

The Relationship between Managerial Characteristics of CEOs and Organizational Commitment, Change and Organizational Culture: The evidence from Financial Holding Companies, Taiwan

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Abstract

Past researches have typically examined organizational effectiveness as a function of the combined effects of organizational performance and managerial characteristics. More importantly, it has been argued that managerial characteristics interact with organizational performance to create a context through which strategic changes becomes particularly likely. In Year 2001, Taiwan Government allowed the combination of the three fields of banking service, securities service and insurance service in order to enhance the competitiveness of the financial service. However, some banks did not attain the expected objectives after merger and acquisition most likely because they failed to blend the differences between the merging and merged banks. Organizational performance has often been viewed as a function of managerial characteristics and the organisational performance. It is interaction between the two that creates the very context through which strategic changes become likely. It has even been argued that the personal characteristics of the managers are essential factors for achieving superior organizational performance results. However, there is little empirical evidence to support this claim in financial and banking sector.

This paper is based on the result of an empirical study that examines the relationship between the personal characteristics of the managers and the organizational factors in Taiwan. More especially, this research is an attempt to answer three questions. Firstly, is there any significant relationship between the managers' personal characteristics and firm performance? Second what is the relationship between managerial characteristics of the managers and organizational factors namely organizational commitment; organizational change and organizational culture? Finally, do the organizational culture and commitment influence the organizational changes? A combination of qualitative and quantitative methodology is employed in this research. Postal questionnaire is the main instrument for data collection; however a sub-sample of managers will be interviewed to obtain qualitative data for supporting the quantitative data. After the implement of the first financial reform in 2001, the number of the financial holding companies reaches 14 in 2006. Taiwan government intends to advance the second financial reform at the end of 2007 to reduce 14 existing financial holding companies to 7. Therefore, it is expected that the result of this research would provide an important reference for the banks in planning or executing the organizational changes and further establishing ideal labor-management relation.

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