Investigating the Effect of Senior Team Social Integration on Managerial Ambidexterity: Moderating Role of Transformational Leadership, Banking Sector in Lahore, Pakistan.

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Abstract: Managers and senior team members played a vital role in the success of an organization. Manager’s activities of exploration and exploitation have impact upon unit-level outcomes and procedures. Senior team member’s attributes effected the managerial ambidexterity. Hence, this study identifies how senior team members settled conflicting demands and assist the balance of apparently opposing forces of exploration and exploitation and behavior of transformational leadership as moderator for achieving managerial ambidexterity. This study hypothesized a link among managerial ambidexterity and senior team social integration. While, transformational leadership works as a moderator. The results were based on multistage stratified selected sampling of 300 middle managers of banks belonged to the city of Lahore, Pakistan. The study employed correlation, regression, and multiple regression to find the results. Findings described that a senior team social integration is related to manager’s attitude to combine the activities of exploration and exploitation. Furthermore, transformational leadership behavior increases the senior team social integration efficacy but in the negative direction.

Keywords: Managerial ambidexterity, social integration, and Transformational leadership, Senior Management.

INTRODUCTION:

Ambidexterity had equilibrium among exploitation and exploration. Numerous studies pointed out that unit or firm level ambidexterity to a great extent invent in the explorative activities and exploitative activities of their organizational members; particularly their managers [1] and [2]. Managers played a vital role for achieving ambidexterity. Managers explore new ways to deal business demand while at the same time they exploit old opportunities to full fill the demands of today in a competitive environment.

Researchers have highlighted that senior team management are essential to the outcomes of the organization [3]. Study pointed out that managers below senior team members have strategic influence on explorative and exploitative activities while senior team member has limiting the influence on explorative and exploitative activities [4]. Senior team social integration helps managers to resolve problems. While, Coordination, and integration of senior team with managers generates the extraordinary output that is necessary for the success of an organization.

Majority studies of ambidexterity have been carried out in other prospective [5]. Individual-level studies about exploration and exploitation are nearly absent. Even though, recent studies on ambidexterity did not explicitly concentrate on individual or managerial level ambidexterity. Thus, researchers called for research to further study of ambidexterity [5], [6] and [7].

This study will show the intensity of coordination and integration of senior team members with managers of banks and its impact on achieving managerial ambidexterity. This study will find out whether role clarity of transformational leadership that moderates the relationship between senior team social integration and managerial ambidexterity. This will put a light on managerial ambidexterity in the banking industry of Pakistan, which is not yet done in Pakistan. The study established some questions like to what extent of senior team social integration leads to managerial ambidexterity in Pakistani banking sector? To what extent there is a relation between Transformational leadership and managerial ambidexterity in Pakistani retail banking sector? To what extent the relationship between senior teams social integration on managerial ambidexterity is influenced by the transformational leadership in Pakistani retail banking sector?

Some Purposes have been described for this study such as: To determine the impact of senior team social integration on manager’s activities of exploration and exploitation. To determine the impact of transformational leadership with a moderating role on the activities of managers.
exploitation and exploration and senior team social integration.

THEORETICAL BACKGROUND:

The role of human resource management is important for achieving organizational ambidexterity [8,9]. HRM system such as HRM practices specific bundles of supported ambidextrous learning and enhanced research on the link among ambidexterity and HRM that hitherto focused chiefly on ambidexterity static views [9], [10] and [11]. HRM is one of the key area of project management. Ambidexterity is a notion that explains the competence that influence efficient present routines while simultaneously hiring to changing situations sequentially to pursue new opportunities of growth [7] and [12]. Exploitation and exploration activities of the managers necessary for the organization to achieved success and also protect their conventional businesses in the current competition among the organizations.

For both activities of exploration and exploitation, socially integrated senior team members are supposed to work hard to identify synergies and opportunities [13]. It additionally makes a stable circumstances for managers with distinctive settings to cooperate and gain from each other [14]. Involvement in cross-functional interfaces facilitates managers’ ambidextrous activities by permitting them to tackle and resolve a conflict concerning dissimilar goal’s wants and concerns between organizational hierarchical levels and differentiated units [15], [16] and [17]. Managers direct contact to other members of the organization [18], such as senior team members have a great impact on explorative and exploitative activities of the managers. Social integration encourages serious debate between members of the senior team and managers that helps them to evaluate substitutional ways to resolve conflicting goals related to the activities of exploration and exploitation. Senior team members and middle-level managers are liable to differentiate in their association to the organization’s existing policies, objectives, concerns, time horizons, center measures, and emotional tones [1]. Therefore, managers who taking part in cross-functional interfaces, also deem and behave outer the thin confines of their own work and position; specifically they have to comprehend and take into consideration the concerns, perceptions, trusts, and values of other managers excluding representing the concern of their own specific group [1] and [2].

Study found a positive relationship between senior team social integration and managerial ambidexterity. Senior team member’s social coordination and integration with managers to handle the conflicts and solved difficult problem in a friendly environment [19]. Such contact and trust facilitate senior team members to coherent and develop arguments more efficiently and to make key preferences and conflicting parts for understandings with senior teams [20]. Therefore, it is proposed that social integration of the senior team invites to accomplish managerial ambidexterity. In cross-functional interfaces, the involvement of the managers also certainly relates to their ambidexterity by providing opportunities to swap the knowledge [21]. From specified literature, ambidexterity study created the following hypothesis to test the strength of relationship among the senior team social integration and managerial ambidexterity.

![Figure: 1 Hypothesized Model](http://www.onlinejournal.in)

**Figure: 1 Hypothesized Model**

The current study finds out the impact of senior team social integration on achieving managerial ambidexterity. Transformational leadership is a moderator between senior team social integration and managerial ambidexterity. The research has found that senior team member and transformational leadership increases the effectiveness of senior team attributes in ambidextrous organizations [19]. Study believed that it is essential to separately assess the senior team member’s impact on ambidexterity of the organization [22]. Members of the senior team serve as gatekeepers for the incoming information to the organization then they have more authority on the generating ambidexterity. However, members of senior teams alone are not able to assess all the incoming information and evaluate the best solution; thus, it’s significant to examine the influence of the managers as well. As it was revealed before, upper-echelon theory emphasized the chief role of the senior team members in varying processes of the organization and influencing outcomes of the organization [23].

**H1:** There will be a significant positive relationship between senior team social integration and managerial ambidexterity.

Transformational leaders are offering meaning to their follower’s work and are also capable of motivating those around them [24], senior team dynamics are affected by the Leaders in ambidextrous organizations that might be more or less directive and are influenced by the ways of how senior teams comes to a closure on direct team discussion, decision and also on structure debate [25].
Transformational leadership moderated the efficiency of the socially integrated senior team in managerial ambidextrous organizations. Transformational leaders used inspirational motivation to emphasize harmonious associations and encouraged mutual learning experiences across senior team members with likely conflicting concerns [26] and [27]. They also encouraged sharing of asymmetric information that enhanced the decision-making quality in senior teams social integration [25]. Although, research had pointed out that transformational leaders idealized the influence the facilitated activities of the senior team to flow lower hierarchical levels [28]. Based on transformational leaders; role modeling, synergetic and integrative attempt of socially integrated senior teams infused across hierarchical levels. Such attempts motivated managers and members at lower organization levels to revealed preferred activities. Managers look for synergistic possibilities across activities of exploratory and exploitative units to attained managerial ambidexterity. Study proposed a hypothesis to find the effect of senior team social integration on managerial ambidexterity with moderating effect of transformational leadership.

H2: Transformational leadership will positively moderate the relationship between senior team social integration and managerial ambidexterity.

Study described the direct and indirect relationship of senior team social integration and transformational leadership on manager’s activities of exploration and exploitation. Study analyzed that relationship value of senior team social integration and ambidexterity [12], [19] and [29]. So this theory supported the present study because Upper-echelon theory made a linear framework that comprised elements chain where one element triggered the following one [30]. Attributes of senior team members defined the strategic choices through which the organizational performance outcome can be determined. The researchers argued that differences in manager’s functional experience are imprinted in their approaches, views, and manners [31].

RESULTS AND FINDINGS:

The study described the frequency distribution of the demographic variables by Pie Charts as shown in Fig. 2 and Fig.3 summarizes the respondent’s characteristics (n=203) on the base of their age group (25-35 age: 43.8%, 35-50 age: 39.4% , Above 50 age: 16.7%).

![Fig. 2 Age Group](image_url)

Most of the respondents had working experience in the banks. (As explained 1-5 years: 36.5%, 6-10+ year: 37.4%)

![Fig. 3 Tenure](image_url)

The instruments were inveterate as immensely reliable with the help of SPSS 20.0 (Cronbach’s Alpha=0.941, Table 1).

<table>
<thead>
<tr>
<th>Table 1 Reliability Analysis</th>
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<tbody>
<tr>
<td>No. of Items</td>
</tr>
<tr>
<td>----------------</td>
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<tr>
<td>37</td>
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The Pearson’s Correlation of senior team social integration and managerial ambidexterity was employed by SPSS 20.0 and elaborated in Table 2.

<table>
<thead>
<tr>
<th>Table 2: Pearson’s Correlation</th>
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<tr>
<td>Variables</td>
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<tr>
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</tr>
<tr>
<td>MA</td>
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<tr>
<td>STSI</td>
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<td>TL</td>
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As result of Hierarchal regression are shown in Table 3. Results revealed that the senior team social integration significantly predict the managerial ambidexterity. With beta value (β=0.7077, P=.000) showing significant positive relationship between senior team social integration and managerial ambidexterity. Results proved that Hypothesis 1 is accepted. Furthermore, study assumed that senior team social integration have significant positive effect on the managerial ambidexterity with moderating effect of transformational leadership. Results of the Hierarchal Regression showed that senior team social integration have significant effect on the managerial ambidexterity with moderating role of transformational leadership (β= -0.014, P>0.05, Table 3). Hence, Hypothesis 2 is rejected.

**Table 3 Hierarchal Regression**

<table>
<thead>
<tr>
<th>Model</th>
<th>β</th>
<th>Std. Error</th>
<th>Beta</th>
<th>F</th>
<th>Sig</th>
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<tbody>
<tr>
<td>STSI</td>
<td>0.707</td>
<td>0.88</td>
<td>0.4595</td>
<td>65.141</td>
<td>0.000</td>
</tr>
<tr>
<td>Interaction</td>
<td>-0.014</td>
<td>0.004</td>
<td>-0.001</td>
<td>10.539</td>
<td>0.009</td>
</tr>
<tr>
<td>R Square</td>
<td>0.707</td>
<td>0.06</td>
<td></td>
<td></td>
<td>0.001</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.001</td>
<td>1</td>
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</table>

**CONCLUSION:**

This study find that senior team social integration will have direct significant positive effect on the managerial ambidexterity in banking sector of Lahore, Pakistan. Whereas in case of transformational leadership; as a moderator it have significant effect on managerial ambidexterity but in negative direction. Transformational leadership will reduce the effect of senior team social interaction on managerial ambidexterity.

**DISCUSSION:**

As findings of this study did not support the hypothesized positive moderating effects of transformational leadership on the relationships between senior team social integration and managerial ambidexterity. The interaction between senior team social integration and transformational was statistically significant (β=0.014, sig=0.001) when finding an impact of (STSI) on (MA) in presence of (TL). But the (β=-0.014) that indicated the negative direction. These results consistent with the previous study who had tested moderating role of transformational leadership between senior team social interaction and ambidexterity and found significant moderation [19]. Organizations with senior team social integration and transformational leaders together are less encouraging to achieving managerial ambidexterity than organizations with transformational leaders and minor levels of senior team social integration. We expected that transformational leaders to offer credit and expressions of satisfaction with senior team members, and to influence on high expectations of senior team members about coordination, negotiation and collaboration with senior team. But interestingly, our results did not support this conception. In this sense, transformational leader’s effect highlighted the ideological import diminishes yet may be mainly important to the effectiveness of members at upper to lower hierarchical levels of the organization. Future research is necessary to investigate this possibility.

**FUTURE RESEARCH AND RECOMMENDATIONS:**

Future research may offer a richer assessment regarding different effects of transformational leadership each component and its effectiveness to senior team dynamics and achieving managerial ambidexterity. Moderating or mediating role of senior team attributes between transformational leadership and managerial ambidexterity will be key area to discover. Relationship between senior team attributes, transformational leadership and managerial ambidexterity must be investigated in other sectors of Pakistan. Other attributes of senior team members for instance, external or internal social networks of senior team, senior team contingency reward, senior team informational diversity and senior team heterogeneity must be investigated for future research. However, this study has some limitations. This study is a cross-sectional in nature. There is another limitation is generalizability. We demonstrated that specific senior team social interaction and only transformational leadership’s behavior affect the manager ability to achieve ambidexterity. It would be useful to study on other attributes of senior team members and dimension of other type of leadership. Their each component have differential effect on managerial ambidexterity. Another point of limitation is that this study focused on the individual level analysis. It is necessary to create deep understanding regarding how an organization becomes ambidextrous through its member’s individual activities.

**REFERENCES**

[1] Floyd, S. W., & Lane, P. M. 2000. Strategizing throughout the organization: Managing role conflict in


