A Survey on the Impact of Transformational Leadership on organizational Citizenship Behavior in public organization in Kurdistan province

Bahram Meihami¹,*, Zeinab Varmaghanl², Hussein Meihami³,**

¹Department of Accounting, Ghorveh Branch, Islamic Azad University, Ghorveh, Iran
²BA Student of Primary Education, Ghorveh Branch, Islamic Azad University, Ghorveh, Iran
³Department of English Language Teaching, Ghorveh Branch, Islamic Azad University, Ghorveh, Iran

*,**E-mail address: meyhami4@yahoo.com , hussein.meihami@yahoo.com

ABSTRACT

This study looked at the effect of transformational leadership on organizational Citizenship Behavior (OCB) of followers. Using the experimental design, transformational leadership was manipulated and OCB of followers was measured. The sample consisted of 86 managers of public organization in Iran (Kurdistan province). Five dimensions of OCB—altruism, conscientiousness, sportsmanship, courtesy, and civic virtue of participants were peer evaluated through a questionnaire. Results indicate that transformational leadership enhances altruism and conscientiousness and reduces civic virtue. Moderate support was found for negative impact on sportsmanship but no support was found for impact on courtesy.

Keywords: Transformational leadership; Organizational Citizenship Behavior; public organizations

1. INTRODUCTION

Organizational Citizenship Behavior (OCB) is an enhancer of organizational performance (Podsakoff & MacKenzie 1994; Podsakoff, Ahearne, & MacKenzie, 1997; (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). Aggregate citizenship behaviors would improve group performance because they help people work together. Employees who help each other would not have to go to supervisors for help, leaving the supervisors free to do things that are more important. OCB would also help coordinate activities among team members and across groups. A meta-analysis showed that citizenship behaviors correlated with job satisfaction, perceived fairness, organizational commitment, and leader supportiveness (Organ & Ryan, 1995). OCB can also contribute to customer satisfaction (Morrison, 1995). Given this emerging importance, it becomes imperative to study the predictors of OCB in an organization. Previous studies have also tried to examine the predictors of OCB (Bateman & Organ, 1983; Lambert, 2000; Smith, Organ, & Near, 1983).

This study examined the impact of leader’s Karma-Yoga and transformational leadership behaviors on OCB of the follower. Transformational leadership as a predictor of OCB has been studied (MacKenzie, Podsakoff, & Rich, 2001; Podsakoff, MacKenzie, Moorman, & Fetter, 1990) but leader’s Karma-Yoga (treating work as worship) has not yet been studied. There
appears to be some relationship between Karma-Yoga and transformational leadership. Kanungo and Mendonca (1998) discussed moral duties that benefit social order at the cost of considerable personal sacrifice and talked about life as a process of becoming non-egoistic and stable-minded for ethical leaders. The link between transformational leadership and morality was one of the basic premises of Burns (1978). He argued that transformational leaders are likely to be guided by near universal values like equality of human rights and respect for individual dignity. The combined effect of Karma-Yoga and transformational leadership on OCB of followers should therefore be worth studying.

2. THEORY AND HYPOTHESES

2.1. Organizational Citizenship Behavior (OCB)

In the organizational sciences, non-prescribed organizationally beneficial behavior and gestures are distinguished from organizational behaviors that can be enforced based on formal role obligations. Katz and Kahn (1966) have noted the many occasions in which organizational functioning depends on supra-role behavior that cannot be prescribed or required in advance for a given job. Bateman and Organ (1983) denoted these behaviors as Organizational Citizenship Behaviors (OCBs). OCBs are defined as spontaneous acts that go beyond prescribed job requirements (in-role behaviors) whereby the subordinate performs nonobligatory extra-role behaviors (Deluga, 1998). Initially, Smith et al. (1983) identified two OCB dimensions: altruism, representing those forms of OCB that provide help to a specific person; and generalized compliance, or conscientiousness which includes faithful adherence to rules about work procedures and conduct. In addition, three additional dimensions were introduced: courtesy, or gestures to help prevent problems of work associates; sportsmanship or willingness to forebear minor and temporary personal inconveniences and impositions without fuss, appeal, or protest; and civic virtue, or responsible and constructive involvement in the issues of governance of the organization (Podsakoff et al. 2000). Being punctual, helping others, making suggestions to improve things, not wasting time at work and so forth, are all examples of OCB (Schnake, 1991).

Predictors of OCB: Job satisfaction is a robust predictor of OCB. Even though much controversy exists regarding the satisfaction-performance linkage, Bateman and Organ (1983) have explained the link convincingly using the social exchange theory and findings of a series of social psychological experiments. Job satisfaction is also said to have a direct impact on altruistic behavior (Smith et al., 1983). The social exchange theory is also used in indicating that work life benefits are a reasonable predictor of OCB (Lambert, 2000). Perceived supervisor fairness has been identified as a fundamental condition facilitating OCB. Generalized compliance is directly influenced by leader supportiveness (Smith et al., 1983). Studies of Farh, Podsakoff, & Organ, (1990) indicate that measures of fairness predict OCB better than measures of job satisfaction. Cognitions about leader fairness would have strong effects on OCB and compliance (explained using equity theory and social exchange theory) and on satisfaction with supervisor (Farh et al., 1990). Moorman (1991) found that when perceptions of fairness were measured separately from job satisfaction, job satisfaction was not related to OCB. Prior research also suggests that there exists a correlation between subordinate-supervisor interpersonal trust and OCB. It was found that fairness is the supervisor trust-building behavior most closely associated with subordinate conscientiousness, sportsmanship, courtesy, and altruism (Deluga, 1994). Employees exhibited more OCBs when they felt that they participated in the decision-making process. They perceived participation in the decision-
making process as supervisory support (VanYperen et al., 1999). Task characteristic is yet another predictor of OCB (Farh et al., 1990). This seems to suggest that the relationship between job satisfaction and OCB may be better described as one reflecting a relationship between the above-mentioned predictors. These are strong indications that contextual work attitudes predict most forms of OCB.

However, dispositional variables also account for a unique variance in at least three dimensions of OCB: conscientiousness, altruism, and civic virtue (Konovsky & Organ, 1996). Consequences of OCB: Podsakoff et al. (1997) found that OCB predicted the quantity and quality of output although it tended to predict quantity better than quality. Helping behavior and sportsmanship were stated as the causes. Civic virtue was found to have no relationship with production quality and quantity. Podsakoff and MacKenzie (1994) found that civic virtue positively affected agency effectiveness. It was also found that selecting good citizens as service quality leaders added to the effectiveness of training programs (Hui, Lam, & Schaubroeck, 2001). George an Bettenhausen (1990) argued that extra-role performance enhances work group attractiveness and cohesiveness and subsequently decreases voluntary turnover.

2. 2. Transformational Leadership

Transformational leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to high levels of motivation and morality (Burns, 1978). Bass (1985) while agreeing largely with Burns added that the transformational leader expanded the needs and wants of the follower. Bass built the model for transformational leadership around four behavioral components: charisma, idealized influence, inspiration, intellectual stimulation, and individualized consideration. Charisma in a transformational leader relates the work and mission of the group to strongly held values, ideals, and aspirations shared in common by the organization, and culture. Inspirational leader behaviors include action-orientation, confidence-building, inspiring belief in the cause which often leads followers to be committed, involved, loyal, and ready to exert extra effort. Intellectual stimulation arouses and enhances problem awareness and problem solving abilities in followers.

Individualized consideration includes a development orientation, individualized orientation, and mentoring. Conger and Kanungo (1998) claimed that charismatic leadership, a term that has been used interchangeably with transformational leadership, is an attribution based on followers’ perceptions of their leader’s behavior (Conger, 1999).

Factors affecting transformational leadership: Sosik and Megerian (1999) found that purpose, life, self-efficacy, inter-personal control, and social self-confidence were significantly related to ratings of transformational leadership. Ross and Offermann (1997) found that higher levels of need for change, self-confidence, and dominance predicted transformational leadership. Further, higher levels of nurturance, pragmatism, and feminine attributes, and lower levels of criticalness and aggression were associated with transformational leadership. Shamir and Howell (1999) listed various contextual influences favoring emergence and effectiveness of charismatic leadership. Waldman, Ramirez, House, and Puranam (2001) found that CEO charismatic leadership was positively related to organizational performance when the environment was perceived to be uncertain and volatile.

Transformational leadership and performance: Studies have found a positive relationship between leader charisma and business unit performance (Howell & Avolio, 1993). Ross and Offermann (1997) found that transformational leadership had a significant correlation with subordinate satisfaction Medley and Larochelle (1995) found that job satisfaction was
positively related to transformational leadership. Kirkpatrick and Locke (1996) found that a high quality vision weakly affected performance but had a strong impact on attitudes.

According to Burns (1978), transformational leadership is “a process of morality to the degree that leaders engage with followers on the basis of shared motives and values and goals on the basis that is, of the followers’ true needs as well as those of leaders” (p. 36). Burns further said that such leadership acts as an inciting and triggering force in the conversion of conflicting demands, values, and goals into significant behavior.

The fundamental process of transformational leadership is to make conscious what lies unconscious among followers. It operates at need and value levels higher than those of the potential follower. In its most effective form it appeals to the higher, more general, and comprehensive values that express more fundamental and enduring needs of the follower. Leaders who practice Karma-Yoga are likely to exhibit transformational behaviors for several reasons. House, Spangler, and Woyce (1991) used archival data on U.S. Presidents to demonstrate that charisma was positively related to activity inhibition and negatively related to need for achievement.

Krishnan (2001) found that transformational leaders valued collective welfare more than their personal welfare. In addition, transformational leaders inclined themselves to be guided by broader values like equality and change-oriented values like an exciting life. There was a preference given by transformational leaders to moral values over competence values. These characteristics of the leader suggest the leader’s use of power to achieve institutional or social goals rather than personal goals.

This coincides with the self-abnegation aspect of Karma-Yoga and is parallel to the effect of believing in the law of causality. Such reasons make it worthwhile to explore Karma-Yoga as a set of behaviors that could combine with transformational leadership to affect outcomes like OCB.

Katz and Kahn (1966) suggested that transformational leadership should motivate followers to perform at a level above and above mechanical compliance with the routine directives of the organization. Bass (1985) argued that followers would exert extra effort inspired by the leader’s vision of a better state of affairs. Various studies have found that transformational leadership affects followers’ satisfaction and extra effort (Sosik, 1997; Yammarino & Bass, 1989). Podsakoff et al. (1990) found that the relationships between transformational leadership and OCBs were mediated by followers’ trust in their leaders. Transformational leadership influenced both employee trust and satisfaction.

Trust influenced OCB but satisfaction did not. Individualized support and intellectual stimulation were the key determinants of both trust and satisfaction. Individualized consideration positively affected and intellectual stimulation negatively affected OCB. Rich (1999) found that transformational leaders, through individualized support enhanced optimism among followers. Optimistic employees were more likely to be productive and more likely to engage in sportsmanship, which is one aspect of OCB.

Hypothesis: Transformational leadership would enhance organizational citizenship behavior of the follower.

3. METHODS

The subjects were 86 professionals from public organization in Iran (Kurdistan province). All participants were a part of a training program being conducted usually on leadership or group dynamics. Subjects were predominantly males (95%) and the rest females
(5 %). Ages ranged widely from 23 to 59 years. Participants varied between the age groups of 20-30 (35 %), 30-40 (15 %), and 40-50 (25 %) and 50-60 (25 %). All the employees above the 30-year age bracket had spent a decade or more at the present organization. Those below 30 had spent ranging from 1-5 years at the organization. The rank in the hierarchy ranged from officer or analyst to senior manager. Educational qualifications varied from diploma in engineering to masters in business administration. An experimental design was adopted because it could reasonably simulate leadership situations and precisely manipulate the variables in the model. In addition, it gives an opportunity to enthuse the subjects to give relatively more reliable results. A 2 x 2 factorial design was used to manipulate transformational leadership (yes or no) to produce four cells with different treatments. The dependent variable here was OCB. The subjects were randomly divided into four groups of roughly equal size, each group experiencing one of the treatments. They were required to think of themselves as employees of the company while they read the scenarios. They then had to perform a task with a leader motivating or de-motivating them depending on the cell design. The participants responded to a questionnaire immediately after finishing the task. The participants in the cell were divided into 4-6 groups of 4-6 members each and each member of a group had to fill an OCB questionnaire for every other member of the group.

Manipulations: A fictitious character was created to represent the leader, about whom common background information was given across the four cells. Separate scenarios were constructed for transformational leadership and Karma-Yoga. These were statements about the leaders transformational and Karma-Yoga behaviors. These scenarios pertained to a situation facing a toy manufacturing company and a leadership episode about the project leader of a new toy design. The first two paragraphs provided general information about the company and the project of which the respondents were a part. The third paragraph described the team leader’s qualifications and achievements. The first three paragraphs were the same for all of the four scenarios. The fourth and fifth paragraphs profiled the leader in terms of transformational leadership and Karma-Yoga respectively. This varied across the cells. The sixth paragraph gave the instructions to the respondents about the scenario. This paragraph was also common across all four cells. The manipulated scenarios are included in Appendix 1.

The actor facilitated the process of the leader. He enacted the leader mentioned in the scenarios, and depicted the presence, absence or the opposite of the variable on display as the case may be. Through his behavior and feedback to the group, he reinforced the statements made about the leader behaviors in the handout given to the subjects. Karma-Yoga was combined with transformational leadership (yes or no) to produce the four cells. Both transformational leadership and Karma-Yoga were present in Cell 1, and both were absent in cell 4. However in the case of cells having one of the variables and not the other (Cells 2 and 3), the cell design was such that the variable not displayed in the cell was not a mere absence of the variable but the opposite of that variable. For instance, the cell designed to display transformational leadership and not display Karma-Yoga spoke about the transformational qualities of the leader and the qualities opposite of that of a Karma-Yogi.

The reason for this was that it was found during a test run of the experiment that the subjects confused the two variables of transformational leadership and Karma-Yoga.

Procedure: The group of 30 in each cell was further divided into subgroups of 4-6 each in random order. Then they were introduced to a person, who was to act as the leader or facilitator for the group. The participants were given handouts for each scenario. The sections describing the leader behaviors were read out to the group to tell them what the leader was really like. The game design facilitated substantial interaction with the leader, as there was an inbuilt
component of ambiguity requiring the leader to explain the objectives and way to go about doing things to the team members. At the end of the game, the participants answered a two-part questionnaire. The first part contained 18 items for manipulation checks for Karma-Yoga and transformational leadership. The manipulation check for transformational leadership was done using the 12-item Multi-factor Leadership Questionnaire Form 6S of Bass and Avolio (1992). The Cronbach alpha for the scale was 0.93. The manipulation check for Karma-Yoga was done using six items developed for this study. The items are included in Appendix 2.

The Cronbach alpha for the scale was 0.87. Analyses of variance showed that the mean scores were significantly ($p < 0.001$) different across the cells as intended. The second part contained the OCB questionnaire of Podsakoff et al. (1990). A few questions were not used and some others were introduced to suit the experimental design. We finally had 20 items. Responses were measured along a 7-point Likert scale, ranging from strongly disagree to strongly agree. The Cronbach alphas for the five factors of OCB were: altruism (4 items) 0.80, conscientiousness (5 items) 0.91, sportsmanship (5 items) 0.88, civic virtue (3 items) 0.81, courtesy (3 items) 0.67.

4. RESULTS

Results of analyses of variance of OCB variables across Cell 1 (positive transformational and positive Karma-Yoga) and each of the other three cells taken one at a time are presented in Table 1. Table 1 first presents a comparison of Cell 1 (positive transformational and positive Karma-Yoga) and Cell 2 (positive transformational and negative Karma-Yoga) the two cells having positive transformational leadership to look at the effect of Karma-Yoga on the OCB variables. There was no significant difference in the means of any of the five OCB variables between the two cells. Karma-Yoga, therefore, did not affect OCB, so long as transformational leadership was present.

Table 1 then compares Cell 1 (positive transformational and positive Karma-Yoga) and Cell 3 (negative transformational and positive Karma-Yoga) the two cells having positive Karma-Yoga to look at the effect of transformational leadership on the OCB variables given that the leader was a Karma-Yogi (Hypothesis 1). Transformational leadership significantly enhanced both altruism and conscientiousness. However, civic virtue was significantly lower when the leader displayed transformational behaviors. There was marginal support ($p < .10$) for sportsmanship being negatively affected by transformational leadership but no support was found in the case of courtesy. Hypothesis 1 was thus supported only in the case of altruism and conscientiousness. Table 1 finally presents a comparison of Cell 1 (positive transformational and positive Karma-Yoga) and Cell 4 (zero transformational and zero Karma-Yoga) to test Hypothesis 2 regarding the combined effect of transformational leadership and Karma-Yoga on the OCB variables. The presence of both Karma-Yoga and transformational leadership when compared to absence of both, significantly positively affected altruism, conscientiousness, and courtesy but significantly negatively affected sportsmanship and civic virtue.
Table 1. Analysis of Variance of OCB Variables across Cell 1 and Each of the Other Three Cells.

<table>
<thead>
<tr>
<th>Cell 1</th>
<th>Cell 2</th>
<th>Cell 3</th>
<th>Cell 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCB Variable</td>
<td>Positive TL</td>
<td>F</td>
<td>Negative TL</td>
</tr>
<tr>
<td>Positive KY</td>
<td>Positive Positive</td>
<td>Positive TY</td>
<td>Positive KY</td>
</tr>
<tr>
<td>Altruism</td>
<td>5.60</td>
<td>5.80</td>
<td>1.69</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>6.03</td>
<td>6.27</td>
<td>2.36</td>
</tr>
<tr>
<td>Sportsmanship</td>
<td>2.32</td>
<td>2.59</td>
<td>2.74</td>
</tr>
<tr>
<td>Courtesy</td>
<td>5.54</td>
<td>5.36</td>
<td>.97</td>
</tr>
<tr>
<td>Civic virtue</td>
<td>2.49</td>
<td>2.48</td>
<td>.00</td>
</tr>
</tbody>
</table>

† = p < .10. ** = p < .001.

TL = Transformational Leadership. KY = Karma-Yoga. The F-statistics are for comparing each cell with Cell 1.

5. DISCUSSION

Results show that transformational leadership enhances the “core” OCB dimensions of altruism and conscientiousness, which were identified by Smith et al. In 1983 (the dimensions sportsmanship, courtesy, and civic virtue were later added as OCB in 1988). This is in line with previous research done on the subject (Podsakoff et al., 1990; MacKenzie et al., 2001). Transformational leaders motivate their followers to perform beyond expectations and significant increase in display of altruism and conscientiousness is in support of that effect. However, transformational leadership was negatively related to sportsmanship and civic virtue.

This could be because the game was a creative game that by itself encouraged intellectual stimulation, which was further augmented by the intellectual stimulation provided by the leader. Intellectual stimulation might be negatively related to OCB because the continual pressure to think of new and better ideas and ways of doing things is likely to cause followers to increase their focus on in-role aspects of their behavior at the expense of extra-role behavior.

This has been supported by studies before (Podsakoff et al., 1990; MacKenzie et al., 2001). Intellectual stimulating behaviors often require displaying unconventional behavior that surprises other organizational members, yet is effective in achieving organizational goals (Conger & Kanungo, 1998). Managers who continually try to get their subordinates to identify better ways of doing their jobs tend to have subordinates who are less willing to help others, be good sports, and exhibit civic virtue.

The presence of both Karma-Yoga and transformational leadership has an enhanced effect on altruism, conscientiousness, and courtesy. Even though transformational leadership alone does not predict courtesy, the interplay between transformational leadership and Karma-Yoga predicts courtesy as well, possibly because the Karma-Yoga behavior of the leader includes courtesy towards others. It requires that one devoted to work should not judge people by his or her own standard but respect the other person’s opinion as well.
This when combined with idealized influence of the leader would mean that the followers, considering their leader to be a role model, would want to emulate the leader’s behavior.

6. MANAGERIAL IMPLICATIONS

The concept of citizenship behavior is being extensively studied as a predictor of organizational effectiveness. This study explored the relationship between OCB of followers and transformational and Karma-Yoga behaviors of the leader so that practicing managers can better equip themselves to enhance organizational citizenship behaviors amongst employees.

The most important implication of the study is that transformational leadership of the manager will lead to higher display of OCB by employees if it is combined with Karma-Yoga. Moreover, it is more likely to predict only some and not all OCBs. Based on the findings, it is clear that managers should try to exhibit transformational and Karma-Yoga behaviors in order to increase altruism, conscientiousness, and courtesy amongst the employees. This means that they need to pay more attention to their transformational and Karma-Yoga behaviors in order to substantially improve amongst their subordinates, behaviors that encourage providing help to a specific person, undertaking activities that reduce inconvenience caused to colleagues and faithfully adhering to rules about work procedures and conduct.

The implications in the case of jobs involving highly creative skills and constant questioning of status quo however are different. Transformational behaviors in such jobs would predict a decline in sportsmanship and civic virtue of the employees. This could be particularly relevant in today’s environment of uncertainty where employees have to constantly question the way they do things in order to survive.

Hence, a manager needs to study the working conditions and then accordingly choose what behavior he or she should exhibit based on what OCB of the follower is more important in the given context. For example, in a team-based operation, sportsmanship might be more important than in an operation that requires the employee to work on his or her own. In such cases, the display of the studied follower behaviors might be detrimental to organizational effectiveness. Therefore, a manager must choose the more relevant OCB to the workplace and accordingly modify his or her own behavior as a leader in order to increase organizational effectiveness.

Based on the findings it can also be argued that transformational leadership is the only true predictor of OCB and not Karma-Yoga. This would imply that how a leader actually works is not as important as is the perceived transformational qualities of the leader. Shamir, Zakay, Breinin, and Popper (1998) found that leader displaying exemplary behavior was not related to subordinates’ attitudes such as self-efficacy, motivation, and willingness to sacrifice. Meindl (1990) claimed that it is possible that follower attribution processes that are unrelated to leader behavior induce charismatic effects.

The leader should then be more concerned with means such as impression management in order to be perceived as more transformational and not emphasize so much about the work itself in order to elicit OCB of the followers.
References


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