# LEADERSHIP AND ORGANIZATIONAL CITIZENSHIP BEHAVIOUR OF EMPLOYEES IN MANUFACTURING INDUSTRY

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## Abstract

*The purpose of this study was to determine the relationships between leadership style and organizational commitment, job satisfaction, job involvement and organizational citizenship behaviour and whether these relationships were stronger for transformational than for transactional leaders. A sample of 52 Managers and 276 executives from manufacturing companies were participated. The results of a canonical correlation analysis using the executive's data indicated that the most prominent relationship was that between transactional leadership and affective commitment. Furthermore, transformational and transactional leadership did not correlate significantly with the constructs of job involvement and job satisfaction.*

*Keywords: Commitment, Job Satisfaction, Job Involvement & Orgnaizational Citizenship Behaviour*

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## Background to the Study

Organizations and managers are increasingly aware that they face a future of rapid and complex change. This wave of future oriented uncertainty, coupled with individual demands for increased participation at all levels of the organization, has dramatically changed perceptions of leadership, specifically with regard to the respective roles played by the leader and the follower. Almost all leadership theory is based on the relative importance assigned to the leader versus the follower in mission accomplishment. However one questions what effect this has on employee attitude and behaviour. Although there are many factors affecting employee attitudes and behaviour, research to date implies that these are influenced to some extent by leadership style. In an attempt to understand leadership effectiveness, researchers have studied two main lines of theory. Transformational leadership, which has emerged as a dominant approach, is contrasted in many studies to transactional leadership. Both transformational and transactional leaders are active leaders who actively intervene to solve and prevent problems from occurring. Numerous studies have also compared these two styles of leadership to laissez faire leadership, which is descriptive of an inactive leader (Barbuto, 1997; Hartog & Van Muijen, 1997; Hater & Bass, 1988; Posdakoff, MacKenzie & Bommer, 1996; Tepper & Percy, 1994; Tracey & Hinkin, 1998; Trott & Windsor, 1999). Leadership theory suggests a positive relation between transformational/transactional leadership and other constructs such as organizational commitment, job involvement, job satisfaction and organizational citizenship behaviour. However, based on the cumulative evidence thus far, one could expect transformational leadership to have a stronger, positive relationship with these constructs. Judge and Bono (2000, p.754) stated, "The MLQ ratings do not include some potentially relevant outcomes, such as organizational commitment or overall job satisfaction. Although one would expect that the subordinates of transformational leaders are more satisfied with their jobs and more committed to their organizations, with a few exceptions,… there is little evidence to support these linkages." Several studies indicate that transformational leadership, when compared to transactional and laissez faire leadership, results in higher levels of satisfaction, commitment, organizational citizenship behaviour, cohesion, motivation, performance, satisfaction with the leader and leader effectiveness (Avolio & Bass, 1999; Barbuto, 1997; Covin & Kolenko, 1997; Hartog & Van Muijen, 1997; Hater & Bass, 1988; Posdakoff, MacKenzie & Bommer, 1996; Tepper & Percy,

1994). Although the attitudes of job satisfaction, job involvement and organizational commitment represent distinct concepts (Brooke, Russel & Price,1988), research has indicated that the these work-related variables are likely consequences of each other (Brown, 1996). As a positive emotional state reflecting an affective response to the job situation (job satisfaction), and a cognitive belief state reflecting one's psychological identification with the organization (job involvement), researchers have indicated that these two attitudes to a specific job are different from one another and from organizational commitment which focuses on the individual's identification with the organization as a whole (Brooke, Russell & Price, 1988; Brown, 1996). Trott and Windsor (1999) provided findings that indicate that staff nurses are more satisfied with transformational leaders, and that their level of satisfaction increases as the leader uses a more participative style. Furthermore, Hater and Bass (1988) found transformational leadership to be positively correlated with how effective subordinates perceive leaders, how much effort they say they will expend for the leader, how satisfied they are with the leader, and how well subordinates perform as rated by the leader. This study aims to determine the relationship between leadership styles and the attitudes and behaviour of organizational commitment, job satisfaction, job involvement and organizational citizenship behaviour. The results of this study would be particularly relevant given the centrality of leadership to the success or failure of organizations. Although there are many differentiations in the leadership theory, there appears to be an acceptance of the distinction between transformational, transactional and laissez faire leadership.

## Research Review

## Transformational Leadership

Nurdan Özaralli, (2003) "Effects of transformational leadership on empowerment and team effectiveness", The purpose of this article is to investigate transformational leadership in relation to empowerment and team effectiveness. As part of an integrative model of leadership, transformational leadership style of superiors is proposed to be related to the strength of subordinate empowerment and team effectiveness. A total of 152 employees from various industries rated their superiors' transformational leadership behaviors and also how much they felt empowered. They also evaluated their teams' effectiveness in terms of innovativeness, communication and team performance. Findings suggest that transformational leadership

contributes to the prediction of subordinates' self-reported empowerment and that the more a team's members experience team empowerment, the more effective the team will be.

Constant D. Beugré, William Acar, William Braun, (2006) "Transformational leadership in organizations: an environment-induced model", The purpose of this article is to analyze the impact of the external environment on the emergence of particular forms of transformational leadership. To develop a conceptual model, the extant literature on environment and transformational leadership was used. Specifically, the focus was on the constructs of volatility of the external environment, environmental uncertainty, and existing models of transformational leadership. In this article, an environment-induced model of transformational leadership was developed, which identifies three types of transformational leaders – revolutionary, evolutionary and transgressor. Revolutionary transformational leaders are likely to emerge in organizations operating in volatile environments and whose members show either a high or a low degree of receptivity. However, evolutionary-transformational leaders are likely to emerge in less volatile environments whose members show a high degree of receptivity, and transgressor-transformational leaders would emerge in less volatile environments whose members show a low degree of receptivity. The value of the present article lies in the fact that it binds together the literature on the firm external environment and transformational leadership. Thus, the article helps reduce the artificial boundary between macro and micro issues in the study of organizations

Susan Fitzgerald, Nicola S. Schutte, (2010) "Increasing transformational leadership through enhancing self-efficacy", The present study aims to examine whether an intervention designed to increase self-efficacy for transformational leadership results in more transformational leadership self-efficacy and a higher level of transformational leadership. In previous research higher levels of emotional intelligence have been found to be associated with more transformational leadership; thus the present study also seeks to examine whether higher emotional intelligence makes individuals more receptive to self-efficacy-based leadership training. The study used an experimental design. Participants were randomly assigned to either a self-efficacy expressive writing condition or a control writing condition. Participants were 118 managers who completed

measures of self-efficacy, transformational leadership and emotional intelligence at the start of the study and again completed measures of self-efficacy, and transformational leadership after the intervention. Managers in the intervention condition showed significantly greater transformational leadership self-efficacy and higher transformational leadership scores than the control group managers at post-test. Further, those higher in emotional intelligence were more responsive to the intervention.

## Organizational Commitment

Darwish A. Yousef, (2000) "Organizational commitment and job satisfaction as predictors of attitudes toward organizational change in a non-western setting", This study investigates the role of various dimensions of organizational commitment and job satisfaction in predicting various attitudes toward organizational change in a non-western work setting. The study uses a sample of 474 employees in 30 organizations in the United Arab Emirates. Path analysis results reveal that employees' affective and behavioral tendency attitudes toward organizational change increase with the increase in affective commitment, and that continuance commitment (low perceived alternatives) directly and negatively influences cognitive attitudes toward change. Results further show that affective commitment mediates the influences of satisfaction with working conditions, pay, supervision and security on both affective and behavioral tendency attitudes toward change. Continuance commitment (low perceived alternatives) mediates the influences of satisfaction with pay on cognitive attitudes toward change. Satisfaction with various facets of the job directly and positively influences different dimensions of organizational commitment. Implications, limitations and lines of future research are discussed.

Mohamed Behery, R.A. Paton, Rahim Hussain, (2012) "Psychological contract and organizational commitment: The mediating effect of transformational leadership", The purpose of this paper is to investigate, within a non-western context, the impact of the psychological contract, relational psychological contract (RPC) and transactional psychological contract (TPC), on organizational commitment (OC) as mediated by transformational leadership (TL). In addition, the paper also explores contractual status: does the theory fit, whether one is employed on a full or part time basis. The empirical part of the article is based on self-administrated

questionnaires completed by 433 respondents from across a range of service industries in the UAE. The results indicate that both RPC and TPC are positively related to TL. The study did not identify any meaningful relationship between TL and OC. The study also suggests that TL has, at best, only a partial mediating role in relation to the RPC, TPC, and OC. As respondents' contractual status was employed as a control moderator, the paper can also report that part versus full time employment does not influence the outcome regarding the aforementioned relationships.

**Organizational Citizenship**

Steven Appelbaum, Nicolas Bartolomucci, Erika Beaumier, Jonathan Boulanger, Rodney Corrigan, Isabelle Doré, Chrystine Girard, Carlo Serroni, (2004) "Organizational citizenship behavior: a case study of culture, leadership and trust", The case will test two hypotheses regarding three variables influencing the level of employee satisfaction and organizational citizenship at GAMMA, a manufacturer of plastics. Two hypotheses were developed from a review of the literature and initial results from exploratory research (?H1: low employee satisfaction at GAMMA is a direct result of an autocratic leadership style, low trust environment and weak corporate culture; H2: low employee citizenship is a direct result of low employee satisfaction). Results suggest that although the perception was that employee satisfaction and organizational citizenship were low (from the exploratory research); both quantitative and descriptive data indicated these were not. Moreover, the hypotheses were not conclusively supported quantitatively. High trust was not obtained. Also a specific high leadership style and a specific culture resulting in high employee satisfaction were also questionable. Moreover, it was not observed that a strong correlation existed statistically. H1 is therefore not conclusive quantitatively. H2 does not demonstrate a high level of employee citizenship and employee satisfaction correlation. Despite these results, it is recommended management employ the following action plan: do not change current leadership style; develop an action plan to increase trust starting with increasing accessibility of management to employees; develop an action plan to move from current culture to preferred expressed culture starting by rewarding team activity rather than individual activities; improve employee satisfaction even if the observed level is medium to high.

Gregory Murphy, James Athanasou, Neville King, (2002) "Job satisfaction and organizational citizenship behaviour: A study of Australian human-service professionals", the purpose of this study was to examine the role of organizational citizenship behaviour as a component of job performance. Participants comprised 41 human-service workers, who completed a job satisfaction questionnaire and were rated for their organizational citizenship, as well as being measured on three discretionary organizational participant behaviours. Job satisfaction correlated significantly with organizational citizenship and participation behaviours (correlations ranged from +0.40 to +0.67). Findings were consistent with the view that satisfaction may not be reflected in productivity but are evident in discretionary involvement in the workplace. Implications for monitoring and managing a wide range of employee behaviours are outlined.

David A. Foote, Thomas Li-Ping Tang, (2008) "Job satisfaction and organizational citizenship behavior (OCB): Does team commitment make a difference in self-directed teams?" The purpose of this paper is to propose a model in which team commitment in self-directed teams moderates the relationship between job satisfaction and organizational citizenship behavior (OCB). Survey questionnaires measuring team commitment, OCB, and job satisfaction were administered to 242 full-time employees who were involved in self-directed teams at three geographically diverse manufacturing facilities. After carefully testing the psychometric properties of the scales, hierarchical multiple regression was used to test hypotheses. The relationship between job satisfaction and OCB was shown to be significant, as was the relationship between team commitment and OCB. Most importantly, the relationship between job satisfaction and organizational citizenship behavior was moderated by team commitment, such that the relationship was stronger when team commitment was high

**Methodology**

The participants in this study were branch managers and executives of a major manufacturing companies in India. Although questionnaires were sent to 62 mangers and 342 executives, only 52 mangers and 276 executives were included in the study. This was primarily due to the fact that the research design required a minimum of three executives per manager.

## Scale used in the study

Transformational, Transactional and Laissez faire Leadership styles were measured with the Multifactor Leadership Questionnaire (MLQ 5X), developed by Bass and Avolio (1997). The Multifactor Leadership Questionnaire measures a broad range of leadership types from passive leaders, to leaders who give contingent rewards to followers, to leaders who transform their followers into becoming leaders themselves. The MLQ identifies the characteristics of a transformational leader and helps individuals discover how they measure up in their own eyes and in the eyes of those with whom they work. Success can be measured through a retesting program to track changes in leadership style. The program described in the MLQ Trainer's Guide provides a solid base for leadership training.

The MLQ assesses five components of transformational leadership (Idealized Influence – attributes, Idealized Influence- behaviour, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration), three components of transactional leadership (Constructive Transaction, Management by Exception- active and Management by Exception- Passive), and one non-transactional/laissez faire leadership component. The relevant components were combined to obtain total scores on transformational, transactional and laissez faire leadership. In addition, the MLQ 5X assesses three outcome components (Extra Effort, Effectiveness and Satisfaction). The MLQ items are evaluated on a five-point scale ranging from 0 ("not at all") to 4 ("frequently, if not always"). Two questionnaire forms were completed, namely the self-rating form, where managers rated themselves as leaders, and the executives form, where subordinates of these leaders rated their superiors.

## Procedure

Due to the nature of the study, it was necessary to use a two-fold approach. All managers were first asked to complete the MLQ as a self-rating, indicating how frequently, or to what degree, they believed they engaged in the specific behaviours identified. Thereafter all executives were requested to completed a survey pack which contained personal profile information as well as the MLQ (Executives), Organizational Commitment Questionnaire, Work Behaviour Assessment Form, Job Satisfaction Questionnaire, Job Involvement Questionnaire and the Organizational

Citizenship Behaviour Questionnaire. Questionnaires were e-mailed to all managers and those subordinates reporting directly to these leaders.

**Results**

The affective, normative and continuance commitment mean scores were 5.50, 4.64 and 3.50 respectively. The mean scores for job involvement, job satisfaction and organizational citizenship behaviour were above their respective scale midpoints. The internal consistency coefficients for the MLQ (executives), organizational commitment, job involvement and job satisfaction measures were generally acceptable (>0.70) except for the MLQ dimension of Management by Exception, passive (0.54). The internal consistency coefficients for the MLQ (managers) were not acceptable for several scales, probably as a result of the small sample size. The inter-correlations between the executives mean scores on the MLQ scales were calculated. The only scale that did not correlate strongly with all the other scales was Management by Exception (active). It was therefore decided to obtain a composite score for the three leadership styles separately and to use these in the analyses to follow. The reliabilities of the three leadership styles based on the executive mean scores were also computed, namely 0.92 for transformational leadership, 0.54 for transactional leadership and 0.72 for laissez faire leadership.

The internal consistency coefficients for the organizational citizenship behaviour dimensions of Civic Virtue (r = 0.64) and Sportsmanship (0.47) were also found to be non-acceptable. In order to assess whether the organizational citizenship behavior measure was reliable overall, the reliability of the total scale was computed, which yielded a coefficient of 0.62. On the grounds of these unsatisfactory reliability results, it has decided to carry out an exploratory factor analysis on the organizational citizenship behaviour measure to determine whether the questionnaire would yield dimensions with acceptable psychometric properties. The Kaiser-Meyer-Olkin measure of sampling adequacy (MSA) was equal to 0.78 and the Bartlett test for sphericity was 613.45 (p<0.000) indicating that the sample used was adequate and that there was sufficient justification to perform a factor analysis. The 13 items of the organizational citizenship behaviour questionnaire were subjected to a principal axis factor analysis using a varimax

rotation, which resulted in four factors being extracted. Sub scores were determined for each of these factors, which were then inter-correlated and subjected to a second order factor analysis. The obtained factor matrix was obliquely rotated to a simple structure using the direct oblimin procedure.

Two factors were obtained, namely Helping Behaviour and Civic Virtue, due to the high correlation between these two factors, they were combined to yield a single organizational citizenship behaviour dimension with a reliability coefficient of 0.76. In order to establish whether there were any significant differences between the executives mean scores and the leaders' self-ratings on each of the three leadership styles, t-tests were performed.

Significant differences was found in the ratings of transformational ($p<0.000$) and laissez faire leadership ($p<0.000$). No significant difference was however found for transactional leadership ($p=0.062$). When the leadership styles according to the perceptions of the executives and the managers were compared, 99.1% of the managers rated themselves as transformational, whereas the executives indicated that only 90.6% were transformational and 7.5% laissez faire. Interestingly, neither the manager nor the executives indicated transactional leadership as a dominant leadership style.

## Discussion

The primary objective of this study was to examine the relationship between leadership style and employee attitudes and behaviour, and whether the strength of the relationship was greater for transformational than transactional leaders. Leadership theory suggests a stronger, positive relationship between transformational leadership and organizational commitment, job satisfaction, job involvement and organizational citizenship behaviour, however previous researchers (Judge & Bono, 2000; Schnake & Dumler, 1993) have called for more research to support such a link. This study responds to this call and thus fills an important void in the leadership literature. Both the inter-correlations and canonical correlation analyses of the executives mean scores revealed that the most prominent significant relationship is between transactional leadership and affective commitment. Interestingly, the results of the canonical

correlations based on the managers ratings, indicated that no significant canonical correlation was found.

From the inter-correlation matrix for executives, it was found that there was a significant and positive correlation between transactional leadership and affective commitment (r = 0.46). However the correlation between transformational leadership and affective commitment was also positive and significant (r = 0.45).

At the same time, although transactional leadership best describes the independent canonical variate (r = 0.92), transformational leadership is also positively correlated with the independent variate (r = 0.53).

Given the significant correlation between transformational and transactional leadership (r = 0.56), one could expect to obtain a significant and positive correlation of both transformational and transactional leadership with affective commitment.

First, the results seem understandable given that transactional leadership is based on an exchange of information between leaders and followers for various kinds of rewards. When this transactional relationship is acceptable to the follower, there may be a feeling of emotional attachment towards the organization. This could also possibly explain the non-significant correlation between transactional leadership and continuance commitment. Secondly, effective managers typically display both transformational and transactional characteristics, as evidenced by the positive correlations between these two styles of leadership. This supports previous findings in the literature (Avolio & Bass, 1999; Bass & Steidlmeier, 1998; Hartog & Van Muijen, 1997), and suggests that effective executives use a combination of distinct leadership styles, each in the right measure and at the right time.

The majority of respondents in the sample were above the age of 40, indicating that they possibly have well established leadership patterns and could therefore find it difficult and uncomfortable to change to a more transforming leadership style. The high correlation between affective

commitment and normative commitment is noteworthy. By means of a brief historical overview, many of the participants in this study had been with the manufacturing companies for a long time and have therefore been involved in the structural changes that have taken place.

The high levels of affective commitment describe those longstanding loyal executives/senior managers who are emotionally attached to the organization and its purpose. A surprising result of this study is that transformational and transactional leadership did not correlate significantly with job involvement and job satisfaction. However, the results indicate that transformational and transactional leadership do not affect these constructs.

Although transformational and transactional leadership did not correlate significantly with job involvement and job satisfaction, the study provides evidence of a significant relationship between transactional leadership and affective commitment, transformational leadership and affective commitment (to a lesser degree), normative commitment as well as organizational citizenship behaviour. The results further indicate a significant relationship between affective commitment and normative commitment. It is thus hoped that this study will stimulate future research into the relationship between leadership style and employee attitudes and behaviours.

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Key Notes:

- Organizational commitment and job satisfaction as predictors of attitudes toward organizational change in a non-western setting

- The role of organizational citizenship behaviour as a component of job performance

- Team commitment in self-directed teams moderates the relationship between job satisfaction and organizational citizenship behavior