

# The Relationship between Transformational Leadership Style and Behavior of Organizational Citizen (Case Study: Ghavamin Bank)

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## Abstract

The present research was conducted with the aim of determining the relationship between transformational leadership style and organizational citizenship behavior in Ghavamin Bank of Markazi province. The research method was practical in terms of objectives and correlational descriptive in terms of data collection method. Moreover, it was quantitative in terms of the collected data. Statistical population of the research consisted of all employees in Ghavamin Bank branches in Markazi province (280 individuals) among whom 162 individuals were selected as a sample size using Morgan table and simple random sampling method. Bass and Avolio standard questionnaire (1996) with 16 questions was used to evaluate transformational leadership and Organ questionnaire (1998) with 20 questions was employed in order to evaluate organizational citizenship behavior. The reliability of the questionnaire was investigated using Cronbach's alpha method which the value was reported to be 0.77 and 0.88 for "transformational leadership" and "organizational citizenship behavior", respectively. In addition, content validity was used to investigate the validity. Hence the questionnaires were approved by the relevant experts. The data obtained from questionnaire was analyzed using SPSS software in two sections of descriptive and inferential (Spearman Correlation and Stepwise Regression). The results indicated that there was a

significant relationship between components of transformational leadership style and organizational citizenship behavior. In addition, individual considerations had the highest relationship with organizational citizenship behavior. Therefore, organizations and managers should move step by step in order to make organizational citizenship behavior. This is because the process of organizational citizenship behavior is not a one-day process which could be entered to an organization like new technologies do, but it is a time consuming and permanent procedure.

**Keywords:** Transformational leadership style, Idealized influence, Intellectual stimulation, Organizational citizenship behavior

## 1. Introduction

Efficient and productive human resource has drawn the attention of organizations and legitimate institutions and employment of human resources demands existence of competence leaders and using efficient leadership styles in order to enhance organizational citizenship behavior (Karami Nia and Salimi, 2010). The concept of organizational citizenship behavior has been paid special attention in the 15 recent years and its significance is increasing (Koning & Van Kleef, 2015). The conducted studies are classified into three major groups: a series of the investigations were concentrated on prediction and experimental test of factors creating organizational citizenship behavior and presented factors such as job satisfaction, organizational commitment, organizational identity, organizational justice, confidence, different types of leadership and leader-follower relationship as factors of creation organizational citizenship behavior (Podsakoff et al., 2000). On the other hand, some of the researches were focused on consequences of organizational citizenship behavior and presented factors such as organizational performance, organizational effectiveness, organizational success, customer loyalty and social capital (Ng, Lam, and Feldman, 2016).

Although organizational citizenship behavior is a new concept in management and organization literature, there are variety of definitions for it. One of the initial definitions which many researchers approved it was presented by Organ. According to him, organizational citizenship behavior refers to voluntary and individual behavior that is not design directly by formal reward systems in the organization, however, it leads to promotion of effectiveness and performance within the organization (Özdemir & Ergun, 2015). In the following, components of organizational citizenship behavior are defined: "altruism" is meant to help partners in completing the work in unusual circumstances; "conscientiousness or work ethic" is meant to behavior that one perform in implementation of a job more than the task requirements; "citizenship virtue and social mores" refers to polite behavior that prevents from creating problems and issues in the workplace; "chivalry" emphasize the positive aspects instead of the negative aspects in the organization including tendency to have patience in the face of inevitable harassment and work oppression without complaining; "respect and honor" refers to people's behavior with colleagues, supervisors and audience in the organization and doing things that are not necessary but it might be beneficial for the organization (Organ et al., 2008).

Organizations are a part of the whole society which are in close relationship with social, political, legal, ideological and economic structures and organizational system data are related to the society and environment of that system. Proper management and leadership of these organizations are necessary for development and progress of societies. Effectiveness is the final point of the impact of transformational leadership style. This leadership style also has some consequences. Among the consequences, organizational citizenship behavior has a significance status, because it has been always of elements of definition and description of transformational leaders (Guay & Choi, 2015); on other words, organizational citizenship behavior is strictly conforming interpretation presented by Bass (1985) about subordinates of transformational leaders. These leaders motivate their subordinates in order to perform beyond expectations. On the other hand, organizational citizenship behavior is appropriate for any organization because it is in close relationship with significant variables such as job satisfaction, preservation of systems and organizational productivity. The results of similar researches indicated that managers can develop organizational citizenship behavior by creation or improvement of working atmosphere instead of resorting to force and coercion or instead of emphasizing the processes of selection, employment or socialization in order to make such behaviors (Podsakoff et al., 1990).

It seems that managers can provide appropriate and proper conditions in order to perform assignments together with commitment by adoption of proper leadership styles (Bai, Lin and Li, 2016). This can result in enhancement of organizational citizenship behavior itself. In support of this, Avolio et al. (2014; cited in Conger, 1999) demonstrated that followers' commitment increases by employment of effective management techniques of a leader.

Leadership is a subject that has drawn attention of researchers and also public since a long time ago. It might be because of being mysterious of leadership in people's life (Chen, Yuan, Cheng and Seifert, 2016). Most of the time, scientists in behavioral science have tried to understand that by what characteristics, abilities and behaviors leaders can affect their followers and achieve group goals (Yokel, 2003).

Bass defined transformational leader as a person that empower his followers and motivate them in line with performance beyond their expectations and also motivate them to follow group goals instead of personal benefits (Bass and Riggio, 2008). The components of transformational leadership in the present research are idealized influence, spiritual motivation, intellectual stimulation and individual consideration. Idealized influence explains leaders that acts as a powerful models for their followers. Moreover, charisma, honor, respect and irrefutable loyalty of the followers comes from a leader that transfers the sense of being ideal; spiritual motivation is among capabilities of transformational leaders that presents the leader as a characteristic which motivates followers by inspiring good behavior. Spiritual motivation refers to elevation and motivation of followers using their feelings. This factor consisted of speaking and expressing an interesting perspective of the future; Bass defined intellectual stimulation as a motivating factor in followers for thinking about beliefs and values and being aware of the problems and solving them. Using this factor, transformational leadership leads to promotion of the ability of people to understand the nature of the organization and organizational problems (Moghali, 2002); individual considerations and

attention refers to taking the time to educate and communicate with subordinates in order to develop and promote their capabilities. This factor encompasses great compassion and respect of the leader about serious consideration to the demands of followers in order to grow and flourish them as much as possible (Thomson, Rawson, Slade and Bledsoe, 2016).

On the other hand, in the current situation, participation, obedience and loyalty to the organization's staff are of the most importance. Based on this, the results of related conducted researches indicated that employees demand voluntary spirit of conscientiousness, altruism, respect and reverence in order to perform appropriately and promote it. One of the newest, developing and totally related concept about this Meta role behavior is "organizational citizenship behavior". According to organizational and management issues, voluntary and individual behaviors which is not designed directly by formal reward systems are called organizational citizenship behavior. Moreover, this leads to promotion of effectiveness and efficiency of performances. It is expected from employees as organizational citizens to serve in line with the organization's goals beyond the requirements of their role (Szczepańska-Woszczyzna, 2015).

Bank employees are faced with high levels of customers during their work time. This emphasize the necessity of proper behavior in such jobs in order to gain trust and provide client satisfaction on one hand and relieve themselves from heavy pressure of work on the other hand. In this regard, appropriate interaction of staff with each other and proper communication with customers is an issue that paying special attention to it results in organizational profits and productivity, however, high work pressure on consecutive days might have negative impact on appropriate communication methods, reduce the level of customer service, lead to less attention to the human resources of the organization and result in not considering organizational benefits by the staff. Therefore, the main concern of banks is development of human resources prior to their activities according to the large amounts of human resources. Emergence of private banks in Iran and Iran's eventual membership in the World Trade Organization increases the importance of such subjects. Private Banks, especially Ghavamin bank, are located at the center of concentration of different segments of society, hence it is expected that competencies development among employees together with the influence of leadership style has a significant role in the quality of provided services.

According to the fact that Ghavamin Bank is among the top five banks in Iran, it is developed based on a large share of the up-to-date technologic equipment in the banking industry and consisted of proficient and expert human resources in banking system, conducting a study on transformational leadership style and its relationship with organizational citizenship behavior seems to be necessary. Therefore, the present research is going to answer to the following question by explaining the foundations of organizational citizenship behavior and transformational leadership style. What is the relationship between transformational leadership style with organizational citizenship behavior in Ghavamin Bank of Markazi province? According to the mentioned question, the research hypotheses are as bellow:

- There is a relationship between transformational leadership style and organizational citizenship behavior in Ghavamin Bank.

- There is a relationship between idealized influence and organizational citizenship behavior in Ghavamin Bank.
- There is a relationship between spiritual motivation and organizational citizenship behavior in Ghavamin Bank.
- There is a relationship between intellectual stimulation and organizational citizenship behavior in Ghavamin Bank.
- There is a relationship between individual considerations and attention and organizational citizenship behavior in Ghavamin Bank.

Eventually, the research conceptual model is shown in figure 1.

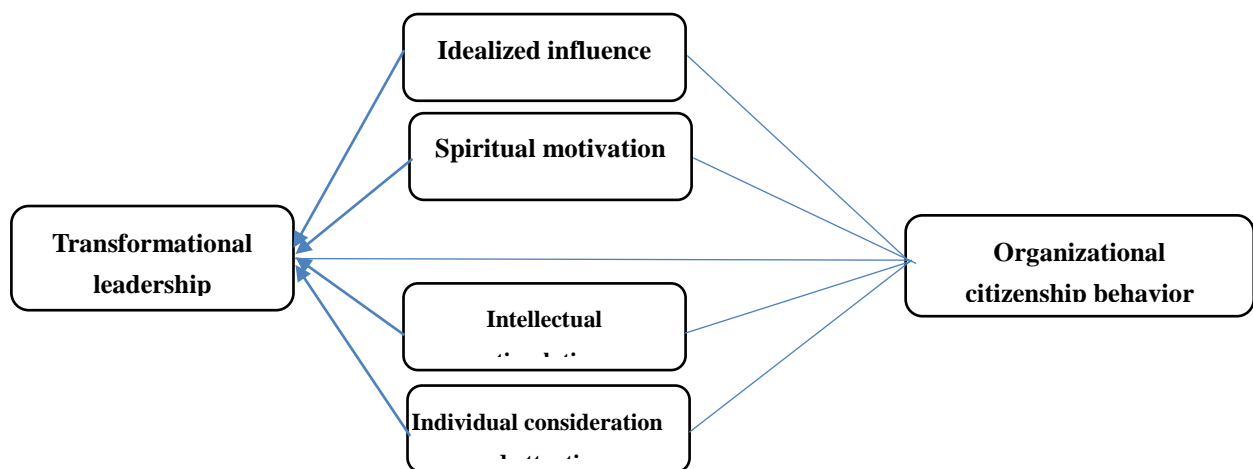


Figure 1: conceptual model of the research (Organ, 1998; Bass and Avolio, 1996)

## 2. Methodology

The present research was practical in terms of objective and descriptive-correlational in terms of nature and data collection method. The statistical population of the research consisted of all employees in Ghavamin Bank branches in Markazi province (280 individuals) among whom 162 individuals were selected as a sample size using Morgan table and simple random sampling method. Field study and library study methods were used in order to collect the required data. In the section of field study, Bass and Avolio standard questionnaire (1996) with 16 questions was used to evaluate transformational leadership and Organ questionnaire (1998) with 20 questions was employed in order to evaluate organizational citizenship behavior. And Cronbach's alpha method was used in order to investigate the reliability of the questionnaire which the values were calculated to be 0.78 and 0.89 for the dimensions of transformational leadership and organizational citizenship behavior, respectively. Moreover, content validity was used to investigate the validity of the questionnaire and the questionnaire was approved by the related scholars in this regard. It should be mentioned that the questionnaire was based Likert scale. Eventually, the data obtained from questionnaire was analyzed using SPSS software in two sections of descriptive and inferential (Spearman

Correlation and Stepwise Regression).

### 3. Findings

In order to analyze the collected data, the analytic statistics were employed in two terms of descriptive and inferential. In the section of inferential, the research hypotheses were analyzed using Spearman correlation method and stepwise method. It should be mentioned that data analysis was carried out using SPSS software. Prior to the test, Kolmogorov-Smirnov test was utilized in order to investigate the normality of data distribution. The findings indicated that since the significance level of the variables were less than 0.05, data distribution is not normal. Therefore, nonparametric statistics and Spearman correlation coefficient test were employed in order to check the main and subordinate hypotheses. Each of the hypotheses are studied in the following.

- There is a relationship between transformational leadership style and organizational citizenship behavior in Ghavamin Bank.
- There is a relationship between idealized influence and organizational citizenship behavior in Ghavamin Bank.
- There is a relationship between spiritual motivation and organizational citizenship behavior in Ghavamin Bank.
- There is a relationship between intellectual stimulation and organizational citizenship behavior in Ghavamin Bank.
- There is a relationship between individual considerations and attention and organizational citizenship behavior in Ghavamin Bank.

Correlation between transformational leadership style and its components with organizational citizenship behavior is mentioned in the following table.

Table 1: correlation between transformational leadership style and its components with organizational citizenship behavior (N=162)

Dimension and components of transformational leadership	Sig. level	Correlation coefficient
Transformational leadership	0.003	0.788
Idealized influence	0.001	0.486
Inspirational motivation	0.002	0.586
Intellectual stimulation	0.001	0.671
Individual considerations and attention	0.001	0.518

According to table 1, it can be expressed at 99% confidence level that there was a significant relationship between transformational leadership style and its components and organizational citizenship behavior from the point of view of employees in Ghavamin Bank of Markazi province. In addition, the correlation coefficient between the two dimensions of transformational leadership and organizational citizenship behavior was reported to be 0.788.



In the following, prediction of organizational citizenship behavior is investigated using stepwise regression. In the present research, the predictor variables are components of transformational leadership style. In order to sketch the model in the first step, the variable of individual considerations was entered and the variables of individual considerations and intellectual stimulation were entered in the prediction equation in the second step. Eventually, the variables of individual considerations, intellectual stimulation and spiritual motivation were added to the model in the third step. Scores of idealized influence was eliminated from the equation due to its weak relationship with the variable of organizational citizenship behavior.

The results of stepwise regression analysis are mentioned in the following table.

Table 2: multiple correlation coefficient

Pattern	Steps	Predictor variables	Multiple correlation coefficient	Square multiple correlation coefficient	Adjusted square multiple correlation coefficient	estimated standard error	F coefficient	Significance
Step	1	Individuals considerations	0.879	0.875	0.764	0.766	522.4	0.000
	2	Considerations + Intellectual stimulation	0.975	0.434	0.915	0.916	876.8	0.001
	3	Considerations + Intellectual stimulation + motivation	0.81	0.225	0.863	0.963	1.36	0.002

As it is obvious, individual considerations, intellectual stimulation and spiritual motivation were capable of predicting organizational citizenship behavior in three steps. In the first step, individual considerations with the beta coefficient of 0.879 could explain about 87% of the variance of organizational citizenship behavior, which had the highest power in explaining organizational citizenship behavior. In the second step, intellectual stimulation with the beta coefficient of 0.975 was added and they could explain about 68% of organizational citizenship behavior. In the meantime, 43.4% was exclusively for intellectual stimulation. In the last step, inspirational motivation with the beta value of 0.981 was added and made the ability to explanation to 68% which 22.5% was exclusively for intellectual stimulation. Standard and non-standard predictor coefficients of organizational citizenship behavior in stepwise regression are tabulated in the following table.

Table 3: standard and non-standard predictor coefficients of organizational citizenship behavior in stepwise regression

Pattern	Steps	Predictor variables and constant values	Non-standard beta coefficient	Standard error	Standard beta coefficient	T value	Significance
Stepwise	1	Constant value	27.828	1.172		23.753	0.001
		Individual consideration	1.491	0.065	0.875	22.856	0.001
	2	Constant value	13.533	1.100		12.298	0.003
		Individual consideration	1.159	0.044	0.434	26.451	0.004
		Intellectual stimulation	1.947	0.115	0.680	16.889	0.001
	3	Constant value	3.946	1.000		13.947	0.000
		Individual consideration	1.073	0.030	0.630	35.980	0.000
		Intellectual stimulation	1.851	0.077	0.413	23.987	0.000
		Spiritual motivation	0.784	0.056	0.225	14.124	0.00

Therefore, regression equation is as bellow according to the above table:

$$Y = -13.94 + 0.030(\text{score of individual consideration}) + 0.077(\text{score of intellectual stimulation}) + 0.056(\text{score of spiritual motivation})$$

#### 4. Conclusion and Suggestions

Transformational leadership is one of the most recent approaches to leadership which there has been limited number of related investigation in the country. The theory of transformational leadership is one of the theoretical frameworks in the world that was presented by Bass (1985) and Bronze (1987). In the recent years, there have been many investigations on new pattern of transformational leadership management. According to the conducted researches in the recent years and the importance of transformational management as a successful management style in today's organizations and also study of organizational citizenship behavior as one of the most important factors in organizational effectiveness, there has been a limited number of researches in this regard in Iran. The present research was aimed to find reasons to prove existence of a relationship between organizational citizenship behavior and transformational leadership style among employees. In the following, the research findings, conclusion, limitations and suggestions are mentioned.

The findings indicated that there was a relationship between organizational citizenship behavior and transformational leadership style in Ghavamin Bank. On other words, organizational citizenship behavior had a direct relationship with transformational leadership style and stronger transformational leadership style leads to improved organizational



citizenship behavior. Transformational leadership results in improvement of organizational citizenship behavior by promotion of abilities of followers in order to realize the nature and problems of organization, creation of creativity in followers and identification of their values and beliefs. Identification and employment of transformational leadership style leads to increase of level of performance in the whole organization, ability of inspiration, being charming, organizing structures and systems. Transformational leadership is the manager of all changes and is the basis of changes and transformations in the society and organization. Transformational leaders elevate creativity, motivation and spirituals in their followers and pay special attention to the followers' personal profits. Using transformational leadership style, managers can develop a constant and voluntary commitment to objectives, methods and organizations' success in line with organizational citizenship behavior. On the other hand, organizational citizenship behavior, as a valuable source, refers to the fact that they can realize followers' and organization's objectives by creating appropriate norms and trust. Organizational citizenship behavior is very important in effectiveness and success of organizational operations and promotes behaviors that lead to improvement of social and psychological groundwork and protects occupational performance.

Spearman correlation coefficient, as a statistical method, was used to investigate the relationship between the components of transformational leadership style and organizational citizenship behavior. The results indicated that there was a significant relationship between the components of transformational leadership style and organizational citizenship behavior which the explanations are mentioned in the following.

Idealized influence refers to a leadership that is admirable and trustable, subordinates consider the leader as a pattern and model and try to make themselves close to him. Such leaders are deemed as a pattern that individuals like to follow them due to their specific characteristics, charisma and special moral behaviors. Such leaders are often seen as individuals with high levels of morality, trust, integrity, honesty and purpose; therefore, a leader who has idealized influence among his employees results in motivation of sense of accountability and gratitude among employees. In addition, he leads his employees to altruistic behavior because of creating the sense of accountability, thereby respectful behavior with other staff and honoring customers will be emerged.

Spiritual motivation refers to a type of leadership in which the leader makes his subordinates hopeful, presents future outlook achievable and clear and motivates individuals to elevate their expectations. Spiritual motivation demands a leader that empower his organization's member. Transformational leaders transfer organizational objectives and significance of mission to their employees clearly. Such a transformation let the employees to try hard and perform assignments beyond what has been defined. Existence of a leader who is spiritual for his employees and gives constant and continuous energy to them leads the employees to be responsible of duties beyond their duties. In fact, organizational citizenship behavior in such organizations will be changed to a type of dynamic and constant behavior.

Intellectual stimulation also make the leaders capable and motivated in order to show new ways of looking at old problems to their employees and to emphasize on logical solutions and

to develop their own capabilities. Leadership with intellectual stimulation learns to his employees to consider any thread as an opportunity and to elevate self-confidence and accountability.

Individual considerations and attention consisted of paying attention to individual differences of followers and make relationship with each one of them and stimulate them in this way. Delegation of responsibilities is for learning experiences. A leader meet emotional feelings of his subordinate and help them to get to their objectives. These leaders might spend a considerable time duration on education and training. A leader who pay special attention to the spirit and sensitivities of his employees is a perfect leader for all of them. As it is obvious from the results of regression analysis, the dimension of individual consideration is the strongest dimension in prediction of emergence of organizational citizenship behaviors.

The results of the hypotheses were in line with the findings of Guay and Choi (2015), Seif et al. (2014), Podsakoff et al. (1990) and Makian et al. (2013).

Eventually, it is suggested to the employees of Ghavamini Bank according to the research main hypothesis:

- To inspire honor and pride with respect to cooperation and participation. Managers should identify inhibiting factors and take special actions to eliminate them in order to create a culture of participation in the organization.
- Integration of individual and organizational objectives from the perspective of value;
- Re-engineering foundations as an approach by managers;
- To gather different people under the umbrella of thought and single opinion and to foster creative and entrepreneurial individuals;
- To guide, train and protect employees by the managers and to develop their abilities in a regular process.

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