



RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL CITIZENSHIP BEHAVIOUR IN INDIAN BANKING SECTOR

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ABSTRACT

The key objective of the study is to ascertain the relationship among transformational leadership and organizational citizenship behaviors (OCB). Work -related behaviour that are discretionary, not related to the formal organizational reward system, and, in aggregate, promote the effective functioning of the organisation. In addition, OCB extends beyond the performance indicators required by an organisation. Moreover, OCB reflects those actions performed by employees that surpass the minimum role requirements expected by the organisation and promote the welfare of co-workers, work groups in the organization. A sample of 113 manager-subordinate dyads working in nationalized banks located in southern India participated in the study. The paper examines the relationship between transformational leadership behaviour of bank managers and organizational citizenship behavior of their subordinates. The results indicated that transformational leadership behavior has positive effects on follower OCB.

KEY WORDS: *Organizational citizenship behavior, Transformational leadership.*

INTRODUCTION

Indian banking sector has undergone paradigm shift in scope, content, structure, functions and governance. Their very character, composition and contours have changed. And, the process continues. The advent of information and communication technology has further brought about radical and perceptible changes in the operational environment of the banks. Presently, banking sector is faced with multiple challenges, increased competition and rising customer expectations. The changing scenario calls for revitalizing and transforming organizations to meet competitive challenges ahead.

As the departmental structure increases, the need for teamwork, shared responsibilities with co-workers is expected to be high. In this sense, extra-role behaviour becomes more important for organizations. Employees may need to exhibit a high degree of pro social behavior which is not explicitly detailed in formal job descriptions. Such type behaviour could be instigated by transformational leadership. Transformational leaders with their visionary attitude motivate and inspire their followers to go beyond what is expected so that they are willing to put in extra effort on the job and engage in beneficial activities for the organization. This paper looks at the role of leader's transformational leadership in influencing the emergence of OCB among the followers.

OBJECTIVES OF THE STUDY

- The key objective of the study is to ascertain the relationship between transformational leadership and follower's organizational citizenship behaviors (OCB).

TRANSFORMATIONAL LEADERSHIP

Transformational leadership emphasizes on challenging tasks transforming the follower's values, and long-term goals through the process of charismatic and visionary leadership. Burns defined transformational leadership as the process of pursuing collective goals through tapping followers' motive bases toward the achievement of intended changes.

Yukl(1999) argues that "followers feel, trust and respect towards transformational leaders motivate them to do more than expected". Transformational leadership style is directed towards future, innovation and reformation. Unlike transactional leaders, transformational leaders inspire their followers, intellectual stimulate and show concern for each individual. Transformational leaders guide their followers and compromise more easily. (Bass,1999).

Transformational leadership has significant effects on follower performance and OCB. (Sabine Boerner et al, 2007) Moreover, transformational leaders support their followers to gain problem-solving skills by coaching and mentoring them. Therefore, transformational leaders stimulate followers' organizational citizenship behavior and enhance quality and quantity of follower performance. The sub dimensions of transformational leadership are: Group goals, Individualized support, Intellectual Stimulation, High performance expectations, Articulating vision and Appropriate role model.

Organizational Citizenship Behavior (OCB)

Organizations want and need employees who will do those things that aren't in any job description. And the evidence indicates that those organizations that have such employees outperform those that don't. So organizations are looking out for people with citizenship behavior. According to Organ (1988), OCB is defined as work-related behaviour that are discretionary, not related to the formal organisational reward system, and, in aggregate, promote the effective functioning of the organisation. In addition, OCB extends beyond the performance indicators required by an organisation. Moreover, OCB reflects those actions performed by employees that surpass the minimum role requirements expected by the organisation and promote the welfare of co-workers, work groups in the organization.

Organizational Citizenship Behavior comprises extra-role behaviors that are not within the role but nevertheless of great importance for efficient processes in organizations (Organ, 1988; Podsakoff et al., 1997). Helping behavior stimulates performance because new colleagues are easily integrated into the group. Given the high levels of sportsmanship, the group does not need to spend much energy and time

on group maintenance functions. Hence, sportsmanship may raise the attractiveness of group membership for high performers. With increasing follower conscientiousness, leaders may tend to empower their followers and, thus, raise their performance. Studies support the relationship between leadership effectiveness and organizational citizenship behaviour (Goski, 2012). The dimensions of OCB are

RESEARCH METHODOLOGY

This study investigated the relationship between Organizational Citizenship behaviour and transformational leadership (TL). Organizational citizenship behaviour was considered as the Dependent variable and Transformational leadership as the independent variable. Data was collected from branch managers and their subordinates of various nationalized banks.

SAMPLE DETERMINATION

The hypotheses of this study were tested with a sample of branch managers from nationalized banks in Chennai city. A total of 113 superior-subordinate dyads participated in this study. The managers were asked to evaluate one subordinate's organizational citizenship behavior. The subordinates evaluated their superior's transformational leadership style. The average time they had known their superior was 1 year.

RESEARCH INSTRUMENTS

Transformational Leadership Podsakoff et al.'s (1990) Transformational Leadership Inventory (TLI) was used to measure transformational leadership behaviors in this study. This scale consisted of 23 items, and measured six dimensions of transformational leadership: articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, providing individualized support, and intellectual stimulation. Internal consistency reliabilities for each of the dimensions range from .82 to .87.

OCB. The scale developed by Podsakoff and MacKenzie (1989) was used to measure OCB. This measure consisted of 24 items, and measured all five OCB dimensions, Altruism, Conscientiousness, Sportsmanship, Courtesy, and Civic Virtue. Respondents were asked to indicate the degree to which they agreed with each item using a five-point Likert scale. This scale ranged from (1) "strongly disagree" to (5) "strongly agree." Internal consistency reliabilities for each of the dimensions range from .80 to .86.

PROCEDURE

The majority of survey responses were collected and maintained via an online survey system. Each participant received a brief introduction email with a short description of the study.

THE ANALYSIS OF THE DATA

To analyze the responses independent t test, one way ANOVA and correlation analysis has been used.

TABLE 1- DEMOGRAPHICS OF BANK MANAGERS

PARTICULARS	CLASSIFICATION	NUMBER OF RESPONDENTS	PERCENTAGE
AGE	40-45 years	48	42.5%
	Above 45 years	65	57.5%
GENDER	Male	88	77.8%
	Female	25	22.2%
EDUCATION	Graduates	31	27%
	Post Graduates	82	73%
EXPERIENCE	15- 20 Years	36	32.9%
	Above 20 Years	77	68.1%

Table 1 indicates that most of the respondents 57.5% belong to the age group of above 45 years and 42.5% are of the age group 40-45 years. It is observed that 77.8% are male and 22.2% are female. Most of the respondents 73% are post graduates and 27% are graduates.

TABLE 2- DEMOGRAPHICS OF SUBORDINATES

PARTICULARS	CLASSIFICATION	NUMBER OF RESPONDENTS	PERCENTAGE
AGE	31-35 years	70	62%
	Above 35 years	43	38%
GENDER	Male	68	60%
	Female	45	40%
EDUCATION	Graduates	45	27%
	Post Graduates	68	73%
EXPERIENCE	10- 15 Years	92	81.4%
	Above 15 Years	21	18.6%

Table 2 indicates that most of the respondents 62% belong to the age group of above 31-35years and 38% belong to the age group above 35 years. It is observed that 60% are male and 40% are female. Of the respondents 73% are post graduates and 27% are graduates.

TABLE 3- ASSOCIATION BETWEEN TRANSFORMATIONAL LEADERSHIP AND OCB

DIMENSIONS		TRANSFORMATIONAL LEADERSHIP	OCB
Transformational leadership	Pearson Correlation	1	.656**
	Sig. (2-tailed)		.000
	N	113	113
OCB	Pearson Correlation	.656**	1
	Sig. (2-tailed)	.000	
	N	113	113

** . Correlation is significant at the 1% level

Table 3 indicates that there is a positive and meaningful relationship between manager’s transformational leadership style and subordinate’s organizational citizenship behaviours. (r=.656). This indicates that transformational leadership encourages employees to perform above and beyond expectations.

TABLE 4- ASSOCIATION BETWEEN INDIVIDUALIZED SUPPORT AND AFFECTIVE COMMITMENT

DIMENSIONS	INDIVIDUALISED SUPPORT	INTELLECTUAL STIMULATION	ARTICULATING VISION
AL	0.030* (p<.148)	.653** (p<.001)	.516** (p<.001)
C	r= 0.320** (p<.137)	.031* (p<0.42)	.560** (p<.001)
S	r= 0.587** (p<.001)	.121* (p<.097)	.060* (p<121)
GC	r= 0.560** (p<.001)	.512** (p<.001)	.660** (p<.001)
CV	r= 0.687** (p<.001)	.004* (p<.132)	.113* (p<109)

AL – Altruism, C – Courtesy, S - Sportsmanship, GC - Generalized Compliance and CV-Civic Virtue
 ** significant at 1% level * significant at 5% level

Table 4 indicates significant positive correlation is observed between individualized support and OCB dimensions, Civic virtue (r=0.687, p<.001) Sportsmanship (r=0.587, p<.001) Generalized compliance (r=0.560, p<.001) Courtesy (r=0.032, p= 0.137) Altruism (r=0.030, p=0.148). The leaders give individualized consideration to their subordinates which is reciprocated in the form of organizational citizenship behaviours.

When examining the relationship between the sub dimensions of transformational leadership there is a meaning significant correlation between articulating vision and altruism (r=0.516, p<.001), articulating

vision and courtesy($r=.560, p<.001$), articulating vision and generalized compliance ($r=0.660, p <.001$), articulating vision and sportsmanship($r=.060, p<.121$) articulating vision and civic virtue ($r=.113, p<.109$). This indicates that transformational leaders through their visionary leadership expel subordinate’s conscientious behaviour their punctuality and altruistic behaviour on the whole.

Likewise there is a meaningful correlation between Intellectual stimulation and altruism ($r=0.653, p <.001$) intellectual stimulation and Courtesy ($r=.031, p<.42$), intellectual stimulation and sportsmanship ($r=.121, p<.097$), intellectual stimulation and generalized compliance ($r=.512, p<.001$), intellectual stimulation and Civic virtue($r=.004, p<.132$). This shows that transformational leaders also try to increase followers’awareness of task outcomes, activate their higher-order needs and stimulate followers to engage in extra efforts.

TABLE -5 INFLUENCE OF GENDER ON TRANSFORMATIONAL LEADERSHIP

PARTICULARS	CLASSIFICATION	N	Mean	S D	F-value
GENDER	MALE	88	35.62	13.605	F=6.458** (p=.002)
	FEMALE	25	21.60	12.534	

Table 5 indicates that transformational leadership style of managers vary according to gender ($t=2.400, p<.001$). Male project managers (mean=35.62) projects more transformational leadership than the female project managers (mean= 33.61). Since male are more open minded and socially oriented they project higher level of transformational leadership.

TABLE -6 INFLUENCE OF EDUCATION ON TRANSFORMATIONAL LEADERSHIP

PARTICULARS	CLASSIFICATION	N	Mean	S D	F-value
EDUCATION	GRADUATES	31	15.73	13.605	F=0.355** (p=.702)
	POST GRADUATES	82	14	15.221	

The above table indicates that there is significant influence of education on transformational leadership. ($F=0.355, p=.702$).

TABLE-7 INFLUENCE OF AGE ON ORGANIZATIONAL CITIZENSHIP

PARTICULARS	CLASSIFICATION	N	Mean	S D	F-value
AGE	31-35 YEARS	70	15.73	13.605	F=5.381** (p=.007)
	ABOVE 35 YEARS	43	14.88	2.491	

Table-7 indicates that OCB vary according to the age group (F=5.38, p=0.007) the participants of the age group 31-35 projected OCB behaviour. Younger and older executives view the job differently. Younger executives would take time to coordinate their needs with organizational needs and on the other hand, older executives tend to be more adjusted to the needs of their organization.

LIMITATIONS:

- i) The study was limited to managers from nationalized banks.
- ii) Obtaining information from the respondents was a challenging task for the researcher due to the reluctance of the respondents in filling the questionnaire.

DISCUSSION

The purpose of the study was to investigate the relationship between transformational leadership and OCB. The results of the present study showed that the aggregate variable of transformational leadership was positively associated with OCB. Transformational leadership behaviors were positively related to OCB suggests that, transformational leaders are more likely to create an environment in which followers recognize and appreciate OCB. Transformational leaders emphasize accomplishment of the organizational mission and achievement of the common goals. Therefore, they insist that extra-role behaviors are essential for group success.

CONCLUSION & RECOMMENDATIONS

The present study showed that higher levels of transformational leader behaviors are associated with increased OCB among subordinates. The contribution of transformational leadership into the workplace should be taken into consideration by Indian managers since they foster the display of OCBs which are important for organizational survival. Managers should focus on transformational leadership as a way to increase the occurrence of OCB in the workplace. They have to understand the importance of building a positive relationship with their subordinates, motivating them, and stating goals with the contributions of employees to the work environment.

IMPLICATION FOR MANAGEMENT

OCB may contribute to organizational effectiveness and success by enhancing coworker and managerial productivity. More over OCB increases the stability of the organization’s performance, and enable the organization to adapt more effectively to environmental changes. It is clear that such behaviors are necessary for effective organizational functioning and therefore should be attained by manager’s effective leadership.

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