between contextual leadership and organisational vitality measures comprising strategic renewal, adaptability and innovativeness.

CONCLUSION

In line with the findings, it is concluded that contextual leadership contributes to outcomes of organisational vitality of commercial banks in Bayelsa State. This positions contextual leadership as an imperative for improved outcomes of strategic renewal, adaptability and innovativeness for the commercial banks, stressing the need for improved focus on the unique factors and nature of relationships peculiar to the Nigerian banking industry when it comes to policies, decisions and the development of infrastructure. Thus, through the development and bolstering of contextual leadership practices and frameworks, the management of commercial banks in Bayelsa State, can enhance their organisations' capacities in terms of strategic renewal, adaptability and innovativeness.

RECOMMENDATIONS

Following the position and conclusion of this research, the following recommendations are proffered:

- i. The management and leadership of commercial banks in Bayelsa State should institute structures and technologies that facilitate improved learning outcomes and the development of their market intelligence; ensuring their improved understanding of the existing as well as changing characteristics of their markets; thus, enriching their level of embeddedness within their contexts or markets.
- ii. The management and leadership of commercial banks in Bayelsa State, need to focus on the development of competencies and capacities that are tailored in line with the particular gaps prevalent within their context, ensuring their ability for functional effectiveness, and the organisations' ability to meet the specific needs of its customers or clients
- iii. The management and leadership of commercial banks in Bayelsa State, should focus on developing policy frameworks and structures that allow for their effective engagement of their markets; focusing more on the experiences of their various stakeholders, including their employees as well, in advancing service and product offerings and also in engaging the various constituents of their market.

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