Transformational leadership and psychological empowerment: Determinants of...
RESEARCH ARTICLE

Transformational leadership and psychological empowerment

Determinants of organizational citizenship behavior

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Abstract

Purpose – The purpose of this paper is to understand various antecedents of organizational citizenship behavior (OCB). Transformational leadership and psychological empowerment were two independent variables chosen for the study.

Design/methodology/approach – Standard questionnaires were used to collect data. The sample of 319 employees of different five-star hotels formed the source of data. Frontline employees having two to three subordinates and were from hotels which were in operation at least since last two years, took part in the study.

Findings – The effect of transformational leadership on OCB has been found to be significant and positive. The moderating effect of psychological empowerment on OCB was also found significant.

Research limitations/implications – The theoretical development from this paper will contribute toward understanding the antecedents of OCB. The moderating effect of psychological empowerment will reinforce the importance of psychological empowerment.

Practical implications – It can develop practices to enhance the feeling of psychological empowerment through several training program. Leaders at the top positions shall emphasize on OCB by bringing cultural change.

Originality/value – This paper probes the OCB's antecedents. It also studied the moderating effect of psychological empowerment on the relationship of transformational leadership and OCB.

Keywords Transformational leadership, Frontline employees, Psychological empowerment, Organizational citizenship behaviour (OCB)

Paper type Research paper

Introduction

In recent years the traditional, autocratic, superior-subordinate model followed by management professionals has given way to a more democratic approach in which leadership, decision making, responsibility, and authority are shared. The core concepts of this new approach fall within the realm of transformational leadership (Burns, 1978; Bass, 1985; Bass and Avolio, 1993), psychological empowerment (Spreitzer, 1995; Kanter, 1979, 1983), and organizational citizenship behavior (OCB) (Organ, 1990). The OCB construct emphasizes the extra-role behavior (Organ, 1990) that an employee plays in executing responsibility. Numerous researchers have studied OCB in order to identify the positive outcomes it offers to individuals, such as enhanced performance and effective goal realization (Bolino and Turnley, 2003; Bowler, 2006). Psychological empowerment gives employees increased feelings of competence, resilience, and responsibility for their work (Spreitzer, 1995; Kanter, 1979, 1983). Transformational leadership facilitates the behavioral changes that are required to make individuals perform better (Bass, 1985; Bolino and Turnley, 2003; Bowler, 2006). In accordance with this, the role of leaders has shifted from control toward
guidance and the coordination of organizational work processes. Previous research on
transformational leadership has considered the positive impact it has on followers’
thought processes, while directing them toward making appropriate decisions.

According to Prabhakar (2005), “Good leaders do inspire confidence in themselves,
but a truly great leader inspires confidence within the people they lead to exceed their
normal performance level.” This can be interpreted as the way in which the concept of
OCB emerges in the presence of transformational leadership. Transformational leaders
empower others to modify their ways of working (Bowler, 2006). They bring about
moral, attitudinal, and process change in individuals and as a consequence in the
organization as whole (Pearce et al., 2003; Sims and Manz, 1996).

The current study proposes that transformational leadership modifies employees’
citizenship behavior and psychological empowerment in the context of the service
sector, and puts forward three arguments.

The first point argues for OCB can be linked to social exchange theory (Blau, 1964;
Aselage and Eisenberger, 2003). This theory suggests that citizenship behavior will
appear when an employee experiences positive feelings and an affinity toward the
organization. Thus, the individual is motivated to respond to organizational demand,
resulting in positive experiences. Researchers have discussed the fact that
transformational leadership creates positive feeling and higher motivation among
employees (Bass, 1985; Bass and Avolio, 1993; Gebert et al., 2011). Thus, the relationship
between OCB and transformational leadership merits further exploration.

The second argument proposes that empowering employees is not about telling them
that they are empowered or issuing fancy organizational statements announcing
empowerment. An organization that wishes to truly empower its employees must
change its policies, practices, and structures. This occurs when a company abandons the
traditional top-down, control-oriented management model and replaces it with a highly
participative or high-performance approach. Organizations with high involvement
approaches use multiple management systems to create work environments in which all
employees are encouraged to think strategically about their jobs and to assume personal
responsibility for the quality of their work (Lawler, 1986). Transformational leadership
encourages employees to make independent decisions regarding the various challenges
they face and to make their work more personally meaningful (Zhang and Bartol, 2010).
Empowered employees do not hesitate to respond to the organization’s needs. As a social
construct, empowerment integrates perceptions of personal control, a proactive
approach that includes instant decision making and task initiatives (Boudrias et al.,
2009). Therefore, the relationship between psychological empowerment and OCB is
worth further examination.

This study’s third view reveals differences in the organizational decision-making
practices of the service and manufacturing sectors (Bowen and Schneider, 1988;
Jackson et al., 1989). Researchers have noted that service industries’ work outcomes are
intangible by nature (Bowen and Schneider, 1988), and that their employees’
competencies are different from those in manufacturing organizations (Bowen and
Schneider, 1988; Jackson et al., 1989). Service industry employees are expected to have a
higher level of commitment to their work. They are required to meet customers’
demands on a regular basis and they need to have the discretion to handle customer
issues (Bowen and Schneider, 1988; Jackson et al., 1989). Given the nature of work in the
services sector, employees should be empowered to take instant decisions. Further, the
organization expects them to move into extra-role behavior or to demonstrate OCB
(Bowen and Schneider, 1988; Jackson et al., 1989). High-power distance (respect for

Determinants of OCB

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authority and hierarchy) is common in Indian culture (Hofstede, 2001), meaning that employees have little autonomy and do not feel psychologically empowered (Spreitzer, 1995), as they need to seek approval from their superiors for all decisions. It is, therefore, interesting to study how managers with transformational leadership styles and psychological empowerment influences OCB among employees in the Indian context, where power distance is high but service sector organizations are given particular importance due to their contribution to economy.

Therefore, the purpose of this research is to study transformational leadership and psychological empowerment as antecedents for the occurrence of OCB in service sector. This research also examines the moderating role of psychological empowerment in the relationship between transformational leadership and OCB. This study was conducted on frontline employees in the Indian hospitality industry.

Literature review

OCB

OCB is characterized as the behavior of individuals in the organization, defined as extra-role behaviors rather than defined roles and responsibilities (Organ, 1990; Tepper et al., 2001). When an individual moves out of the frame of his or her job description and works in a “pro-social” manner (Puffer, 1987; Karriker and Williams, 2009), this can be termed OCB. Organizational citizenship was defined by Organ (1988, p. 4) as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization.” Based on this definition, Organ identified five categories of OCB: altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. Thus, it can be said that OCB is characterized by the individual’s willingness to voluntarily meet and exceed expectations. These individuals have the desire to demonstrate such behavior despite knowing that the extra effort will not be rewarded. In studying OCB, researchers have primarily concentrated on its relationship with individual and organizational performance (Bolino et al., 2002). According to Cohen and Vigoda (2000), the positive effects of OCB for an organization include improved productivity, efficiency, and effectiveness and allocation of resources. Because of their orientation toward profitability and existence as social entities, organizations should generally promote citizenship behavior among their employees (Miao, 2011).

Bowler (2006) offered a totally different argument around OCB, suggesting that it may not have a significant impact on organizational goals. OCB has been defined as extra-role behavior (Katz, 1964), which may not be goal directed. Bowler (2006) also argued that OCB is generated from informal sources which may influence informal but not formal organizational goals. Although there is some potential for OCB to have negative effects (Bolino and Turnley, 2003; Bowler, 2006), in general it facilitates the effective functioning of organizations in a number of ways. As stated in the introduction, Indian organizations generally have a high-power distance. However, the growth of globalization and the service organization concept, in which employees are required to make instant decisions without much consultation with superiors, means that the situation is changing. In such cases OCB will play a vital role, as citizenship behavior is predicted by contextual habits, skill, and knowledge, each of which is in turn predicted by personality variables. These variables influence the employee’s knowledge about what is required in a variety of work situations, skill in carrying out actions known to be effective, and patterns of response that either facilitate or hinder effective performance (Motowidlo et al., 1997). OCB is defined as
an extra-role behavior, as employees engaging in such activities exhibit adaptive behavioral strategies (Maddux and Lewis, 1995; Raghuram et al., 2003). These individuals are likely to know which citizenship behaviors are appropriate to a particular workplace situation and how to plan for and conduct them effectively (Beauregard, 2012). Thus, OCBs are important but cannot be considered role behaviors, as they vary with respect to role, context, and people. The current study treats OCB as an effect variable, with the aim of enriching the existing literature.

**Psychological empowerment**

A review of current usage of the phrase “employee empowerment” indicates a range of different definitions and explanations. Some consider empowerment to involve sharing power with or giving it to those doing the work (Karsten, 1994). According to Jaffee and Scott (1993), it refers to employees and managers sharing equal responsibility for results and maximizing employees’ contributions to an organization’s success. Another view suggests that workers and leaders who participate fully in decision making and pursue a shared vision and purpose through team effort make a lot of difference to the organization’s performance and output (Senge, 1990). Employees’ self-motivation, which develops through them gaining an understanding of their responsibilities and authority, is commensurate with those responsibilities, and the capability to make a difference in the attainment of goals is also important (Mohrman et al., 1995). A synergistic interaction among individuals, which emphasizes cooperation, leads to the expansion of power for the group as a whole (Vogt and Murrell, 1990). Conger and Kanungo (1988, p. 474) defined empowerment as “a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information.”

Researchers have also considered empowerment from a cognitive perspective; that is, from the perspective of the worker’s cognitions, which they term psychological empowerment. Psychological empowerment was later defined as consisting of four dimensions or individual cognitions (Thomas and Velthouse, 1990) that have been empirically validated by Spreitzer (1995). From a cognitive perspective, empowerment consists of an individual’s judgment of meaning (i.e. value of the work), competence (i.e. ability to perform the work), self-determination (i.e. choice in initiating and regulating actions), and impact (ability to affect or influence organizational outcomes). Together, these four dimensions display active employee status (Spreitzer, 1996).

A recent study proposed that psychological empowerment had a moderating effect on the fair program and the turnover tendency. It revealed that there is no pre-existing relationship between fair program and turnover tendency, but that that relationship becomes both positive and significant when moderated by psychological empowerment (Yao and Cui, 2010).

**Transformational leadership**

Researchers first proposed transformational leadership theory as a way to move beyond transactional leadership theory. It has been explained as leadership behavior that facilitates the development of followers’ competencies, awareness, and individuality, therefore, aiding the growth of the leader and the organization as well. Various researchers have debated the influence of transformational leadership on long-term organizational performance (Bass, 1985; Landy, 1985; Graen et al., 1982). Bass (1985, p. 20) argued that transformational leadership motivates followers to exceed expectations.
by making them realize the importance of specific goals, making them subsume their own interests to organizational interest, and further motivating them to feel a need for achievement, growth, and self-actualization (Bass, 1985; Bass and Avolio, 1993; Gebert et al., 2011). According to Northouse (2010), Indian freedom fighter Mohandas Gandhi is a classic example of the transformational leader as he developed a relationship with his followers, instilled the faith in freedom in them, and drove them toward their goal; Gandhi raised the hopes (capabilities) and demands (freedom) of millions of his people, and, in the process, underwent a complete transformation himself. Transformational leadership is, therefore, found to be associated with inspiration, motivation (Castro et al., 2008), empowerment, articulating a vision, promoting group goals, providing intellectual stimulation (Baek-Kyoo et al., 2012), and OCB, which activates employees to achieve difficult goals and increases their sense of achievement. It is not desirable that employees do only what they have been told to. The role of the transformational leader is also shifting within a changing work culture. A recent study found that transformational and ethical leadership are very effective tools for managers to counter workplace bullying, and that the development of an ethical climate through constant effort in the workplace appears to be the most effective way of avoiding workplace bullying and conflict situations (Appelbaum et al., 2012).

Another contribution to the study of transformational leadership is the individualized consideration that the leader gives to his or her followers. A leader who listens attentively and pays close attention to followers’ needs helps them to achieve their goals. This aspect of transformational leaders is closer to the concept of mentoring or coaching, and encourages followers to take more responsibility and to develop their full potential (Avolio, 1999; Bass and Avolio, 1994; Kark et al., 2003). Therefore, it would be interesting to identify the influence of transformational leadership on OCB (Table I).

Theory and hypotheses
OCB and transformational leadership
Leadership is an important factor contributing to successful behavioral transformation (Bass, 1985). Transformational leadership shapes employees’ behavior and prepares them to be competitive. Singh and Krishnan (2005) argued that the behavioral manifestation of transformational leadership is different across cultures, and identified unique characteristics of transformational leadership pertaining to Indian culture. As a spiritually inclined country with a collectivist society, India looks for leaders who can inspire the masses, change or transform society, and work for the greater good, as suggested by the proverb Yatha raja, tatha praja (like leader, like follower) (Chakraborty and Chakraborty, 2004). There may of course be many other exceptional reciprocal relationships between leader and follower, but research has primarily considered the mostly natural cause-and-effect relationship. The most basic aspect of leadership is following svadharma (one’s own duty) (Mehra and Krishnan, 2005) with the utmost efficiency and righteousness (Sinha, 1997). Leadership and orientation to duty are two sides of a single coin, as they affect employees’ work practices and direct them toward goal orientation. Bryman (1992) found that transformational leadership behavior influences several organizational variables, for example perceiving extra effort, OCB, and job satisfaction. Thus:

H1. There is a significant positive relationship between transformational leadership and OCB.
OCB and psychological empowerment

Studies of psychological empowerment mostly consider the influence of organizational and work variables on psychological empowerment (Spreitzer et al., 1999; Algae et al., 2006). Employees who are psychologically empowered feel good about the tasks they are doing and perceive them to be meaningful and challenging. Thus, the chances of a psychologically empowered employee performing well and conforming to OCB are higher. Research suggests that empowerment appears when companies implement practices that distribute power, information, knowledge, and rewards throughout the organization (Lawler et al., 1992; Nezakati et al., 2010) and that psychological

<table>
<thead>
<tr>
<th>Sr. no.</th>
<th>Transactional leadership</th>
<th>Transformational leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>From the political leaders' perspective, (Burns, 1978) the researcher argued that when the leader interacts with followers there is an exchange of something valued. The exchange is found to be not equivalent (Dienesch and Liden, 1986). There will be a marginal increase in the content of the output and transactional leaders focus more on how to reduce resistance.</td>
<td>From the political leaders' perspective, the researcher found that there is a change in the beliefs, necessities, and values of followers. It is a process of mutual awareness and rise (Burns, 1978). Transformational leaders operate from a very deeply held personal value system. Burns refers to these values as end values which cannot be negotiated or exchanged like instrumental values.</td>
</tr>
<tr>
<td>2</td>
<td>From the organizational leaders' perspective the transactional leader (Bass, 1985) promises of monetary or non-monetary benefits in exchange of performance. If there is good performance there will be a reward and if there is bad performance there will be punishment. Another point is transactional leadership intervenes in the followers activity only when the tasks are not met.</td>
<td>The organizational transformational leaders, influences the followers and promotes the interests of followers. They also stimulate the employees to view the world beyond self-interest. He divided the characteristics of transformational leaders as charismatic, inspirational, meet emotional needs, and intellectually stimulates employees (Bass, 1985).</td>
</tr>
<tr>
<td>3</td>
<td>The exchange mentioned above has different levels. Higher order exchange (emotional exchange, relationship maintenance) and lower order exchange (Landy; 1985, Graen et al., 1982)</td>
<td>Transformational leadership by sharing their expectations, standards, values, and beliefs are able to transform some followers or is able to bring them together to be one (Landy, 1985; Graen et al., 1982).</td>
</tr>
<tr>
<td>4</td>
<td>Exchanges are also being argued in terms of less obvious (trust, respect) to very obvious (reward for performance) (Burns, 1978; Bass, 1985)</td>
<td>Transformational leadership has a charismatic element which argues that by virtue of their personal abilities they have an extraordinary effect on followers (Burns, 1978; Bass, 1985).</td>
</tr>
<tr>
<td>5</td>
<td>Another study on exchange expresses that the lower order exchange depends on the leader's control over resources (like the reward for performance or special benefits, etc.) that are desired by followers (Yukl, 1981). It further says that the leader has more control over non-concrete higher order exchange.</td>
<td>Key features of transformational leaders are articulating goals, building an image, demonstrating confidence and arousing motivation.</td>
</tr>
<tr>
<td>6</td>
<td>Zalezink (1993) refers to transactional leaders as managers who concentrate on compromise, intrigue, and control</td>
<td></td>
</tr>
</tbody>
</table>

Table I. Comparison between transactional and transformational leadership
empowerment is related to job attitude. With respect to the service sector, there is a positive relationship between psychological empowerment and measures of OCB (Maharaj, 2005). Therefore:

H2. There is a significant positive relationship between psychological empowerment and OCB.

Psychological empowerment as a moderator
According to both James and Brett (1984) and Baron and Kenny (1986), a variable moderator affects the magnitude of the relationship between an independent and a dependent variable, while a mediator is a generative mechanism through which the focal independent variable can influence the dependent variable of interest. Employees who are psychologically empowered see themselves as someone who delegates or decentralizes the work environment (Kanter, 1983). On the other hand, the characteristics of transformational leadership involve enhancing followers’ potential, showing individualized consideration for better performance, and sharing meaningful responsibilities with followers to give them a greater sense of belonging (Huang et al., 2006). Bass (1999) emphasized psychological empowerment as a probable enhancer of transformational leadership effects and found that transformational leadership acts through empowerment to influence work outcome. The concept of empowerment means that employees learn the importance of taking the initiative and decision making, and respond innovatively to the challenges of their jobs (Spreitzer, 1995; Thomas and Velthouse, 1990; Zhang and Bartol, 2010). Moreover, psychological empowerment is not only about sharing responsibilities and delegating power by the superior, but also involves subordinates accepting the tasks and responsibilities that have been delegated to them. Therefore, the presence of transformational leadership does not guarantee extra-role behavior; psychological empowerment is required to achieve that. In other words, transformational leadership influences OCB more effectively when employees are psychologically empowered:

H3. There is a significant positive relationship between transformational leadership and OCB when psychological empowerment is high.

Research methodology
This study examines nine five-star hotels in Mumbai, India, with between 1,000 and 1,500 employees each. The hotels have been divided into three categories: luxury, business, and leisure. However, the present study only includes the luxury and business types. The researcher divided a sample of 319 frontline employees into three categories – senior managers, junior managers, and supervisors – and used a simple random sampling method to select respondents. Frontline managers and supervisors were given preference because of their day-to-day interaction with customers. In total, 84 percent of the respondents were male. Data were collected by collating responses from questionnaires that the researcher distributed to frontline employees of the studied hotels. Nearly 500 questionnaires were given out, of which 319 responded. Both primary and secondary data have been used in the study (Tables II-IV).

Measures
Standard instruments containing closed-ended questions were used to extract information, keeping in mind the objectives and design of the study. All the instruments selected are widely used and their reliability has been established.
OCB. This study uses the scale that Podsakoff et al. (1990) developed. The measure of OCB involves 24 items and five dimensions, namely conscientiousness, sportsmanship, civic virtue, courtesy, and altruism (Lam et al., 1999). The total score has been calculated as the average of those dimensions. The Cronbach’s α reliability of the instrument in this study was 0.74.

Psychological empowerment. Spreitzer’s (1995) 12-item scale was used to measure psychological empowerment. The four dimensions relevant here are meaning, competence, self-determination, and impact. In constructing the instrument, Spreitzer tried to focus on the individual experience of each dimension rather than on the work environment that might result in that experience. Meaning items have been taken directly from Tymon (1988) and competence items have been adapted from Jones’ (1986) self-efficacy scale. Self-determination items have been adapted from Hackman and Oldham (1975), whereas scale and impact items have been adapted from Ashforth’s (1989) helplessness scale. Spreitzer (1995) found the Cronbach’s α reliability coefficient for the overall empowerment construct to be 0.72 for the industrial sample of 393 managers and 0.62 for the insurance sample of 128 lower-level employees. The Cronbach’s α reliability of the instrument in this study was 0.77.

Transformational leadership behavior. This study used the shortened version of Podsakoff et al’s (1990) measure of transformational leadership (MacKenzie et al., 2001). This scale is comprised of 14 items that measure transformational leadership behaviors, performance expectations, individualized consideration, and intellectual stimulation. Researchers have found that the shortened version of the questionnaire formed a higher order factor (e.g. Kark et al., 2003). The Cronbach’s α reliability of the instrument in this study was 0.83.

<table>
<thead>
<tr>
<th>Sample</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior managers</td>
<td>69</td>
</tr>
<tr>
<td>Junior managers</td>
<td>87</td>
</tr>
<tr>
<td>Supervisors</td>
<td>163</td>
</tr>
<tr>
<td>Total</td>
<td>319</td>
</tr>
</tbody>
</table>

Table II. Sampling profile of respondents

<table>
<thead>
<tr>
<th>Age (years)</th>
<th>Senior managers (69)</th>
<th>Junior managers (87)</th>
<th>Supervisors (163)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>3</td>
<td>22</td>
<td>35</td>
</tr>
<tr>
<td>30-40</td>
<td>48</td>
<td>34</td>
<td>59</td>
</tr>
<tr>
<td>40-50</td>
<td>12</td>
<td>17</td>
<td>42</td>
</tr>
<tr>
<td>50-60</td>
<td>6</td>
<td>15</td>
<td>27</td>
</tr>
</tbody>
</table>

Table III. Age profile of respondents

<table>
<thead>
<tr>
<th>Educational level</th>
<th>Senior managers (69)</th>
<th>Junior managers (87)</th>
<th>Supervisors (163)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master's in hotel management</td>
<td>15</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Diploma in hotel management</td>
<td>16</td>
<td>23</td>
<td>35</td>
</tr>
<tr>
<td>Graduate</td>
<td>23</td>
<td>42</td>
<td>97</td>
</tr>
<tr>
<td>Other degrees</td>
<td>15</td>
<td>10</td>
<td>29</td>
</tr>
</tbody>
</table>

Table IV. Educational level of the respondents
Results

Descriptive statistics like mean and standard deviation have been used to study the distribution of data, and inferential statistical tools like multiple regression, correlation, and moderated regression analysis have been used for testing the hypotheses. The data were analyzed using SPSS 18.0. Minimum-maximum ranges, means, and standard deviations of all the variables used in the study are listed in Table V.

Table VI shows the inter-correlations between transactional leadership, psychological empowerment, and OCB at (0.01) level of significance. The results show that there is a significant association between transactional leadership and OCB. The association between psychological empowerment and OCB is also significant.

A common strategy for testing hypotheses regarding moderator variables with multiple moderated regressions involves using the statistical test of the un-standardized regression coefficient carrying information about the moderating (i.e. interaction) effect (Aiken and West, 1991; Darlington, 1990; Jaccard et al., 1990). Given a criterion or dependent variable $Y$, a predictor variable $X$, and a second predictor variable $Z$ hypothesized to moderate the $X-Y$ relationship, a product term is formed between the predictor and the moderator (i.e. $X \times Z$). Next, a regression model is formed including predictor variables $X, Z$, and the $X \times Z$ product term, which carries information regarding their interaction. The statistical significance of the un-standardized regression coefficient of the product term indicates the presence of interaction (deVries et al., 1998).

The following regression model was tested to find moderating effects for $H3$:

$$DV = \beta_1 IV + \beta_2 MOD + \beta_3 IV \times MOD$$

where $DV$ is the dependent variable, $IV$ the independent variable, $MOD$ the moderator variable, and $IV \times MOD$ gives the interaction effect (deVries et al., 1998; Table VII; Figures 1 and 2).

Based on the findings of correlation, regression, and moderated regression analysis, the three hypotheses were tested and found to be significant. There was a significant

<table>
<thead>
<tr>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>71.00</td>
<td>85.00</td>
<td>78.69</td>
<td>3.09</td>
</tr>
<tr>
<td>40.00</td>
<td>84.00</td>
<td>69.37</td>
<td>10.41</td>
</tr>
<tr>
<td>108.00</td>
<td>143.00</td>
<td>123.04</td>
<td>7.39</td>
</tr>
</tbody>
</table>

Table V.
Descriptive statistics of independent and dependent variables

<table>
<thead>
<tr>
<th>Transformational leadership</th>
<th>Psychological empowerment</th>
<th>Organizational citizenship behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.32**</td>
<td>0.442**</td>
</tr>
<tr>
<td>1</td>
<td>0.277**</td>
<td></td>
</tr>
</tbody>
</table>

Table VI.
Inter-correlations between transactional leadership, psychological empowerment and organizational citizenship behavior

Notes: $n = 319$. **Significant at 0.01 level.
positive relationship between transformational leadership ($\beta = 0.323$, Sig. = 0.01) and OCB as well as between psychological empowerment ($\beta = 0.211$, Sig. = 0.01) and OCB. It was conclusively found that there is a significant relationship between transformational leadership and OCB when psychological empowerment ($\beta = 0.425$, Sig. = 0.01) acts as a moderator.

**Discussion**

This study’s findings support the relationship between transformational leadership and OCB, in congruence with the findings of researchers like Bass (1985, 1990), Bass and Avolio (1993, 1994), Pearce *et al.* (2003), and Sims and Manz (1996). Transformational leaders modify the behavior of followers to enhance their positive qualities (Bass 1985, 1990; Bass and Avolio, 1993, 1994). As discussed earlier,

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>$\beta$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>0.323</td>
<td>0.01</td>
</tr>
<tr>
<td>Psychological empowerment</td>
<td>0.211</td>
<td>0.01</td>
</tr>
<tr>
<td>Transformational leadership $\times$ psychological empowerment</td>
<td>0.425</td>
<td>0.01</td>
</tr>
</tbody>
</table>

**Notes:** Dependent variable—organization citizenship behavior. $R^2 = 0.193$, $R = 0.44$

Table VII. Moderated regression analysis

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**Figure 1.**
Influence of transformational leadership and psychological empowerment on organization citizenship behavior

**Figure 2.**
Moderating influence of psychological empowerment
transformational leaders influence their followers to choose the right path, maintain good moral values, and lead a virtuous life (Pearce et al., 2003; Sims and Manz, 1996).

The concept of OCB depends on the philosophy that an employee who demonstrates OCB goes beyond his or her defined duties and responsibilities, helping others in their assignments as well as attending to other employees’ personal and professional requirements. Organizations expect employees to display greater civic values, as this adds value to their conduct and in turn reflects on their performance. In the service sector and particularly the hotel industry, frontline employees are required to conduct themselves as per organizational norms and to fulfill customer demands even if this involves going beyond their defined roles. Transformational leaders can help service organizations employees to perceive the extra work as part of their roles, meaning employees’ responsibilities are not confined to the boundaries of a defined role. These roles are actually the behavior of employees that leads to a conducive atmosphere at work, better relationships with colleagues, and a harmonious work culture in the organization. Employees are influenced by the personality and conduct of their leaders and implement similar guiding principles when it comes to dealing with customers. This behavioral transformation happens slowly but surely, leading to an environment that is conducive to growth and development. Transformational leaders, with the help of mentoring and coaching, shape employees’ behavior and nurture them to be better individuals. Such leaders have long-term visions for their organizations and prepare their subordinates to achieve these. They help employees visualize their own goals and those of their organization. Transformational leaders provide the direction that inspires employees to put in extra effort and place organizational goals above individual goals. The OCB that frontline employees display results in greater customer satisfaction, which is vital for the service industry.

The results of the study support the relationship between psychological empowerment and OCB. The measures of empowerment dealt with meaningfulness, competencies, self-determination, and the impact of the job (Spreitzer, 1995). Individuals identify these in a job based on their personal interest (Schlechter and Engelbrecht, 2006). An individual may create a conducive, innovative, and supportive environment in order to experience psychological empowerment in his or her job (Algae et al., 2006). Frankl (1984) suggested that individuals’ high performance happened because of their desire to have a meaningful job. In other words, if employees find a job meaningful, they will put in extra effort to enhance its quality. OCB also conceptualized the term “extra effort” (Katz, 1964).

Psychological empowerment and OCB work at an emotional level, where an individual has to believe in the behavior or action through which he or she can achieve better performance. This holistic approach encompasses emotion since psychological empowerment is perceived as a creator of impact at the organizational level. If an individual has the self-determination to understand and perform his or her job, then he or she expresses OCB. Further, an individual who takes care of smaller organizations and unexpected issues also displays and engages in OCB to some extent. Employees in the hotel industry are expected to take instant decisions to address customer issues. They cannot disregard the customer by saying, “This is not my task.” Employees are expected to guide the customer in an appropriate manner, and to address and resolve issues as amicably as possible. Here the concept of psychological empowerment works even if the organization does not practice structural empowerment (Laschinger et al., 2001a, b). Psychological empowerment is dictated by an employee’s state of mind. On the other hand, OCB also is an individual driven variable. Even if this behavior is not rewarded, an employee may choose to go beyond the task level to perform and
serve customers. Thus, employee empowerment and OCB are significantly related to each other.

The third hypothesis, of the significant positive relationship between transformational leadership and OCB when psychological empowerment is high, has been supported by the results of the study. The basic role of psychological empowerment is to give the individual belief in his or herself. How an employee feels about his or her job drives psychological empowerment and propels him or her to actions through which the organization can reap rich rewards (Avolio, 2004; Spreitzer et al., 1999). Positive perception of the job helps leaders and managers to go beyond the exchange level of leadership (Bass, 1985, 1990; Bass and Avolio, 1993). A leader and employees who are psychologically empowered can ensure a high level of positive feeling in other employees and connect with them empathetically. Once the emotional connection (Landy, 1985; Graen et al., 1982) between leader and follower has been established, both may go beyond their limits to perform. The transformational leader assists in modifying employees’ behavior so that they can engage in citizenship behavior. This change is only possible if employees feel that the task they are doing is meaningful and that they can perform it competently; in other words, if they are psychologically empowered. Employees who deal with customers on a day-to-day basis may not have clearly defined roles and responsibilities since it is difficult to predict customers’ behavior and demands. Hence, it is important for an employee to feel psychologically empowered, to understand the leader’s motives, to be given support and guidance, and to contribute to organizational goals (Podsakoff et al., 2000) through OCB. Thus, transformational leadership influences OCB when employees are psychologically empowered.

Conclusion, future scope, and implications of the study
This study has focussed on three heavily researched areas, though these have hitherto had few linkages with each other. Earlier researchers have discussed the various possible outcomes of OCB and suggested the importance of studying its antecedents. This study was a step toward achieving that goal. It analyzed a sample of 319 frontline employees who answered a number of questions about their leaders, their own level of psychological empowerment, and the behavior of their subordinates, which has led to a substantial increase in an understanding of the concept. The study found that transformational leadership and psychological empowerment had a significant positive influence on OCB. This indicates that organizations develop through the contributions of both leader and subordinates. The moderating effect of psychological empowerment in enhancing the relationship between transformational leadership and OCB has also been recognized and found to be significant. This finding indicates that subordinates’ willingness and feelings of power help leaders to exercise transformational leadership for citizenship behavior.

This study considered five-star hotels in Mumbai, the commercial capital of India. Further, research could collect and analyze samples from other parts of the country so that the validity of the findings could be explored and established. A comparative analysis of the service and manufacturing industries, using the same variables, may yield rich conclusions and prove to be an exciting research opportunity offering new insights.

This study can be used to inform managers and leaders about the positive results of transformational leadership, psychological empowerment, and OCB. Based on the findings, organizations can develop practices and training programs that can enhance and encourage the feeling of OCB and psychological empowerment among employees.
A message from the leader, suggesting that employees have the power (empowerment) to improve their jobs and add value to their profiles by enhancing their own performance, will be a motivating factor to subordinates. It will also convey the importance of OCB for any service organization as an effective tool to manage customers. Employees can undergo an induction process so that they feel encouraged to understand the leadership and empowerment practices and to move beyond their job requirements and role, thus, adding to the organization’s effectiveness. This study could be further extended into different contexts and industries through a thorough study of the outcome of OCB given the same antecedents.

References


**Further reading**


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