

## The Role of Cultural Values on Transformational Leadership and Citizenship Behavior

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**Abstract:** Transformational leadership and Organizational Citizenship Behavior (OCB) have gained much popularity in recent years among scholars and practitioners. Although the cultural context of transformational leadership and OCB has increasingly been recognized as highly relevant, there is a paucity of studies done so far. Various research suggested that transformational leaders modifies subordinates OCB that may produce positive behaviors and increase organizational effectiveness. However the impact and process may vary in a different cultural setting. The purpose of this study is to propose a conceptual framework on the relationship between transformational leadership behavior and citizenship behavior in an integrative way by viewing Sabah ethnic cultural values as a latent moderating mechanism that may not have been empirically tested in the leadership and OCB literature.

**Key words:** Transformational leadership, organizational citizenship behavior, cultural values, effectiveness

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### INTRODUCTION

Transformational leadership and OCB have generated considerable attention in recent years. A substantial body of scholarly research shows transformational leadership has a favorable effect on its follower's behaviors that can promote positive citizenship behavior (Swindell, 2014). These positive citizenship behaviors are variously labeled as organizational citizenship behavior (Organ, 1988) or citizenship performance (Borman, 2004) that can contribute to organizational effectiveness. With the diversity of workforce driven by globalization, research on transformational leadership and OCB across culture have increased over the past 2 decades (Bienstock *et al.*, 2003). Past research has also concentrated on the antecedents of OCB and effects of OCB Podsakoff *et al.* (2000) in various industries. However, in recent years, more studies were focused on service industry, following Bettencourt *et al.* (2001) proposed three dimensions of OCBs developed specifically for organizations in the service industry (Yeh *et al.*, 2011).

**Tourism and hotel industry in sabah:** Sabah or Malaysian Borneo provides an interesting tourist destination with its rich natural resources, culture and heritage and is well known among discerning travelers. The tourism industry of Sabah is a critical sector of the economy, representing the second largest contributor, after agriculture and

manufacturing. The Sabah government envisions a world class service and to achieve this vision, sustainable development of new tourism products were planned to make Sabah the most livable destination by the year 2025. With the increasing number of tourists, the number of hotels has also increased as recorded in the Sabah Accommodation Statistics in 2011. This research will take the hotel industry in Sabah as the backdrop employing supervisors and front-line employees as unit samples. In most service organizations, the front-line employee's attitude and discretionary behavior contribute in a significant way to service quality and customer satisfaction. It was generally observed that hotel establishments face a critical staff turnover problem (Davidson *et al.*, 2010). Poor service performance amid other management tribulations. As the industry is highly labor intensive and people-oriented it requires a large number of employees which is characterized by young, female and seasonal workers. Unattractive compensation Evans *et al.* (2006) long working hours and less employees in the industry.

In addition, hotel employees have limited flexibility in setting their work schedule due to the nature of the hotel business which is operated 24 hour and is highly labor intensive (Wong and Ko, 2009). Employees leaving the establishment/industry may have a substantial impact on hotel's profitability (Davidson *et al.*, 2010). Productivity and service performance which in turn may hinder the

vision of making Sabah the most livable destination by the year 2025. Therefore, efforts to improve organizational effectiveness can be based on effective leadership behavior and the promotion of employee's OCB (Tsai and Wu, 2011).

**Problem statement:** Researchers have indicated that there are some variations of the relationship of transformational leadership Sheikh *et al.* (2013) and OCB across cultures. The suitability of western leadership theories (Walumbwa and Lawler, 2003) and the meaning of OCB (Gelfand *et al.*, 2007) in non-western setting has long been debated by management scholars due to cultural differences. Researchers believe the behavioral expectations of employees within non-Western societies in the workplace may have different impact and effectiveness of the leadership style and OCBs exhibited (Gelfand *et al.*, 2007). However, there has so far been no consensus in terms of results, thus more in-depth research on transformational leadership, OCB and cultural values is required (Podsakoff *et al.*, 2000). Although some researchers agree that leadership can affect citizenship behaviors, the findings are inconclusive and the process of how leadership affects OCB remains uncertain (Auh *et al.*, 2014). Hence, this study attempts to study the relationship between transformational leadership and OCB and to test the moderating role of individually held cultural values between these 2 variables. To be specific, the current study examines the relationship between transformational leadership behavior and OCB in an integrative way by viewing Sabah ethnic cultural values as a latent moderating mechanism that may not have been empirically tested in the leadership/OCB literature.

**Research objectives:** The general objectives of this study are:

- To investigate the relationship between transformational leadership behavior of supervisors in the hotel industry and subordinate's service-oriented OCBs
- To determine the relationship between the subordinate's individually held cultural values on their service-oriented OCBs. For this study, two relevant cultural dimensions will be selected, specifically Power Distance (PD) and Individualism-Collectivism (IC)
- To examine the two relevant moderating cultural dimensions (PD and IC) in the relationship of transformational leadership behavior and subordinate's service-oriented OCBs

## **Review of literature**

**Transformational leadership:** There are many definitions of leadership (Stogdill, 1974) as leadership means different things to different people. Yukl (2002) points out that although there is no ultimate definition of leadership, the majority of the definitions refers to it as a process in influencing, mobilizing, motivating and enabling followers through several activities such as guiding, coaching, structuring and facilitating in achieving set goals. Burns simply described leadership as the leader-follower relationship that exists in order to reach specified goals while Bartol and Martin, 1991 defined leadership as the process of influencing the thoughts, emotions and behaviors of the followers towards setting goals. In the past, research on leadership theories have focused on the trait or great man theory, contingency theory and behavioral theory (Yeh and Hong, 2012). However, until recently, research on leadership behavior concentrated on transformational leadership which was proposed by Burns in 1978 and refined by Bass in 1985 (Gelfand *et al.*, 2007).

Bass (1985) defined transformational leadership as the ability of a leader to change the organizational status quo through the development of follower values, needs and aspiration. Yukl (2002) further elaborate transformational leadership as the leader's influence in promoting change in follower's attitudes, thereby strengthening their commitment to organizational goals. Both definitions seem to agree in theory that transformational leadership improves employee's performance. Bass (1985) conceptualizes transformational leadership theory in four dimensions: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Idealized influence refers to the ability of a leader to exert emotional influences over their followers (Walumbwa and Lawler, 2003; Auh *et al.*, 2014) and become a role model that their followers would like to emulate (Yukl, 2002). Inspirational motivation is the ability of leaders to motivate by displaying self-determination and a commitment to achieve objectives (Stogdill, 1974). The third dimension is intellectual stimulation which refers to the leader's capability to influence their followers to challenge the status quo in order to come up with creativity and innovations for organizational success (Auh *et al.*, 2014). The last dimension is individualized consideration is defined as the ability of the leader to motivate and develop the self-confidence of their followers by acting as a coach or mentor focusing on their need for growth as a leader themselves (Bass, 1985).

**Organizational citizenship behavior:** Many researchers believed that the concept of OCB contributes to organizational effectiveness when employees go above

Table 1: Bettencourt *et al.* (2001) three dimensions of service-oriented OCB

Dimension	Definition	Source
Loyalty	Refers to a favorable representation of a service organization by its employees to outsiders for example the employees favorably promote their products and services and counter criticisms by stressing on the positive attributes of the organization and its products or services	Bettencourt and Gwinner
Service delivery	Is the responsibility of employees to deliver on the promises of the organization in a reliable, responsive, helpful and courteous manner	Bettencourt and Gwinner
Participation	IS a strategic source of information provided by employees about customer needs and innovation in service delivery	Bettencourt and Gwinner

and beyond the call of duty to assist fellow workers in order to achieve organizational goals (Organ, 1988). Researchers theorized that employees who display OCB contributes to organizational effectiveness improvement as postulated by Cohen and Vigoda (2000). However, Bowler (2006) offered a different argument that OCB may not have a significant impact on organizational goals Bowler (2006) while Turnley *et al.* (2003) opined that OCBs might bring negative effects (Turnley *et al.*, 2003). Organ (1998) defines OCB as behavior that is discretionary, not directly or explicitly recognized by a formal reward system and that in aggregate promotes the effective functioning of an organization (Organ, 1988).

Scholars have identified and tested various forms of OCBs. Organ *et al.* (2006) summarized them in 10 broad dimensions, namely helping, compliance, cheerleading, peacemaking, loyalty, self-development, protecting the organization, civic virtue, courtesy and sportsmanship Bettencourt *et al.* (2001) observed that past studies have applied general forms of OCBs to different types of organizations. Due to the setting of the service industry involving customer-contact employees, he proposed three service-oriented OCBs namely loyalty, service delivery and participation which are vital characteristics of service employees. Recent studies in OCBs have shifted to the service industry, applying Bettencourt *et al.* (2001) three dimensions service-oriented OCBs (Yeh *et al.*, 2011). For the definitions of the three dimensions (Table 1).

**Cultural values:** Cultural values refer to the shared values that are unique amongst communities and these differences between cultures resulted from underlying value systems that cause communities to behave differently in similar situations. Culture is important in business organizations as business interfaces with people: as customers, employees, suppliers or stakeholders. Culture besides uniting a community together it also influences the way they behave in society and organization. Although there were many studies done on culture, the precise meaning of culture is vague and debatable (Taylor and Wilson, 2012). Hofstede (1984) defined culture as the collective programming of the mind,

occurring at three levels the universal level, the societal level and individual level (Hofstede, 1984). The mental programming displays the values, beliefs and preferences. Hofstede (1984) identified five dimensions of culture, namely Power Distance (PD) Individualism-Collectivism (IC) uncertainty avoidance, masculinity-femininity and long-term short-term orientation. Wang and Wong (2011) identified two cultural dimensions, namely IC and PD that may affect the perception and expressions of OCB. Power distance is theorized as the degree to which people accept the unequal distribution of power in a society. In a society having a high power distance index, employees tend to follow a formal code of conduct and are reluctant to disagree with superiors, while in a society having a low power distance do not feel constrained by perceived or actual differences in status, power or position (Hofstede, 1984). Individualism is the extent to which people value personal freedom, self-sufficiency, control over their lives and appreciation of the unique qualities that distinguish them from others. Collectivism represents the extent to which people emphasis group welfare, harmony and loyalty (Hofstede, 1984). For the purpose of the study, these two cultural dimensions of Hofstede (1984) and will be applied to the conceptual model.

**Leadership, OCB and cultural values:** OCB construct emphasizes on the extra-role behavior of employees which is in tandem with the ultimate goal of transformational leadership. Past research findings have demonstrated a positive relationship between transformational leader behavior and subordinates OCB (Purvanova and Bono, 2009; Wang *et al.*, 2011).

Malaysia is a collectivist society, having high power distance and uncertainty avoidance (Hofstede *et al.*, 2005). In such a culture, Malaysians emphasize social harmony Kennedy (2002) and hierarchies. Behaviors such as assertiveness, confrontation and aggressiveness are not encouraged in contrast to western culture where individualism, follower participation and involvement are stressed. Triandis (1995) posited that in a collectivist society, obligation and loyalty prevail, that will likely lead them to engage in OCB-helping behavior (Triandis, 1995). In a study by Lam *et al.* (1999) OCBs factors such as courtesy and sportsmanship are part of 'in-role' behavior of the Japanese and Hong Kong employees as

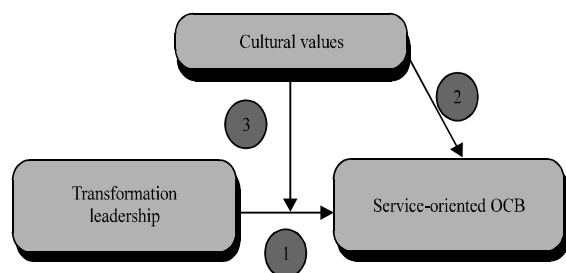


Fig. 1: The proposed conceptual model of this study

compared with Australian and American employees (Lam *et al.*, 1999). This is also supported by Farh *et al.* (1997) where sportsmanship and courtesy does not constitute the concept of OCBs in the Taiwanese sample (Farh *et al.*, 1997). According to Paine and Organ (2000) both the perceptions of OCB and the likelihood of demonstrating OCB are influenced by cultural dimensions, such as Individualism-Collectivism (IC) and Power Distance (PD) (Paine and Organ, 2000). In addition, researchers deduce that OCB may not only differ distinctively across national boundaries but also across industry and organization types within a single society (Farh *et al.*, 2004; Lin *et al.*, 2008).

Research has shown that cultural values moderate the relationship between leadership and employee's OCB. In a recent study by Ersoy *et al.* (2012). Turkish collectivism moderated the relationship between paternalistic leadership style and OCB (Ersoy *et al.*, 2012). Other studies have also revealed the moderating effect of culture between transformational leadership and other employee's outcomes (Walumbwa and Lawler, 2003). At this point, the researcher is not aware of any empirical study addressing Power Distance (PD) as moderator except for a study by Euwema *et al.* (2007) between leadership and Group OCB. Given these findings and limitations this study is expected to contribute to the literature of leadership, OCB and cultural values.

**Theoretical/conceptual framework:** Based on the review of literatures we proposed a conceptual framework as depicted in Fig. 1.

In this framework, two variables-transformational leadership and individually held cultural values will be tested to see their relationship with OCB. This study will also look at the moderating effect of individually held cultural values between transformational leadership and OCB. Transformational leadership behavior will be measured using the Multifactor Leadership Questionnaire (MLQ) form 5X Bass (1985) whereas service oriented citizenship behavior will be measured using three

dimensions, loyalty, service delivery and participation (Bettencourt *et al.*, 2001). Cultural values as measured by Hofstede cultural dimensions (namely power distance and IC) using Yoo *et al.* (2011) Cultural Value Scale (CVSCALE). The arrows indicate the relationship between the variables (numbered) that will be examined and described below.

**Transformational leadership and OCB:** Examine the components of transformational leadership that produce positive OCBs in employees. Findings from previous studies have indicated a strong relationship between transformational leadership and OCB however, Auh *et al.* (2014) argue that the findings are still inconclusive and the process of how leadership affects OCB remains uncertain 1.

**Cultural values and OCB:** Understand the relationship between subordinates 'individually held cultural values that promotes OCBs. Past research has indicated that OCB may not only differ distinctively across national boundaries but also across industry and organization types within a single society (Farh *et al.*, 1997, 2004; Paine and Organ, 2000).

**Cultural values as moderator between transformational leadership and OCB:** Explores the effect of subordinate's individually held cultural values on the relationship between transformational leadership and OCB. Research has shown that cultural values, particularly PD and IC moderate the relationship between leadership and employee's OCB (Paine and Organ, 2000; Farh *et al.*, 2004).

## MATERIALS AND METHODS

This research will focus on Sabah, Malaysia tourism industry. It will employ the quantitative research design. Survey questionnaires using a Likert scale will be distributed to supervisors and front-line employees working at hotel establishments in different region of Sabah. These employees comprise of the various ethnics of Sabah of which the Kadazan, Bajau and Malay-Brunei form the largest ethnic groups. A pilot survey will be conducted to test the survey questionnaires before distribution. The stratification sampling method will be used to ensure that the sample is representative Creswell (2013) of employees belonging to the various ethnic groups. Data collected from the questionnaire survey will be processed using Structural Equation Modelling-Partial Least Square (SEM-PLS).

## RESULTS AND DISCUSSION

**Potential research contributions:** This study has the potential to contribute to the leadership and OCB literature in at least the following aspects. First and foremost, this study attempts to integrate Sabah ethnic cultural values as a latent moderating mechanism on the relationship between transformational leadership behavior and service-oriented OCB that may not have been empirically tested in the leadership/OCB literature. Facets of transformational leadership behavior such as idealized influence, inspirational motivation, intellectual stimulation and individualized consideration can be important tools in facilitating service-oriented OCB. Some researchers have claimed that transformational leadership may not work well with non-western setting, however a study made by Sheikh *et al.* (2013) proved otherwise.

Second, this study is important in enriching theory and model of transformational leadership behavior, Hofstede's cultural values and employee's service oriented OCB. Specifically, this study may serve as an extension of OCB research by employing and systematically investigating a culture-specific framework constituting PD and IC which could facilitate the performance of service-oriented OCB. This research model might be the first one constructed integrating Sabah ethnics cultural values to transformational leadership behavior and service-oriented OCB.

Third, this study will generate greater awareness on the importance of understanding transformational leadership behavior, cultural values and employee's service-oriented OCB as vehicles to achieve organizational effectiveness, competitive advantage and sustainable economic growth.

Leaders and managers, particularly human resource managers could be well informed about the positive results of transformational leadership behavior and service-oriented OCB in the context of Sabah ethnic culture in the tourism industry.

## CONCLUSION

With rapid globalization taking place, coupled with employee problems and poor service quality in the hospitality industry, hotel employers need to manage their employees effectively by promoting positive OCBs, in relation to leadership behavior in the cultural context of the Sabah ethnics. The proposed framework may provide an insight of the effect of not only individually held cultural values of the Sabah ethnics but also the positive leadership behavior on OCBs for organizational effectiveness.

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