

# LEADERSHIP AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR IN ISLAMIC BANKS: THE CASE OF THE UAE

By

HANAN AL OBAIDLI Student ID: 60120

A Dissertation

Presented to the faculty of
the British University in Dubai
in Partial Fulfillment
of the Requirements for the Degree

MSc Project Management



### DISSERTATION RELEASE FORM

Student Name	Student ID	Programme	Date
Hanan Al Obaidli	60120	MSc Project Management	29 <sup>th</sup> May, 2010

Title

## LEADERSHIP AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR IN ISLAMIC BANKS: THE CASE OF THE UAE

I warrant that the content of this dissertation is the direct result of my own work and that any use made in it of published or unpublished copyright material falls within the limits permitted by international copyright conventions.

I understand that one copy of my dissertation will be deposited in the University Library for permanent retention.

I hereby agree that the material mentioned above for which I am author and copyright holder may be copied and distributed by The British University in Dubai for the purposes of research, private study or education and that The British University in Dubai may recover from purchasers the costs incurred in such copying and distribution, where appropriate.

I understand that The British University in Dubai may make that copy available in digital format if appropriate.

I understand that I may apply to the University to retain the right to withhold or to restrict access to my dissertation for a period which shall not normally exceed four calendar years from the congregation at which the degree is conferred, the length of the period to be specified in the application, together with the precise reasons for making that application.

Signature
Olghatare

### **ABSTRACT**

This research aims at investigating, for the first time in the Arab World, the influence of leadership behaviors on organizational citizenship behaviors (OCB) in the Islamic banking sector. Also, it explores the role of OCB in affecting work outcomes. The study consists of two core concepts: leadership behaviors and OCB. The sample population for the study was drawn from 150 employees working for several Islamic banks in the United Arab Emirates (UAE). A self-administered questionnaire was developed by combining two instruments. The first one was Bass and Avolio (1995) MLQ x5 scales, and the second one was Konovsky and Organ's (1996) OCB questionnaire. Participants, who were Islamic banks employees, were invited by e-mail to complete a web-based survey. The data was collected through a self-response questionnaire.

Factors of the general variables in this study were indentified in order to test the relationship between them. In the current study, three major leadership styles with their factors were examined; transformational, transactional and passive/avoidant leadership. Transformational leadership consists of five factors: inspirational motivation, idealized behaviors, idealized attributes, individualized consideration, and intellectual stimulation. Transactional leadership consists of two factors; contingent rewards and management by exception (active). Finally, passive /avoidant behavior consists of two factors; management by exception (passive) and Laissez-faire. Moreover, OCB factors examined in this study were altruism, generalized compliance, conscientiousness, sportsmanship, courtesy and civic virtue.

Correlation and regression analysis were conducted in order to test the relationship between leadership behaviors and OCBs. The findings revealed that transformational and transactional leadership styles tend to play a significant role in employees' OCB. Nonetheless, passive/avoidant leadership style plays no role of statical evidence in the relationship. The findings of this study also revealed that transactional leadership behaviors have a stronger positive influence on OCB than transformational leadership behaviors. Though, the difference of the relationship between the two styles is very small. Moreover, the relationship between intellectual stimulation, which is one of the transformational leadership factors, and each of OCB factors were tested. This test was recommended by some researchers (e.g. Mackenzie et al., 2001) as they found a negative influence of this factor on OCB. In the present study, it was found that intellectual stimulation has a significant positive relationship with some of the OCB factors such as altruism, courtesy and generalized compliance. On the other hand, it showed nonsignificant relationships with civic virtue and sportsmanship. The findings are discussed in details in the research along with some recommendations for supervisors and researchers.

**Keywords** Transactional Leadership, Transformational Leadership, Passive/Avoidant Leadership, Organizational Citizenship Behaviors, Intellectual Stimulation.

### الملخص

هذا البحث يهدف و للمرة الاولى في العالم العربي لدراسة تأثير السلوكيات القيادية على سلوكيات المواطنة المؤسسية في القطاع المصرفي الاسلامي. كما يبحث دور تأثير سلوكيات المواطنة المؤسسية على أداء العمل ونتائجه. البحث يحتوي على مفهومين أساسيين هما السلوكيات القيادية و سلوكيات المواطنة المؤسسية. عينة الدراسة استخلصت من 150 موظفا يعملون لحساب عدد من المصارف الاسلامية في دولة الامارات العربية المتحدة. و لدعم البحث تم تطوير استبيان ذاتي عن طريق الدمج بين اثنين من الاستبيانات المعروفة. الأول (MLQ x5) للباحثان باز و أفوليو تطوير استبيان ذاتي عن طريق الدمج بين القياس السلوكيات القيادية. و الثاني كان للباحثان كونوفسكي و أورغان (Bass and Avolio, 1995) لقياس سلوكيات المواطنة المؤسسية . ودعي المشاركون في الدراسة, و اللذين كانو موظفو المصارف الإسلامية, عن طريق البريد الالكتروني لإكمال الاستبيان الذاتي على شبكة الإنترنت.

تم استخلاص العوامل للمتغيرات الاساسية في هذه الدراسة. تم دراسة ثلاث سلوكيات قيادية مع العوامل الرئيسية لكل منهم و هي كالتالي: القيادة التحويلية, القيادة الاجرائية, القيادة السلبية التجنبية. القيادة التحويلية تتكون من خمسة عوامل: الدافع الملهم، والسلوكيات المثالية, الصفات المثالية، المراعاة الفردية، والتنشيط الفكري. القيادة الاجرائية تتألف من اثنين من العوامل و هما المكافأة المشروطة والإدارة من خلال الاستثناء (نشط). وأخيرا، القيادة السلبية التجنبية و تتألف من اثنين من العوامل و هما إدارة الاستثناء (السلبية)، وعدم التدخل. علاوة على ذلك، عوامل السلوكيات المواطنة المؤسسية التي تمت دراستها في هذا البحث احتوت على التالي: الإيثار، والامتثال المعمم، الضمير، الروح الرياضية، المجاملة والفضيلة المدنية.

هذة الدراسة اجرت الارتباط والتحليل لاختبار العلاقة بين السلوكيات القيادية و سلوكيات المواطنة المؤسسية. كشفت النتائج أن أساليب القيادة التحويلية و الاجرائية تميل إلى لعب دور هام في التأثير على سلوكيات المواطنة المؤسسية لدى الموظفين. أما القيادة السلبية التجنبية فإنها لا تلعب أي دور في العلاقة بين هذين المتغيرين. نتائج هذه الدراسة أيضا كشفت أن السلوكيات القيادية الاجرائية لديها أقوى تأثير إيجابي على سلوكيات المواطنة المؤسسية بنسبة أكبر من السلوكيات القيادية التحويلية. على الرغم من أن نسبة اختلاف العلاقة بين أسلوبين القيادة ضئيل جدا. وعلاوة على من السلوكيات القيادية التحويلية ، وكل عامل من عوامل سلوكيات نلك ، تم اختبار العلاقة بين النتشيط الفكري والذي هو احد عوامل القيادة التحويلية ، وكل عامل من عوامل سلوكيات المواطنة المؤسسية. الاختبار مع مرور الوقت وجدوا ان التنشيط الفكري له تأثير سلبي على عوامل سلوكيات المواطنة المؤسسية أظهرت هذه الدراسة على أن التنشيط الفكري لديه علاقة إيجابية هامة مع بعض عوامل سلوكيات المواطنة المؤسسية مثل الإيثار ، المجاملة والامتثال المعمم من جهة أخرى ، أظهرت انه لا توجد علاقة بينها و بين الفضيلة المدنية والروح الرياضية وتناقش النتائج مع التفاصيل في هذا البحث مع بعض التوصيات للمشر فين والباحثين.

كلمات دالة: القيادة الاجرائية ، القيادة التحويلية والقيادة السلبية التجنبية ، سلوكيات المواطنة المؤسسية والتنشيط الفكري.

### **DEDICATION**

This dissertation is dedicated to my wonderful family. Particularly, to my parents who made all of this possible, for their endless encouragement and patience.

### **ACKNOWLEDGEMENT**

I am heartily thankful to my dissertation supervisor, Dr. Abubaker Suliman, whose encouragement, supervision and support from the preliminary to the concluding level enabled me to develop an understanding of the subject.

Lastly, I offer my regards and blessings to all of those who supported me in any respect during the completion of the project.

### Hanan Al Obaidli

### **TABLE OF CONTENTS**

LIST OF FIGURES	ix
LIST OF TABLES	ix
CHAPTER 1: INTRODUCTION TO THE PROBLEM AND PURPOSE OF THE STUDY	1
1.1 Introduction	2
1.2 Significance of the Study	7
CHAPTER 2: LITERATURE REVIEW	9
2.1 Introduction	10
2.2 Leadership	10
2.2.1 Multifactor Leadership Theory	13
2.2.2 Transformational Leadership	14
2.2.3 Transactional Leadership	20
2.2.4 Passive/Avoidant Leadership	22
2.2.5 Comparison between Transformational and Transactional Leadership	24
2.3 Organizational Citizenship Behavior (OCB)	26
2.4 The Influence of Transformational Leadership on OCB	33
2.5 The Influence of Transactional Leadership on OCB	37
CHAPTER 3: RESEARCH METHODOLOGY	39
3.1 Introduction	40
3.2 Research Design	40
3.3 Study Sample	40
3.4 Participants	41
3.5 Measures	42
3.5.1 Multifactor Leadership Questionnaire (MLQ)	42
3.5.2 Konovsky and Organ (1996) Organizational Citizenship Behaviors (OCB) Que	estionnaire
3.5.3 Why Self-Report Questionnaire?	44
3.6 Procedures for Data Collection	45
3.7 Hypothesis	47
CHADTED A: DESEADON FINDINGS	40

	4.1 Introduction	. 50
	4.2 Demographic Data	. 50
	4.3 Reliability of Scales	. 52
	4.3.1 Reliabilities of Transformational Leadership Scales	. 53
	4.3.2 Reliabilities of Transactional Leadership Scales	. 54
	4.3.3 Reliabilities of Passive / Avoidant Leadership Scales	. 54
	4.3.4 Reliabilities of OCB Scales	. 55
	4.4 The Relationship between Leadership Behaviors and OCB Factors (Altruism, Courtesy, Sportsmanship, Civic Virtue and Generalized Compliance)	. 56
	4.5 The Relationship between Leadership Behaviors and OCB	. 59
	$4.5.1$ Regression Analysis for the Relationship between Leadership Behaviors and OCB $\dots$	. 60
	4.6 The Relationship between Intellectual Stimulation and OCB Factors	. 65
	4.6.1 Regression Analysis for the Relationship between Intellectual Stimulation and OCB Factors (Altruism, Courtesy, Sportsmanship, Civic Virtue and Generalized Compliance)	
CH	APTER 5: DISCUSSION OF FINDINGS	. 74
	5.1 Introduction	. 75
	5.2 Findings and Discussion	. 75
CH	HAPTER 6: CONCLUSION AND RECOMMENDATIONS	. 81
	6.1 Introduction	. 82
	6.2 Contributions of the Current Study	. 82
	6.3 Recommendations for Management	. 85
	6.4 Study Limitations	. 87
	6.5 Suggestions for Future Research	. 89
	6.6 Conclusion	. 90
RE	FERENCES	. 92
ΑF	PPENDIX A	102
ΑF	PPENDIX B	104
ΔΓ	PPFNDIX C	108

### **LIST OF FIGURES**

Figure 1. The proposed relationship between leadership styles and OCBs	7
Figure 2. Study Hypothesis Demonstration	48
LIST OF TABLES	
Table 1. Transactional and transformational leadership: comparison (Covey, 1992)	25
Table 2. OCB Dimensions in the Western Literature by Farh et al. (2004)	33
Table 3. The description of the study sample	51
Table 4. Results of reliability test for transformational, transactional, passive/avoidant	
leadership behaviors and OCB	52
Table 5. Means, standard deviations and reliabilities of transformational leadership scales	53
Table 6. Means, standard deviations and reliabilities of transactional leadership scales	54
Table 7. Means, standard deviations and reliabilities of passive /avoidant behaviors scales	55
Table 8. Means, standard deviations and reliabilities of OCB scales	
Table 9. The relationship between transformational, transactional, passive/avoidant leader behaviors and each OCB factor	ship
Table 10. The relationship between transformational, transactional, passive/avoidant leade behaviors and OCB	ership
Table 11. Regression test for the relationship between transformational leadership and OCB	61
Table 12. Regression test for the relationship between transactional leadership and  OCB	
Table 13. Regression test for the relationship between Passive/Avoidant Leadership and  OCB	
Table 14. Correlation test between Intellectual Stimulation and OCB factors	

Table 15. Regression test for the relationship between intellectual stimulation and
altruism67
Table 16. Regression test for the relationship between intellectual stimulation and
courtesy69
Table 17. Regression test for the relationship between intellectual stimulation and
sportsmanship70
Table 18. Regression test for the relationship between intellectual stimulation and civic
virtue71
Table 19. Regression test for the relationship between intellectual stimulation and generalized
compliance73

# CHAPTER 1: INTRODUCTION TO THE PROBLEM AND PURPOSE OF THE STUDY

### 1.1 Introduction

Researchers in organizational behavior and organizational psychology have long been interested in investigate how employees' perceptions of their managers influence their work-related believes and behaviors (Babcock-Roberson and Strickland, 2010). Most of leadership studies are closely linked to organizational studies. The current study examines how leadership behaviors are related to organization citizenship behavior so that it can be used to positively influence these behaviors in public sector organizations in the UAE and specifically in Islamic Banks.

Banks are very growing successful business in the United Arab Emirates (UAE). Islamic banking was introduced over a quarter a century ago (Siddiqui, 2001). It's now one of the world's fastest-growing economic sectors. The first full-fledged Islamic Bank was formed in Dubai in 1975, which is Dubai Islamic bank. Barakat and Sarver (1997) note that around one billion people around the world adhere to the Islamic faith and becoming more devout by the day. As stated by Siddiqui in his article in 2001, "At present 200 Islamic banks and financial institutions, operating in 27 Muslim and 16 non-Muslim countries, are managing a portfolio of about \$200 billion" (Siddiqui, 2001, p.1). The number of Islamic banks worldwide must have increased since Siddiqui published his study in 2001. He also stated that "GCC countries accounted for 15 percent of the paid up capital, 27 percent of the assets, 34 percent of the deposits and 28.8 percent of the net profit of the Islamic banks world-wide" (Siddiqui, 2001, p.12). Given that the UAE is an Islamic country, Islamic banks have a good opportunity to expand their activities, by

attracting more customers and operating more branches (Tamimi and Al-Amiri, 2003). Islamic banks activities are consistent with the principles of Islamic law (*Sharia*) and basically can be described as interest-free banks. Sajjad (2010) states that "Islamic banking is based on Sharia that prohibits (riba)" (p. 10). According to religious researchers, the word (riba) means interest. Islamic banks are growing and drawing attention of institutions worldwide (Sajjad, 2010). Furthermore, Islamic finance is starting to be considered as an essential source of liquidity for cash strapped governments and organizations in the west (C and S, 2009). Customers of Islamic banks are not only Muslims. Non-Islamic customers make up as much as half of Islamic banks customers (C and S, 2009). As reported by some researchers (C and S, 2009), the failure of financial markets in the west because of the global financial crisis should inspire policy makers to take closer look at the Islamic banking model, so Islamic banking sector is expected to grow globally. There is lack of research on Islamic banking in the literature, thus, this research can be a useful source for future studies in this field.

This study focuses on the influence of leadership behaviors on OCB. The first global variable that will be studied in this research is leadership. Leadership basically is a process of getting work done through people. The term Leadership has become a popular metaphor for today's business world. Organizations need to ensure that they are doing everything possible to develop leaders in order to enhance their productivity and ensure healthy work environments for their employees. Initially, Research on transactional leadership has been to some extent disappointing. These leadership behaviors have not accounted for as much of the variance in performance as primarily expected (Mackenzie

et al., 2001). Recently, theories of leadership started to highlight the effects that exceptional leaders can have on their followers and organizations (Mackenzie et al., 2001). Some authors refer to this type of leadership as charismatic leadership while Bass (1985) refers to it as transformational leadership. Later charisma was viewed as an element of transformational leadership.

In this research the broaden term "transformational leadership" is used. Transformational and transactional leadership are two different terms. Burns (1978) defines transformational leadership as the process through which leaders arise the needs and motivations of the followers and promote a radical change in the individuals, groups and organizations, and develop a relationship of mutual stimulation and elevation that converts subordinates into leaders. On the other hand, a transactional leader is the one who prefers a leader-member exchange relationship, where the leader fulfils the needs of the subordinates in exchange for their performance in meeting basic requirements (Bass, 1985). The behaviors through which transformational and leaders and transactional leaders influence their subordinates are different. Mackenzie et al. (2001) noted that transformational leadership behaviors improve the effectiveness of the manager more than what she or he could achieve through transactional leadership behaviors alone. One more type of leadership will be discussed in this study which is passive/avoidant. Leaders who take passive/avoidant approach react to issues when they become serious only (Judge and Bono, 2004). Most studies in leadership literature found that there is negative impacts of passive-avoidant leadership on the work motivation of followers and can result in damaging consequences for the working environment, health, and well-being of staff (Hetland and Sandal, 2003; Judge and Bono, 2000; Corrigan, Lickey, Campion and Rashid, 2000). To measure leadership in this study, the revised Multifactor Leadership Questionnaire (MLQ) x5 is used. It's a comprehensive survey of 45 items which measures a full range of leadership styles. This version of MLQ has proven to be a strong predictor of leader performance and has been used extensively in the research. Following are the leadership behaviors with their factors that will be discussed and analyzed in this study:

### 1 Transformational Leadership

- a. Idealized Attributes
- b. Idealized Behaviors
- c. Inspirational Motivation
- d. Intellectual Stimulation
- e. Individualized Consideration

### 2 Transactional Leadership

- a. Contingent Reward
- b. Management-by-Exception (Active)

### 3 Passive/Avoidant

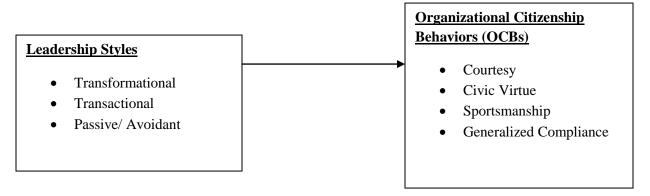
- a. Management-by-Exception (Passive)
- b. Laissez-faire

The second global variable in this study is organizational citizenship behavior (OCB). Research on organizational behavior literature has indentified the existence of multiple OCB factors and found different positive relationships between these factors and important organizational outcomes. OCBs refer to employees' voluntary behaviors that go beyond expected job responsibilities. These behaviors are a matter of personal choice and are discretionary, not directly or explicitly recognized by the organization reward system, such that their omissions are not normally understood as punishable (Organ, 1988). OCBs are beneficial to the organizations and according to many researchers they have a positive impact on the effectiveness and efficiency of work groups and organizations, therefore these behaviors can influence the overall productivity of any organization (e.g. Organ 1988). What makes OCB an important element in these days is that it can support the current trends of customer services and client satisfactions and also the development of team-based organizations. Several studies in the literature provided empirical evidence confirming that OCB enhances organizational performance so it is one of the challenges of human resource development (HRD) to find ways to develop and improve employees' OCB (Boerner et al., 2008). Five OCB factors are discussed and analyzed in this study. The factors are: altruism, generalized compliance, sportsmanship, courtesy and civic virtue. The questionnaire developed by Konovsky and Organ (1996) which consists of 32 items was used in order to measure the five studied aspects of OCB.

Correlations and regression analysis are conducted in the current study in order to test the influence of the three leadership behaviors (transformational, transactional and passive/avoidant) on OCBs (Figure 1). Also, the current study focuses on the relationship between intellectual stimulation, which is one of the transformational leadership factors, and each factor of OCB (altruism, courtesy, sportsmanship, civic virtue and

sportsmanship), since most of the past studies proved the negative impact of intellectual stimulation on OCB.

Figure 1. The proposed relationship between leadership styles and OCBs



### 1.2 Significance of the Study

The relationship between charismatic or transformational leadership and organizational citizenship or extra-role behaviors have been studied extensively among various professional groups. However, very few studies have looked at the effect of transactional leadership behaviors and passive/avoidant leadership on OCB.

Transformational leadership theories argue that the key attribute of transformational leader is to get her/his staff to "perform beyond and above expectations". This notion needs to be tested over time and in different cultures in order to prove its validity. It's important that the current study tests the influence of transformational leaders on employees OCBs so this popular notion can be approved or rejected in this part of the world. Also, according to the researcher knowledge, no such research has been done in

the context of the Middle East and specifically in the UAE to explore the influence of transformational, transactional and passive/avoidant leadership styles on employee's extra-role behaviors or OCBs. Many researchers argued that it is important to examine the forms of OCB for every cultural context other than United States (Lievens and Anseel, 2004; Paillé, 2009).

Moreover, the relationship between leadership behaviors and OCB particularly in Islamic banking sector has remained untapped by authors. The study of OCB and leadership should be important to Islamic banking sector as its growing rapidly not only in Muslim courtiers but all over the world. Generally, there is lack of research on Islamic banking field in the literature. Therefore, this research can be useful for both researchers and supervisors or managers in Islamic banks to manage the organizational citizenship behaviors of their employees and improve them through suitable leadership behaviors.

### **CHAPTER 2: LITERATURE REVIEW**

### 2.1 Introduction

The purpose of this study is to examine if a relationship exists between transformational, transactional, passive/avoidant leadership behaviors and OCB of employees working in Islamic banks. The results of this study might add to the body of knowledge about leadership and organizational wellness. The two variables (leadership and organizational citizenship behaviors) continue to be debated topics in literature. This chapter outlines data from existing literature relating leadership behaviors and OCB.

### 2.2 Leadership

Leadership is one of the most complex studied concepts and this statement can be proved by the several different definitions available in the literature (Johns and Moser, 1989). According to Nirenberg (2001), there are many definitions for the concept of leadership. He defines leadership as a social functional required for achieving collective goals (Nirenberg, 2001). Burns defines leadership in his book *Leadership* (1978) as "... leaders inducing followers to act for certain goals that represent the values and the motivations, the wants and needs, the aspirations and expectations of both leaders and followers" (p. 19). Similarly, Jacques and Clement (1994) define leadership as a process in which an individual sets the goals or directions for a group and gets that group to work all together with competence toward achieving that goal. According to Rowden (2000), leadership is a behavior of an individual when he/she is directing a group of people to accomplish a mutual goal. Fiedler (1995) defines a leader as "a person who is appointed, elected or

informally chosen to direct and co-ordinate the work of others in a group" (p.7). Successful leadership takes part when one man changes another man in the way intended (Bass, 1960). Leadership can be considered to be personal qualities, styles, behaviors and decisions adopted by the leader (Arnold, 1998). Sunindijo *et al.* (2007, p. 167) indicates that "A leader should influence people toward the attainment of organizational goals and should be able to manage conflicts whenever disputes or crises arise". Conger (1999), defines leadership as a person who establishes directions for working group of people. Conger (1999) also stated that leaders motivate the group members and gain their commitment to the objectives they have set. According to Babcock-Roberson and Strickland (2010):

"Leadership is typically viewed as a process of social influence, in which one or more persons affect one or more followers by clarifying what needs to be done, and providing the tools and motivation to accomplish set goals" (p.314).

Bass (1990) defines leadership in three famous styles: transformational, transactional and laissez-faire leaders. According to Bass (1990), transformational leaders enhance the motivation, morale and performance of their subordinates through a variety of mechanisms such as defining goals, suggesting how to execute tasks and providing feedback on accomplished tasks.

Transactional leaders use exchange benefits with their follower. They set their tasks and communicate a sense of duty with rewards and punishments to reach objectives (Bass 1990). On the other hand, laissez-faire leaders avoid making decision or taking risks and leave their followers work on their own without supervision (Bass 1990). According to (Bass 1990), transformational leaders adopt a long term perspective by focusing on future

needs of themselves and their followers instead on current ones. As recommended by Johns and Moser (1989), it's more logical to study leaders' behaviors or actual acts of the leaders. In the past years, the focus of leadership study has moved from traditional or transactional leadership to a new style of leadership theories, all of which have charisma as their main concept (Piliai *et al.*, 1999; Meindl, 1990). Sunindijo, Hadikusumo and Ogunlana (2007, p.167) identified thirteen leadership behaviors from several literature reviews:

- 1. Visioning: The leader communicates the vision and helps the team to clarify its goals.
- 2. *Inspiring:* This behavior is usually displayed by the communication of high expectations, using symbols to focus efforts, and expressing important purposes in simple ways.
- 3. *Stimulating:* The leader helps subordinates to look at old problems from new and different perspectives. Intelligence and rationality are used in problem solving.
- 4. *Coaching:* The leader pays close attention to individual differences among subordinates; and he/she teaches and advises employees with individual personal attention.
- 5. *Rewarding:* The leader provides rewards and positive feedback to employees who meet agreed goals.
- 6. *Punishing:* This style is characterized by giving punishment and negative feedback to employees who show undesirable and below par performance.

- 7. *Delegating:* The basic concept of delegation is to transfer authority and responsibility to lower positions in the organizational hierarchy and to provide challenging and difficult tasks to subordinates to enhance their development.
- 8. *Leading by example:* The leader does the same real work and contributes in the same way like subordinates.
- 9. *Sharing and open communication:* The leader shares all types of information throughout the organization, across functional and hierarchical levels.
- 10. *Listening:* The leader grasps both facts and feelings to interpret a message's true meaning, and shifts thoughts to empathizing with others.
- 11. *Directing:* The leader tells subordinates exactly what they are supposed to do. The leader sets the goals, standards, rules, and the regulations.
- 12. *Participating:* The leader consults with subordinates before making decisions. Opinions, suggestions, and participation are encouraged in the decision-making process.
- 13. *Proactive:* The leader actively seeks information from others and identifies problems at the early stage.

#### 2.2.1 Multifactor Leadership Theory

In 1980's, Bass developed the multifactor leadership theory. This theory covered a range of leadership behaviors such as transformational, transactional, laissez-faire leadership and some charismatic styles. Earlier in 1978, Burns defined transactional leaders as ordinary leaders who influence employees' efforts by rewards. On the other hand, he defined transformational leaders as those who encourage their employees to perform beyond expectations by providing support to develop them to higher levels and raise their

confidence (Burns, 1978). The original version of Multifactor Leadership Questionnaire (MLQ) was first developed by Bass (1985). In this questionnaire he measured the factors of two leadership styles: transformational and transactional. Bass (1985) identified idealized influence, intellectual stimulation and individualized attention as factors of transformational leadership and contingent rewards and management by exception as factors of transactional leadership. Bass and Avolio (1995) revised the MLQ and included inspirational motivation as an additional factor to the transformational leadership. They also extended Burns leadership styles by adding laissez-faire leadership as an additional leadership in addition to transactional and transformational.

### 2.2.2 Transformational Leadership

Transformational leadership has generated a significant amount of studies over the past 2 decades (Babcock-Roberson and Strickland, 2010). Numerous studies confirmed that transformational leaders achieve higher levels of their subordinates` performance and satisfaction (Bass and Seltzer, 1990). Charismatic leadership has often been treated as equivalent to transformational leadership in the literature (Boerner *et al.*, 2008). The concept of "transforming" leadership or "transformational" leadership was first developed by Burns (1978) who describes it as the process through which leaders arise the needs and motivations of the followers and promote a radical change in the individuals, groups and organizations. As defined by Burns (1978):

"A transformational leader looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower .... Leaders develop a relationship of mutual stimulation and elevation that converts followers into leaders." (p. 4).

Inspired by Burns book, Bass (1985) developed an extended theory of transformational leadership. Bass (1985) indicated that transformational leaders are charismatic and inspirational. Transformational leaders increase the confidence of individuals or groups, arouse awareness and interest in the group or organization, and attempt to move the concerns of subordinates to achievement and growth rather than existence (Bass, 1985). Bass further indicated that transformational leadership arises:

"When leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their own self-interests for the good of the group "(Bass, 1990, p. 21).

Transformational leaders may have several passive influences on their followers such as expand their portfolio of needs, transform their self-interest, increase their confidence, encourage behavioral change, elevate their expectations and motivate them to higher levels of personal achievement (Bass, 1985). According to Yuki and Fleet (1992), transformational leadership is:

"The process of influencing major changes in the attitudes and assumptions of organizational members...and building commitments for major changes in the organization's objectives and strategies" (p.174).

#### Transformational leaders also can be described as:

"Leaders who broaden and elevate the interests of their followers, generate awareness and commitment of individuals to the purpose and mission of the group, and...they enable subordinates to transcend their own self-interests for the betterment of the group" (Seltzer et al., 1989, p. 174).

Tichy and Devanna (1986) described transformational leaders as courageous, value driven, lifetime learners, believe in subordinates, and have the ability to deal with complexity, ambiguity and uncertainty. Transformational leaders direct their followers toward their performance beyond established standards and goals; enhancing

empowerment rather than dependence (Avolio and Bass, 1999; Hartog *et al.*, 1997). Transformational leaders also prefer effectiveness to efficiency and try to search for new ways of working and new opportunities (Lowe *et al.*, 1996).

Transformational leaders are those who provoke emotional responses in subordinates (Druskat, 1994). Such leaders are likely to provide personal attention to encourage development through individualized consideration, enable new ways of working, promote novel problem solving techniques and provide coaching and support of specific behaviors in followers through intellectual stimulation (Bass, 1999). Transformational leaders also develop organizational contexts that encourage employees to exercise and expand their own cognitive skills and to become more capable of defining their own visions independently of the leader's immediate supervision and control (Jung and Sosik, 2002). A study by Hetland and Sandal (2003) showed that willingness to exert extra effort, is the outcome variable best predicted by transformational leadership by followers' ratings. The skills of a transformational leader rest on the ability to create a vision and develop a framework that generates a shared sense of purpose (Nemanich and Keller, 2007). As stated by Piliai et al. (1999), "Building employees' trust in the leader through transformational leadership behaviors may also increase employees' tendency to engage in OCBs" (p.906). Podsakoff et al., (1990), argue that the most important effect of transformational leaders should be on extra-role performance, rather than in-role performance (p. 109). According to Bass (1985), the transformation leadership concept is comprised of four factors, or types that are classified as idealized influence (charisma), inspirational motivation, intellectual stimulation and individualized consideration. Also,

Bass presented three components that are characteristics of transactional leadership and they are: contingent reward, management by exception and laissez-faire Leadership behaviors.

### **Factors of Transformational Leadership**

Idealized Influence: Indicates whether leaders hold subordinates' trust, maintain their faith and respect, show dedication to them, promotes desirable behavior, take stands on difficult problems, present their most important values openly and act as their role model (Bass, 1985). As stated by Bass (1985), through role modeling, subordinates can notice how they may themselves take responsibility for their own actions. Followers also can feel more comfortable and able to engage in decisions related to the task at hand (Bass, 1985). In his earlier study, Bass named this element Charismatic Leadership since such leaders are accepted as role models, they influence pride, loyalty and confidence in their followers. As a positive outcome, identification with the leaders and their visions is built up and commitment to the organization increases (Bass, 1985).

*Inspirational Motivation*: Measures the degree to which a leader formulates a clear and attractive vision of the future, use appropriate signs and images to help others focus on their tasks, getting subordinates feel their work is significant and challenge subordinates with high standards (Bass, 1985). With this style, followers are encouraged to fulfill organizational goals and to believe in them (Bass, 1985).

"Through inspirational motivation, transformational leaders engage their followers 'above and beyond the call of duty' and encourage them to take charge of their own

development at work. Consequently, followers are more likely to report that they are highly involved in their jobs" (Bass, 1990, p. 188).

According to Nielsen et al. (2008):

"Through inspirational motivation, transformational leaders communicate optimism about future goals and provide meaning for the task at hand" (p.467-468).

Also, transformational leader develops a clear vision that allows followers to see the bigger picture and develop a strong sense of purpose if they are motivated to take actions. (Burke *et al.*, 2006).

Intellectual Stimulation: Shows the extent to which leaders encourage others to look at problems in creative and innovative ways, create an environment that is tolerant of seemingly extreme positions, encourage subordinates to make their own decisions and challenges followers' assumptions, thoughts and imagination. (Bass, 1985; Avolio et al., 2004). Subordinates are encouraged to take risks, proactively to seek out opportunities and to resolve complex organizational problems (Tichy and Ulrich, 1984). Although Bass (1985) noted that this type of leadership behavior would have positive effects on the employees because it enhances learning and combating "plateauing" and "burnout", recent studies have not supported this statement.

Padsakoff *et al.* (1990) found that it's related negatively to trust and job satisfaction. Moreover, Podsakoff, Mackenzie and Bommer (1996) found that it has a positive relationship with role conflict. Also Seltzer, Numerof and Bass (1989) reported that it's positively related to burnout and stress. As stated by Mackenzie *et al.* (2001):

"One possible reason why intellectual stimulation dysfunctionally related to subordinate criterion variables may have to do with the destabilizing nature of intellectual stimulation itself" (p.119).

The effect of intellectual stimulation behaviors may be beneficial in the long run because it causes employees to find new ways and techniques to improve work which may prove to be more effective than the methods they are currently using (Mackenzie *et al.*, 2001). On the other hand, it may decrease the employees in-role performance in the short run because it causes them to concentrate more on identifying ways of working "smarter" at the expense of working "harder" (Mackenzie *et al.*, 2001)..

Individualized Consideration: Bass (1985) defines this factor as the amount of attention and support, which a leader provides his/her followers. It indicates the degree to which a leader acts as a coach or a teacher, shows interest in others' well-being, listen to them carefully, pays attention to those who seem less involved in the group, assigns projects individually and further the developments of the followers to get them to develop their full potential (Bass, 1985). The focus lies on every individual's development and all followers are regarded as individuals with individual desires and abilities (Bass, 1985). According to Avolio *et al.*, (2004), through coaching and mentoring, subordinates are encouraged to make their own decisions in a supportive environment. According to Nielsen et al. (2008):

"Individualized consideration promotes a feeling of being special in followers and thus, they are likely to put in an extra effort if they feel noticed and that their efforts are appreciated" (p.467).

### 2.2.3 Transactional Leadership

Transactional leaders concentrate on the recent needs of followers by concentrating on exchanges, such as reward for performance, mutual support and bilateral exchanges (Bass, 1985). According to Bass (1985), a transactional leader is the one who prefers a leader-member exchange relationship, where the leader fulfils the needs of the subordinates in exchange for their performance in meeting basic requirements. Yammarino et al. (1993) indicates that a transactional leader always seeks risk avoidance and is capable to build confidence in subordinates to help them reach their goals. Piliai et al.(1999) stated that "more transactionally oriented leadership may create an environment in which the subordinate defines his or her relationship with the organization as an economic exchange where emphasis is on providing rewards in exchange for meeting agreed-upon objectives" (p.902).

They also stated that "transactional leaders, employees are more likely to be concerned about the fairness of outcomes than the fairness of procedures because their relationship with their leader is based on the outcomes they receive in exchange for their effort" (Piliai *et al.*, 1999, p. 902). This leadership style focuses on the social interactions or transactions between leaders and subordinates. Transactional leaders conduct their business by identifying the needs of their followers and giving rewards satisfying these needs for certain performances (Arnold, 1998). According to Bass (1985), the leader's freedom to act is constrained by the subordinates' perception of this leader. Subordinates will only show the demanded behaviors when they experience a certain authority and ability in the leader as well as contingencies in rewards. He also suggested that

transactional leaders operate by clarifying instrumentalities for their followers (Bass, 1985). Therefore, the responsibility of such leader is to make rewards and punishments visibly contingent on performance and clarify the outcomes that the followers can expect in exchange for excellent performance (Bass, 1985). Bass (1985) also stated that leaders motivate their followers by observing their performances and reacting to mistakes and failures.

"Transactional leadership motivates followers by appealing to their self-interest and it is based on exchange relationship, whereby follower compliance is exchanged for expected rewards. Transactional leadership entailed the exchange value of things with no mutual pursuit of higher order purpose or just enough to produce minimum organizational production" (Nguni et al., 2006, p.147).

According to Bass (1985), transactional leadership style consists of three theoretical factors and they are contingent reward, active management-by-exceptions and passive management-by-exception. In later studies, researchers suggested that passive management-by-exception should be a subscale of passive/avoidant leadership (Avolio and Bass, 1999; Hartog *et al.*, 1997; Hetland and Sandal, 2003).

### **Factors of Transactional Leadership**

Contingent reward: Nguni et al., (2006) define it as "the extent to which leaders set goals, make rewards on performance, obtain necessary resources, and provide rewards when performance goals are met" (p.148). The leader clarifies what is expected from subordinates and what they will receive if they meet certain levels of performance (Nguni et al., 2006). According to Bass (1985), Leaders taking contingent reward approach

clarify what is anticipated from subordinates and what they will receive if they meet expected levels of performance (Bass, 1985).

Active management-by-exceptions: a Leader focuses on monitoring task completion for any issue that might arise and solving this issue to maintain current performance level. Leaders monitor subordinates' performance and keep track of mistakes (Nguni *et al.*, 2006). As stated by Bass (1985), leaders concentrate on controlling task execution for issues that might arise and correcting to those issues to maintain current performance levels.

### 2.2.4 Passive/Avoidant Leadership

As stated by Judge and Bono (2004, p. 902) "leaders take a passive approach, intervening only when problems become serious". Most researchers on leadership subject found that there is negative impact of passive-avoidant leadership on the work motivation of followers (Hetland and Sandal, 2003; Judge and Bono, 2000). In addition, findings from a recent research pointed out that passive/avoidant leadership can result in damaging consequences for the working environment, health, and well-being of staff (Corrigan, Lickey, Campion and Rashid, 2000). There are two factors of passive/avoidant leadership style: passive management-by-exceptions and laissez faire. Bass (1985) listed laissez-faire under transactional leadership, although it can be thought of as non-leadership or the avoidance of leadership responsibilities. According to Bass (1985), passive management by exception was one of the subscales of transactional leadership style. In later studies, researchers suggested to combine this factor with laissez faire under passive/avoidant

leadership because these two factors correlate positively with each other and negatively with all other factors (Avolio and Bass, 1999; Hartog *et al.*, 1997; Hetland and Sandal, 2003). Nguni *et al.* (2006) tested the relationship between two factors of passive/avoidant: passive management by exception and laissez-faire and OCB. The study revealed that the relationship between passive/avoidant and OCB was not significant (Nguni *et al.*, 2006).

### Factors of Passive/Avoidant Leadership

Passive management-by-exceptions: Leaders are more likely to react only after issues have become serious and often avoid making any decisions at all (Bass, 1985). A leader may not be aware of issues until informed by others and usually fails to intervene until serious issues appear (Nguni *et al.*, 2006).

Laissez-Faire: Transactional and Transformational Leadership styles are contrasted with a third style named Laissez-Faire leadership (Bass, 1990). They generally avoid participating in group or individual decision making (Bass, 1990). This passive type of leadership shows the absence of leadership (Bass, 1990). Deluga (1990) states that "Laissez faire leadership describes passive leaders who are reluctant to influence subordinates or give direction" (p. 192). Followers are given freedom of action and they are expected to maximize their power and influence (Deluga, 1990).

### 2.2.5 Comparison between Transformational and Transactional Leadership

Although transformational leaders are assumed to be more effective than transactional leaders, successful leaders can increase their influence by utilizing both leadership styles (Bass 1995). For Bass (1985), transactional and transformational styles of leadership build on one another by comprising related dimensions of leadership. He also stated that transformational leadership is based on social exchange while transactional leadership is based on material or economic exchange. A study by Piliai et al. (1999) consistently demonstrated high correlations between transactional and transformational leadership styles. According to Nguni et al. (2006), transformational leaders are different from transactional leaders in that they do not only identify the needs of subordinates, but also try to raise those needs from lower to higher levels of development and improvement. "Transformational leadership motivates followers to do more than they originally expected and often even more than they thought possible" (Nguni et al., 2006, p. 148). A transformational leader focuses on the development of subordinates as well as addressing their goals (Nguni et al., 2006, p. 148). Transformational leadership is development oriented for the purpose of change but transactional leadership is appropriate for maintaining the status quo (Bass, 1985; Hater and Bass, 1988). According to Bass (1985), the success of a transformational leader is proven by increased performance of the subordinates and the degree to which they develop their own leadership skills. Transformational leadership tends to be more effective than transactional leadership (Hater and Bass, 1988). Compared to transactional leadership:

"Transformational leadership entails raising the level of motivation of their followers beyond exchange values and thus achieves a higher level of performance and followers self-actualization" (Nguni et al., 2006, p. 147).

Nguni et al. (2006) indicate that transactional leadership may construct a well-organized and productive workplace but is limited compared to transformational leadership. A study by Koh et al. (1995) in the Singaporean educational field, reported that transformation leadership behaviors have stronger positive effect on OCB than transactional leadership. Also, the findings from Hetland & Sandal (2003) study were consistent with the assumptions that transformational leadership is more motivating than transactional leadership. Convey (1992) provided a comparison between the two styles (Table 1).

Table 1. Transactional and transformational leadership: comparison (Covey, 1992)

Transactional Theories	Transformational Theories
Builds on people's need to get a job done and	Builds on a people's need for meaning.
make a living.	
Is preoccupied with power, position, politics	Is preoccupied with purposes and values,
and perks.	morals and ethics.
Is mired in daily affairs.	Transcends daily affairs.
Is short-term and hard data orientated.	Is orientated towards long-term goals without
	compromising human values and principles.
Focuses on tactical issues.	Focuses more on missions and strategies.
Relies on human relations to lubricate human	Releases human potential identifying and
interactions.	developing new talent.
Follows and fulfils role expectations by	Designs and redesigns jobs to make them
striving to work effectively within current	meaningful and challenging.
systems.	meaningful and chancinging.
Supports structures and systems that reinforce	Aligns internal structures and systems to
the bottom line, maximize efficiency, and	reinforce overarching values and goals.
guarantee short-term profits.	

### 2.3 Organizational Citizenship Behavior (OCB)

There is ambiguity in the literature with regard to similarities and differences between several forms of citizenship or extra-role behavior (Purvanova, Bono and Dzieweczynski, 2006). The well known terms are organizational citizenship behaviors, extra-role performance, organizational spontaneity and contextual performance (Purvanova, Bono and Dzieweczynski, 2006). In a later study by Organ and his colleagues (Smith, Organ and Near, 1983), these behaviors were conceptualized as organizational citizenship behaviors (OCBs). Since the end of the 1990s, OCBs have been the subject of so many studies. The most recent study by Boiral (2009) indicated that:

"Organizational citizenship behaviors have been the topic of much research attempting to understand the motivations, manifestations, and impacts of these behaviors on organizational development" (p.221).

### Organ (1988) has defined OCB 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. By discretionary, I mean that the behavior is not an enforceable requirement of the role or the job description, that is, the clearly specifiable terms of the person's employment contract with the organization; the behavior is rather a matter of personal choice, such that its omission is not generally understood as punishable" (p.4).

According to Podsakoff *et al.*, (2000) OCB is a discretionary behavior that improves effectiveness in the organization. "... for employees to adopt citizenship behavior, they must make voluntary efforts at work that go beyond prescribed specifications and tasks"(Paillé, 2009, p. 135). Katz (1964) defines OCB as discretionary and spontaneous behaviors that are beyond clear role requirements and are important for organizational effectiveness. According to Mackenzie et al. (2001):

"...these are not behaviors that (1) are part of one's job description, (2) one is trained to perform, and/or (3) one would be punished for failing to exhibit" (p. 121).

According to Piliai *et al.* (1999, p. 906) "if leaders want to increase citizenship behaviors among their employees, they should work at improving perceptions of fairness and trust". Podsakoff and MacKenzie (1997) aruged that organizational citizenship behaviours are positively related to organizational effectiveness and work group thorugh their study. Podsakoff and MacKenzie (1997) have produced reasons why OCBs might influence organizational performance and work groups. Podsakoff and MacKenzie (1997) have stated that OCB may enhance coworker productivity, managerial productivity, stability of the organizational performance, organization's ability to adapt to environmental changes, organization's ability to attract and retain the best people by making it a more attractive place to work, and also OCB may free resource up for more productive purposes.

Two major factors were introduced as the starting point in the initial versions of OCB by Smith et al., (1983) examined at the beginning of 1980s, those factors being altruism and compliance or conscientiousness.

"...altruism, consisting of those discretionary behaviors that aid a specific other person or small group in task related matters; and compliance, a general label for more "impersonal" contributions in the form of yeoman adherence to the rules and policies regarding punctuality, attendance, workplace governance, and use of time on the job" (Farh et al., 2004, p.242).

Organ (1988) identified additional dimensions of OCB that include courtesy (positive actions that help prevent problems for colleagues), civic virtue (participation in the political life of the organization) and sportsmanship (accepting in good spirit the

occasional hardships that unpredictably befall individuals in the course of organizational endeavors).

Consequently, several related dimensions of OCB have been proposed and studied, such as participation in activities that are not included in the job descriptions (Kartz, 1964), prosocial behavior (Brief and Motowidlo, 1986), the importance of cooperation and collaboration between staff (Jones and George, 1998), extra role behavior (Van Dyne and LePine, 1998), organizational spontaneity (George and Brief, 1992), civic citizenship (Van Dyne et al., 1994) and contextual performance (Motowidlo et al., 1997), sharing of knowledge and suggestions (Boiral, 2002). Most of the OCB researches were derived from Organ's (1988) study (Hoffman et al., 2007). There are so many forms of citizenship behavior indicated by different researchers (LePine et al., 2002). According to Podsakoff and MacKensie (1994) and Paillé (2009), sportsmanship, civic virtue, and helping behavior are the major forms of OCB. Many studies on this subject question whether such behavioral contributions should be defined away from the formal job description or whether they should be rewarded (George and Brief 1992, Organ 1997). However, there is some general agreement on these types of contribution. Farh et al., (2004) state that:

"They can be distinguished from "task" or "technical performance;" they have a more volitional and spontaneous character than "core job" contributions; they are somewhat better predicted by attitudinal and dispositional measures than technical task performance, and they more generally have positive effects on the social, psychological, organizational, and political contexts, than on the technical context" (p.241).

Boiral (2009) pointed out that "OCBs are essentially expressed in voluntary initiatives not explicitly required in the definition of job responsibilities that contribute to the improvement of organizational functioning" (p. 222). Later, by using a sample of salespeople, Podsakoff and Mackenzie (1994) suggested discarding conscientiousness from OCB. The results of their study revealed that this behavior is expected at work and can influence manager's evaluation of performance and as far as the managers are concerned, it cannot be considered as a spontaneous behavior (Podsakoff and Mackenzie, 1994). In 1994, Morisson results suggested that many OCB items may actually be in-role behaviors by employees and supervisors instead of considering them as extra-role.

After that, in 1997, Organ responded to this critic by redefining OCB and suggested that no reference to extra-role behavior should be made when defining OCB Dimensions. Motowidlo (2000) indicated one problem with Organ's redefinition of OCB is that not all previous researchers of the OCB construct were aware of the definition. Motowidlo (2000) stated that two definitions of OCB now exist in the literature, one with extra role requirements and one without. "Several recent publications on OCB have not recognized Organ's redefinition and still define OCB as extra-role or unenforceable behavior" (Vey and Campbell, 2004, p. 120). Many researchers argued that it is important to examine the forms of OCB for every cultural context other than United States (Lievens and Anseel, 2004; Paillé, 2009).

"Research on OCB measurement in contexts other than the U.S. is important because the dimensionality of an OCB measure used in different cultural contexts should not be taken for granted" (Lievens and Anseel, 2004, p. 300).

There are many factors that can influence OCB in a culture, such as individualism—collectivism and power (Paine and Organ, 2000). There are several factors that can contribute to the determination of organizational citizenship behavior (OCB) such as altruism, conscientiousness, civic virtue, generalized compliance, sportsmanship, courtesy, etc. Farh *et al.* (2004) developed a table of OCB dimensions in the Western Literature (Table 2). Following are the explanations of some of the factors that have been researched to have a significant relationship with OCB:

Altruism: It means the person's desire to provide assistance to members of the organization to come over particular difficulties or problems in their work (Podsakoff, Ahearne and MacKensie, 1997). As indicated by (Podsakoff *et al.*, 1997), helping behavior is the most complex form of OCB, more than civic virtue and sportsmanship. The main current applications as per Boiral (2009) stated are altruism at the workplace, voluntary actions aimed at helping others employees, supporting or encouraging other persons; efforts to avoid interpersonal conflicts, promotion of cooperation among employees, helping others in case of absence or work overload and technical support to coworkers or clients.

Courtesy: It means employees treat others with respect (Organ, 1988). As stated by Konovsky and Organ (1996), it "describes the gestures that people exhibit at work to help prevent work problems for other" (p. 255). Courtesy was considered in-role behavior by employees or supervisors more frequently than other OCB dimensions in a study conducted by Vey and Campbell (2004).

Conscientiousness: It means staff carries out in role behaviors well beyond minimum expectations (Organ, 1988). Conscientiousness and openness are the best predictors of decision-making when adaptability is required than decision-making performance before any unforeseen change (Le Pine et al., 2000). Konovsky and Organ (1996) found that, conscientiousness was significantly related to two OCB factors: generalized compliance and civic virtue. Conscientious staff will stay updated about the new products and services in his/her organization (Neihoff and Yen, 2004). According to Yorges (1999), higher values are related to greater conscientiousness when combined. In a study conducted by Vey and Campbell (2004), conscientiousness was considered in-role behavior by employees or supervisors more frequently than other OCB dimensions.

Generalized Compliance: According to Smith et al. (1983), this factor has much in common with Conscientiousness. Smith et al. (1983) stated that it has a more impersonal focus and defined as going beyond the enforceable minimum on such matters as neatness, attendance, punctuality, protection of organization property, or adhering to the spirit, and not just the rules and policies. According to Konovsky and Organ (1996, p. 255), it:

"...refers to contributions in the form of exemplary adherence to rules regarding attendance, punctuality, use of time while at work, and respect for organizational property and resources"

Sportsmanship: As defined by Organ (1990), sportsmanship is a:

"...person's desire not to complain when experiencing the inevitable inconveniences and abuse generated in exercising a professional activity" (p.96).

It allows employees to keep a positive attitude with respect to their organization by deferring personal interests in favor of organizational needs (Podsakoff *et al.*, 2000). The

main current applications as mentioned by Boiral (2009) are tolerance of organizational difficulties, inconveniences, and co-worker behaviors, accepting work-related problems without complaining excessively and positive attitude. Konovsky and Organ (1996) describes it as "the inclination to absorb minor inconveniences and impositions accruing from the job without complaints or excessive demands for relief and redress" (p. 255).

### *Civic virtue*: it refers to the level of:

"...an employee's concern and interest in more general areas of the organization and is characterized by acts that, for example, promote the image of the firm, consolidate its reputation, and favor its public profile. Also, civic virtue corresponds to a salaried employee's attitude of wanting to participate in running the organization in varying degrees and different ways" (Paillé, 2009, p.135). "e.g. attendance at meetings, keeping informed about developments that arise within or impinge upon the organization, reading and answering mail, and otherwise practicing constructive and appropriate forms of involvement in the governance of the workplace" (Konovsky and Organ, 1996, p.255).

Table 2. OCB Dimensions in the Western Literature by Farh et al. (2004)

Dimension	Definition	Source
Altruism	Discretionary behavior that has the effect of helping a specific other person with an organizationally relevant task or problem.	Smith et al. 1983, Organ 1988, Podsakoff et al. 1990. Similar dimensions also include helping (Van Dyne and LePine 1998) and interpersonal helping (Graham 1989, Moorman and Blakely 1995).
Conscientiousness	Discretionary behavior on the part of an employee that goes well beyond the minimum role requirements of the organization, in the areas of attendance, obeying rules and regulations, breaks, and so forth.	Smith et al. 1983, Organ 1988, Podsakoff et al. 1990. Similar dimensions also include obedience (Graham 1989, Van Dyne et al. 1994) and personal industry (Graham 1989, Moorman and Blakely 1995).
Sportsmanship	Willingness of employees to tolerate less than ideal circumstances without complaining—to avoid complaining, petty grievances, railing against real or imagined slights, and making federal cases out of small potatoes.	Organ 1988, Podsakoff et al. 1990.
Courtesy	Discretionary behavior on the part of an individual aimed at preventing work-related problems with others.	Organ 1988, Podsakoff et al. 1990.
Civic virtue	Behavior on the part of individuals indicating that they responsibly participate in, are involved in, or are concerned about the life of the organization.	Organ 1988, Podsakoff et al. 1990.
Functional participation	Participatory contribution in which individuals focus on themselves rather than others in their organizations (e.g., performing additional work activities, volunteering for special assignments).	Van Dyne et al. 1994.
Advocacy participation	Behavior targeted at others in an organization and reflecting a willingness to be controversial, such as encouraging quiet people to speak up in meetings and helping coworkers think for themselves.	Van Dyne et al. 1994. Similar dimension is individual initiative (Graham 1989, Moorman and Blakely 1995).
Loyalty	Allegiance to an organization and promotion of its interests.	Graham 1989, Van Dyne et al. 1994. Similar dimension is loyal boosterism (Graham 1989, Moorman and Blakely 1995).
Voice	Promotive behavior that emphasizes the expression of constructive challenge intended to improve rather than merely criticize.	Van Dyne et al. 1995, Van Dyne and LePine 1998.

## 2.4 The Influence of Transformational Leadership on OCB

A lot of studies can be found in the literature examining the relationship between charismatic leadership and OCB (e.g. Deluga, 1995; Babcock-Roberson and Strickland 2010). Several studies support a link between transformational leadership and organizational citizenship behaviors and indicate that transformational leadership plays a positive role in OCB (Purvanova, Bono and Dzieweczynski, 2006; Sunindijo *et al.*, 2007; Smith, Organ and Near, 1983). A charismatic leader's subordinates tend to identify

strongly with their leader, which encourage them to engage in extra-role behavior (Bass 1985; Podsakoff *et al.*, 1996; Boerner *et al.*, 2008). Bass (1990) stated that transformational leadership behaviors lead to more devote rather than self-concerned. According to Nguni *et al.* (2006), several research undertaken in different countries and organizational contexts showed that transformational leadership affected employee attitude, effort, and in-role performance, including job satisfaction, organizational commitment, and organizational citizenship behavior. Leader supportiveness as a factor can influence OCB directly and indirectly through its influence on job satisfaction (Sunindijo *et al.*, 2007).

A study by Podsakoff *et al.* (1990) carried out in a petro-chemical organization in the US, showed positive correlations between transformational leadership dimensions and followers' organizational citizenship behaviors of conscientiousness, sportsmanship, civic virtue, courtesy, and altruism. Leithwood *et al.* (2006) reported in their study that transformational leadership was positively related to altruism and compliance factors of OCB. Purvanova, Bono and Dzieweczynski (2006) in their research also approved that that transformational leaders increase the likelihood of subordinates' citizenship behavior. They stated:

"...that transformational leaders influence the way followers think about their work, leading them to view it as more rewarding, challenging, and meaningful, which affects the extent to which they engage in citizenship performance" (Purvanova, Bono & Dzieweczynski, 2006, p.3).

This is reliable with Bass' (1985) statement that transformational leadership is about achieving "performance beyond expectations". Transformational leaders stimulate subordinates to make extra effort and to perform beyond expectations (Bass, 1985). Many

researchers, such as Podsakoff et al. (1990), have argued that the effects of transformational leadership on organizational citizenship or extra-role behaviors are very important. They studied the direct and indirect effects of transformational leadership on OCB and concluded that transformational leadership influenced OCBs through trust. Finally, they stated that, "assessing employees perception of fairness in future research may help us better understand how to build employee trust" (Podsakoff et al., 1990, p. 138) and OCBs. Piliai et al. (1999) two sample study revealed that transformational leadership was significantly related to organizational citizenship and stated that there is a direct relationship between transformational leadership and trust, since good transformational leaders get the trust of their subordinates. Mackenzie, Podsakoff and Rich (2001) studied the impact of transformational and transactional leadership behaviors on organizational citizenship behaviors of salespeople as well as the mediating role of trust in that process. Their findings validated that transformational leadership behaviors of helping, sportsmanship, and civic virtue influence salespersons to perform "above and beyond the call of duty" (Mackenzie, Podsakoff and Rich, 2001, p. 115). They also approved that transformational leadership has stronger direct and indirect relationship with organizational citizenship behaviors than transactional leadership.

Earlier studies have examined the relation between transformational leadership and OCB (Mackenzie, Podsakoff and Rich, 2001; Babcock-Roberson and Strickland, 2010). Podsakoff *et al.*, (1990) examined the influence of transformational leader behaviors on subordinate trust with leader, satisfaction, and OCB by implementing Organ's (1988) five-dimensional model. The findings revealed that there is an indirect link between

transformational leadership and OCB mediated by trust. Den Hartog *et al.* (2007) studied the relation between charismatic leader and two dimensions of OCB: helping and compliance. The findings showed that staff show more of helping and compliance behaviors when they perceive their leader as charismatic. A recent study by Babcock-Roberson and Strickland (2010) investigated the relationship between charismatic leader and OCB. The results of the study also showed a significant relationship between the two variables.

In a research study by Purvanova, Bono and Dzieweczynski (2006), the results indicate a positive link between managers' transformational leadership behaviors and followers' citizenship performance. A study by Boerner et al. (2008) analyzed the impact of stressors and strain on the relationship between charismatic leadership and OCB. The study expected stressors to negatively affect subordinates' extra-role behaviors and therefore to countervail a charismatic leader's effort to enhance subordinates' OCB. The findings of the study revealed that the beneficial effects of charismatic leadership on followers' OCB were not affected given a high amount of subordinates' stressors (Boerner et al., 2008). The mechanisms by which charismatic leader can improve subordinates' OCB are not yet adequately clear (e.g. Podsakoff et al. 2000; Den Hartog et al., 2007, Boerner et al., 2008). According to Boerner et al. (2008), little is known about the particular contextual factors of the relationship between charismatic leadership and OCB. As Porter and McLaughlin (2006) indicate, the same leadership style may cause different effects under different contextual conditions. A number of literatures identified moderators of the relationship between charismatic leadership and OCB such as, managerial performance, environmental uncertainty Subordinates' need for leadership and stress (De Hoogh *et al.*, 2004; Boerner *et al.*, 2008). Mackenzie *et al.* (2001) note that intellectual stimulation which is one of transformational leadership factors is expected to have negative relationship with OCBs because the continual pressure to think of new ways of doing work is likely to cause employees to increase their focus on in-role behaviors rather than extra-role behaviors

## 2.5 The Influence of Transactional Leadership on OCB

A study by Podsakoff *et al.* (1990) showed a direct relationship between transactional leadership and OCBs, but no direct relationship between transformational leadership and OCBs. They (1990) argued that because leaders consider both in-role and extra-role behaviors when evaluating their staff performance, staff may see the performance of OCBs as a means of getting appreciation and rewards. On the other hand, Bass (1985) stated that transactional leadership emphasizes eliciting extraordinary follower outcomes. According to this statement, Piliai *et al.* (1999) thought that it could be argued as potentially having a direct relationship with OCBs. Therefore, they examined the direct relationships between the two types of leadership behaviors; transformational and transactional, and OCBs. They found that transactional leadership was significantly related to OCBs. An earlier study by Bycio *et al.* (1995) examined the relationship between the several factors of transformational and transactional leadership and organizational commitment using a sample of nurses. Their study revealed that there was a strong relationship between the transformational leadership dimensions and affective

commitment but, they did not discover any relationship between transactional leadership and commitment.

## **CHAPTER 3: RESEARCH METHODOLOGY**

## 3.1 Introduction

The main propose of this chapter is to address the methods used in this study. Items that will be addressed include research design, participants, methodology, measures, procedures for data collection and hypothesis.

## 3.2 Research Design

The study questionnaire was designed in the most appropriate way to measure the perceptions of the respondent in this study. There are two types of research: descriptive and relational (Rungtusanatham, Choi, Hollingworth, Wu and Forza, 2003). According to Rungtusanatham *et al.* (2003), descriptive surveys provides a snapshot of the current state of affairs while relational surveys are developed to examine relationships between two or more constructs. Relational survey is adopted in the current study in order to explore the relationship between leadership behaviors and OCB.

## 3.3 Study Sample

A self-administered questionnaire was developed by combining the two instruments (MLQ and Konovsky and Organ (1996) OCB questionnaires). An online survey was developed using <a href="https://www.surveymonkey.com">www.surveymonkey.com</a> survey tool. The online questionnaire consisted of 3 pages. The first page was for collecting demographic data, the second one was for leadership behaviors items and the last one was for OCB items. Each page of the questionnaire included an introduction and a brief about the questionnaire and its

purpose. The questionnaire URL link was sent later to the participants email addresses who are working for the same Islamic bank from lower, middle and first levels. Participants were invited by e-mail to complete Web-based surveys. The email body included an explanation of the purpose of the study and general instructions on completing the questionnaire. Also, the receivers were requested in the email to forward the questionnaire link to their friends in other Islamic banks in the UAE. The data was collected through a self-response questionnaire.

## 3.4 Participants

There are several Islamic banks in the UAE, i.e. Sharjah Islamic Bank, Noor Islamic Bank, Dubai Islamic Bank, Ajman Islamic Bank, Al Hilal Islamic Bank and Abu Dhabi Islamic bank. Islamic banks employees from different levels who held different jobs (i.e., secretaries, IT technicians, customer service, audit officers, HR officers or administration assistants) and reporting to different managers participated in this study. Also, the sample included employees from different nationalities and education level. The total number of received responses was 174 out of 350 employees invited to participate in the survey. The researcher deleted 24 responses since they were not completed. The data was collected through a self-response questionnaire so it was difficult to get individuals to answer all survey items. A total of 150 responses were used in the study. The participants were employees from four Islamic banks only from the above mentioned banks. It would be difficult to reach all employees in all Islamic banks in the UAE to include them in the study sample. The demographic data that were

collected from the respondents are gender, marital status, education, age, organization tenure, job tenure, job status, and nationality and bank name. Since the questionnaire was a web based and can reach everyone, bank name was included in the survey to be as a reference for the researcher in order to ensure that Islamic banks employees are the only respondents. The employees were invited by email to participate in the survey. It is expected that all respondents have provided the answers honestly up to their understanding of the questionnaire.

## 3.5 Measures

The aim of this study is to explore the relationship between leadership behaviors (transformational, transactional, passive/avoidant) and OCB. The following instruments were used in the survey to measure the variables of the study:

## 3.5.1 Multifactor Leadership Questionnaire (MLQ)

Multifactor Leadership Questionnaire (MLQ) was used in the project for measuring transformational, transactional passive/avoidant leadership styles practiced within the sector being researched. It was first developed by Bass (1985). After that, it has been improved with the result that many versions of the questionnaire have been developed. The most recent version of MLQ, Form 5X (Revised) was used in this study. It contains 45 statements which identify and measure the key attributes of leadership behaviors. Transformational leadership is measured by 20 items. It consists of inspirational

motivation (4 items). Idealized behaviors (4 items), idealized attributes (4 items), individualized consideration (4 items) and intellectual stimulation (4 items). Transactional leadership is measured by 8 items: contingent rewards (4 items) and management by exception (active) (4 items). Passive /Avoidant behavior was measured by 8 items as well: management by exception (passive) (4 items) and Laissez-faire (4 items). The MLQ also consists of additional nine items that measure leadership outcomes: Extra-Effort, effectiveness and satisfaction, but this section was not included in this study survey in order to decrease the length of the questionnaire. The MLQ comprises a 5 point Likert scale and it ranges from 0 to 4 as follows:

- 0 Not at all
- 1 Once in a while
- 2 Sometimes
- 3 Fairly often; and
- 4 Frequently if not always

The MLQ consists of two versions; a rater (subordinate) and a self-rater (leader). Both versions consist of the same statements but written from different perspectives. In this research only a rater version was used to assess the leadership behaviors.

# 3.5.2 Konovsky and Organ (1996) Organizational Citizenship Behaviors (OCB) Questionnaire

To measure the factors of OCB in this study; i.e. altruism, generalized compliance, sportsmanship, courtesy and civic virtue; the questionnaire developed by Konovsky and

Organ (1996) was used. This questionnaire consists of 32 items designed to measure the five studied aspects of OCB. "Unlike some measures of OCB (e.g. Podsakoff *et al.*, 1990), Konovsky and Organ's (1996) scale has not been used extensively in the literature" (Lievens and Anseel, 2004, p.301). A sample item was "Try to avoid creating problems for others" A higher score indicated that the participant engaged in a higher degree of OCB. Konovsky and Organ (1996) assessed five aspects of subordinates' OCB by using the altruism and generalized compliance' scales initially developed by Smith et al. (1983) and sportsmanship, courtesy and civic virtue scales originally discussed by Organ (1988). The rating scale was a 5 point Likert type scale varying from 0 to 4 as follows:

- 0 Not at all
- 1 Once in a while
- 2 Sometimes
- 3 Fairly often; and
- 4 Frequently if not always

## 3.5.3 Why Self-Report Questionnaire?

The questionnaire was adapted into a self-report format only. A self-report questionnaire may be more appropriate than supervisor or peer ratings because the employee him/herself will be the best person to know how much dimensions of OCB he/she has displayed. The discretionary nature of OCB and the fact that it has multiple recipients such as supervisors and peers causes a particular dilemma for researchers as to the suitable source to assess employee's levels of OCB (McNeely and Meglino, 1994). Most

of the studies examining OCB have relied on a supervisor's rating to assess employees OCB, although the limitations of such a method have been noted by many researchers (e.g., Organ, 1988; Allen *et al.*, 2000). "Gender stereotypes of women being more altruistic, nurturing and helpful could create managerial expectation that female employees will engage in more OCB" (Vey and Campbell, 2004, p. 123). As stated by Allen *et al.* (2000), "the higher base rate expectance for women may serve to increase the threshold above that in which raters will attend to and encode OCB performed by women" (p.7).

Even though, supervisors and peers rating are recommend, OCB contains many behaviors, so the supervisor may escape the attention to some of them or only some of them might be performed within the view of him/her (Moorman, 1991). Allen et al. (2000) stated that since OCB is discretionary and has multiple recipients, they might observe only part of employee's overall OCB. According to Allen et al. (2000), "indeed, many citizenship behaviors may be more likely to be displayed in front of subordinates or other co-workers than in view of supervisors"(p. 98). Although, Schnake (1991) noted that self-reports are subject to social desirability, Allen *et al.* (2000) approved that supervisor and self-ratings of OCB did not differ significantly and both were higher than subordinate ratings.

## 3.6 Procedures for Data Collection

After receiving the responses, data were extracted from the website into a spreadsheet.

Then, the spreadsheet was uploaded to the SPSS program in order to examine and

analyze the study sample. The data was collected through a self-response questionnaire so it was difficult to get individuals to answer all survey items. The total number of received responses was 174. It was found that 24 responses were incomplete. According to Roth and Switzer (1995), missing data cause two primary problems. First, missing data reduce statistical power which "...refers to the ability of an analytic technique to detect a significant effect in a data set" (Roth and Switzer, 1995, p. 1004) so, it will increase the size of the sample needed for the statiscal test. Second, missing data impacts the accuracy of estimating parameters.

"Accuracy in this manuscript will refer to both the amount of dispersion around a true score in a series of studies and the overestimation or underestimation of a true score (also called bias) in a series of studies" (Roth and Switzer, 1995, p.1004).

Roth and Switzer (1995) states that missing data will raise the variance around the true scores because there is less data to analyze in the sample. They discussed several techniques to handle missing data such as pairwise deletion, list-wise deletion, mean substitution, regression imputation and hot-deck imputation (Roth and Switzer, 1995). In this study missing data in the study sample were handled by listwise deletion technique. This technique eliminates all the data for an individual respondent when there is incomplete data in the questionnaire. Therefore, 24 responses were deleted and a total of 150 responses were used in the sample. According to Roth and Bevries (1998), the survey response rate is an indication of the study success.

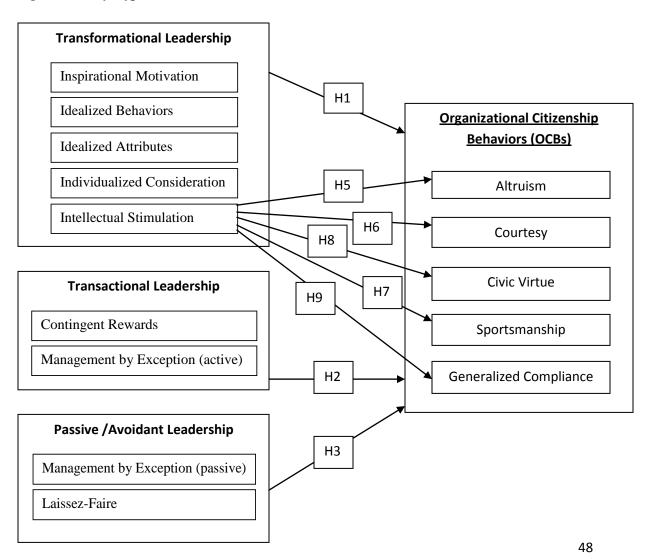
## 3.7 Hypothesis

Since no research has been done in the context of the Middle East and specifically the UAE to explore the influence of Leadership styles on OCB, the current study hypotheses can be presented in null format as follow (Figure 2):

- H1. Transformational leadership style in Islamic banks will significantly influence employees' Organizational Citizenship Behaviors.
- H2. Transactional leadership style in Islamic banks will not significantly influence employees' Organizational Citizenship Behaviors.
- H3. Passive/Avoidant leadership in Islamic banks will not significantly influence employees' Organizational Citizenship Behaviors.
- H4. Transformational leadership is the most important predictor of all other leadership styles (transactional and passive/avoidant) to predict OCB.
- H5. Intellectual stimulation (one of transformational leadership factors) has a non-significant relationship with altruism (one of OCB factors).
- H6. Intellectual stimulation (one of transformational leadership factors) has a non-significant relationship with courtesy (one of OCB factors).

- H7. Intellectual stimulation (one of transformational leadership factors) has a non-significant relationship with sportsmanship (one of OCB factors).
- H8. Intellectual stimulation (one of transformational leadership factors) has a non-significant relationship with civic virtue (one of OCB factors).
- H9. Intellectual stimulation (one of transformational leadership factors) has a non-significant relationship with generalized compliance (one of OCB factors).

Figure 2. Study Hypothesis Demonstration



## **CHAPTER 4: RESEARCH FINDINGS**

## 4.1 Introduction

This study investigates the effects of leadership behaviors on organizational citizenship behaviors in Islamic banks in the UAE. This chapter presents the findings resulting from an analysis of the data collected for this study. The first section describes the demographic data. The second part presents the reliability of scales in this study. After that, the Relationship between Leadership Behaviors and OCB Factors (Altruism, Courtesy, Sportsmanship, Civic Virtue and Generalized Compliance) is tested. Later in this chapter, the study hypotheses are examined and the findings are discussed.

## 4.2 Demographic Data

As can be seen from Table (3), a total of 150 employees from different Islamic banks in the UAE participated in this study and were part of the study sample. The majority of the survey respondents were males (92). The number of participated females was (58) only. Most of the subjects (98) ranged between 25-35 years in age. Respondents were also asked to indicate their highest level of education. The educational level was categorized into six categories as can be seen from Table (3). The educational level for the majority of the study's sample was around graduate degree (48) and master's and above (42). The participants were asked to provide the total number of years they had been employed in their current organizations in the organizational tenure section. This section was categorized into five categories as shown in Table (3).

Most of the participants selected the organizational tenure which ranged between 2-7 years (120). Also, the respondents were asked to report the number of years they have been in the current position. The numbers of years in the current position were grouped into five categories as shown in Table (3). It's clear from Table (3), that the majority (108) of the respondents had been in their jobs for seven years or less. They were also asked to state their current job level. The job level was categories into three categories: first, middle and lower levels. Most of the employees were from the middle management level. Finally the nationalities were grouped into six categories as shown in Table (3). The last option or category was "others". If a participant belongs to any other nationality which was not mentioned, he/she could select "others" and type the nationality. Most of the respondents were from the UAE (71), other Arab countries (46) and Asian (27).

Table 3. The description of the study sample

	Gender	Marital	Education	Age	О.	Job	Job	Nationality
		Status			Tenure	Tenure	Level	
Male	92							
Female	58							
Married		84						
Unmarried		66						
Less than high			1					
school								
High school			8					
College degree			20					
Graduate degree			48					
High Diploma			31					
Masters or above			42					
Less than 25				19				
25 - 35				98				
36 - 46				17				
47 - 57				16				
One year or					10			
less								
2 - 7					120			
8 - 13					17			
20 years or					3			
above								

0						22		
One year or						23		
less								
2 - 7						108		
8 - 13						17		
14 - 19						6		
20 years or						3		
above								
First level							28	
Middle level							105	
Lower level							17	
<b>UAE National</b>								71
GCC								5
Asian								27
Arab								46
European								1
Others								0
Total	150	150	150	150	150	150	150	150

## 4.3 Reliability of Scales

The reliability of the questionnaire was examined using a reliability test. All the core concepts of the study were tested (OCB, Transformational Leadership, Transactional Leadership, Passive/Avoidant Leadership). As can been seen from Table (4), the alpha values for the study measures ranged between 0.700 and 0.967. According to many researchers, alpha values over 0.70 are generally acceptable. It can be said that the scales used in this study are reliable.

Table 4. Results of reliability test for transformational, transactional, passive/avoidant leadership behaviors and OCB.

	OCB	Transformational Leadership	Transactional Leadership	Passive /Avoidant
Cronbach's Alpha	.700	.976	.841	.797

## 4.3.1 Reliabilities of Transformational Leadership Scales

To examine the psychometric properties of the transformational leadership scale, reliability test was obtained. The overall alpha value was found to be .976 which is good because alpha values over .70 are generally acceptable. The mean, standard deviation and the alpha values for the 20 items of this scale are presented in Table (5). As can be seen from this table, this overall alpha value can be maximized by the deletion of item IC1 from the scale but, since the scale is good, it's suggested not to delete the item.

Table 5. Means, standard deviations and reliabilities of transformational leadership scales.

,		3 3	1
Transformational Leadership Items	Mean	Std. Deviation	Cronbach's Alpha if Item Deleted
IA1	2.90	1.008	.975
IA2	2.60	1.135	.975
IA3	3.33	1.416	.975
IA4	2.95	1.124	.974
IB1	2.86	1.041	.974
IB2	3.35	1.404	.974
IB3	3.42	1.457	.975
IB4	2.93	1.524	.974
IM1	3.01	1.155	.974
IM2	2.93	1.193	.975
IM3	2.61	1.426	.974
IM4	3.14	1.713	.975
IS1	2.78	1.072	.975
IS2	2.87	1.150	.974
IS3	2.87	1.139	.974
IS4	2.72	1.093	.976
IC1	2.59	1.433	.979
IC2	2.89	1.750	.976
IC3	3.02	1.736	.975
IC4	2.08	1.392	.976

## 4.3.2 Reliabilities of Transactional Leadership Scales

To assess the psychometric properties of the transactional leadership scale, reliability test was obtained. The overall alpha value was found to be .841. The mean, standard deviation and the alpha values for the 8 items of this scale are presented in Table (6). As can be seen from this table, this overall alpha value can be maximized by the deletion of item CR1 from the scale but, similar to transformational leadership reliability, since the scale is good, it can be suggested not to delete the item.

Table 6. Means, standard deviations and reliabilities of transactional leadership scales.

Transactional Leadership Items	Mean	Std. Deviation	Cronbach's Alpha if Item Deleted
CR1	2.54	1.288	.845
CR2	2.85	1.132	.805
CR3	2.73	1.152	.801
CR4	2.54	1.496	.839
MBEA1	3.49	1.455	.829
MBEA2	3.43	1.453	.831
MBEA3	3.73	1.370	.831
MBEA4	3.42	1.101	.793

## 4.3.3 Reliabilities of Passive /Avoidant Leadership Scales

Reliability test was obtained to assess the psychometric properties of the passive /avoidant Behavior scale. The overall alpha value was found to be .797. The mean, standard deviation and the alpha values for the 8 items of this scale are presented in Table (7). As can be seen from this table, this overall alpha value can be maximized by the

deletion of item LF2 from the scale but, since the scale is good, it can be suggested not to delete the item.

Table 7. Means, standard deviations and reliabilities of passive /avoidant behaviors scales

Passive /Avoidant Behavior Items	Mean	Std. Deviation	Cronbach's Alpha if Item Deleted
MBEP1	3.13	1.210	.797
MBEP2	2.58	1.146	.777
MBEP3	2.49	.984	.746
MBEP4	2.54	.955	.739
LF1	1.55	.989	.777
LF2	1.65	1.071	.804
LF3	2.47	1.056	.776
LF4	1.81	.828	.772

#### 4.3.4 Reliabilities of OCB Scales

The OCB components are examined using reliability test. Firstly, after analyzing the nineteen items of OCB, the overall Cronbach's alpha was found to be .673. As can be seen from Table (8), the mean values are between 4.64 and 2.00, and the standard deviation values are between 1.628 and .688 for the nineteen items. Furthermore, the alpha values in the last column of Table (8) indicate that the overall alpha value can be maximized by deleting item number 13 (Sportsmanship5) (I pay no attention to announcements, messages, or printed material that provide information about the company) to be .719 instead of .673. Thus, the results suggest deletion of item number 13 and re-computing the remaining eighteen items as one scale. After the deletion of item 13 the psychometric properties of OCB scale can said to be highly reliable.

Table 8. Means, standard deviations and reliabilities of OCB scales.

OCB Items	Mean	Std. Deviation	Cronbach's Alpha if Item Deleted
Altruism1	3.69	.688	.641
Altruism 2	3.69	.823	.634
Altruism 3	3.89	.857	.708
Altruism 4	3.98	.818	.682
Altruism 5	3.43	1.499	.608
Courtesy 1	4.09	.748	.654
Courtesy 2	4.27	.748	.677
Courtesy 3	4.30	.746	.664
Sportsmanship1	2.64	1.628	.640
Sportsmanship2	3.30	1.173	.632
Sportsmanship3	2.74	1.215	.646
Sportsmanship4	2.42	1.067	.672
Sportsmanship5	2.00	1.241	.719
GC1	4.20	.770	.674
GC2	4.33	.724	.672
GC3	4.60	.737	.641
GC4	4.64	.637	.642
CV1	3.87	.812	.659
CV2	3.85	.795	.658

# 4.4 The Relationship between Leadership Behaviors and OCB Factors (Altruism, Courtesy, Sportsmanship, Civic Virtue and Generalized Compliance)

In order to test the influence of each leadership style on each OCB factor, a correlation test was conducted. Table (9) presents the results of the relationships between OCB dimensions and the three leadership styles (transformational, transactional and passive/avoidant). As can be seen from this table, Altruism which is one of the OCB

factors has significant relationship with both transformational and transactional leadership styles. Although both correlations are positive, the magnitude of correlation for transformational leadership (.249) is smaller than that transactional leadership (.533). It means that transactional leadership influence employees' altruism more than transformational.

Table 9. The relationship between transformational, transactional, passive/avoidant leadership behaviors and each OCB factor.

OCB Factors	Transformational	Transactional	Passive/ Avoidant
Altruism	.249(**)	.533(**)	013
Courtesy	.581(**)	.355(**)	190(*)
Sportsmanship	201(*)	.236(**)	.160
Civic Virtue	.000	.115	.075
Generalized Compliance	.367(**)	.369(**)	.144

Note: \* Significant at 0.5 and \*\* Significant at .001

Transactional leaders exchange benefits with their followers and clarify a sense of duty with rewards and punishments to reach goals while transformational leaders enhance the motivation and performance of their subordinates and focus on "transforming" them to help each other and to be encouraging and harmonious. As the study revealed, when the level of transactional and transformational leadership is high in the organization, the level of employees' altruism increases. This means that the helping behaviors between the staff which is the most complex form of OCB (Podsakoff, Ahearne and MacKensie, 1997) will be enhanced in the workplace. Thus, the more positive the relationship of transactional and transformational leadership with altruism the higher the level of helping behaviors between the employees.

Likewise, generalized compliance, one of the OCB dimensions, is significantly and positively related to both transactional and transformational leadership styles as can be seen in Table (9). The influence of transactional leadership on generalized compliance (.369) is slightly higher than transformational leadership (.367). This means that when the leaders are more of transactional or transformational in any organization the level of employees' adherence to rules regarding attendance, punctuality, use of time, and respect for organizational assets and resources will increase.

Also, courtesy has a positive and significant relationship with both transformational and transactional but in this time the relationship with Transformational leadership is higher (.581) from transactional (.355). Thus, when the employees' perception of transformational leadership is high they treat their colleagues with more respect and avoid making problems in the workplace. On the other hand, as can be seen from Table (9), there is a significant negative relationship between passive/avoidance leadership and courtesy. To illustrate, when the managers show more of passive/avoidance behaviors in the workplace the employees courtesy behaviors decrease or disappear. Accordingly, this will affect the work environment in a negative way where the problems will increase between the staff and the productivity will decrease.

As can be seen from Table (9), sportsmanship shows significant negative relationship with Transformational leadership. This means, the sportsmanship behaviors of the staff such as accepting work-related problems without complaining will be affected negatively

when the managers are transformational leaders. On the other hand, the relationship between sportsmanship and Transactional leadership is positive and highly significant.

As shown in Table (9), the results revealed that there no relation between civic virtue, one of the OCB factors, with the three leadership styles (transactional, transformational and passive/avoidant). It means that employees' civic virtue behaviors such as promote the image of the organization or attending meetings will not be influenced by any of the three leadership styles.

## 4.5 The Relationship between Leadership Behaviors and OCB

A correlation test is conducted in order to analyze the relationship between leadership behaviors and OCB. As can be seen from table (10), OCB is positively and significantly related to Transformational (r = .224) and Transactional (r = .572) Leadership styles. The relation between OCB and Passive/Avoidant leadership is weak and non-significant (r = .111).

Table 10. The relationship between transformational, transactional, passive/avoidant leadership behaviors and OCB.

	Transformational	Transactional	Passive/Avoidant
OCB	.224(**)	.572(**)	.111

Note: \* Significant at 0.5 and \*\* Significant at .001

# 4.5.1 Regression Analysis for the Relationship between Leadership Behaviors and OCB

The ability of each individual independent variable (transformational, transactional and passive/avoidant leadership) to predict the dependent variable (OCB) is addressed in Tables (11, 12 and 13) where each of the individual leadership style is examined and explained. This is a significance test to address the ability of any particular leadership style to predict the OCB.

H1. Transformational leadership style in Islamic banks will significantly influence the variance in employees' Organizational Citizenship Behaviors

In order to test the first hypothesis, a regression analysis for transformational leadership and OCB was conducted. As expected, the regression analysis for transformational leadership and OCB was significant. As can be seen from Table (11), transformational leadership as an independent variable is examined with OCB as a dependent variable. As shown in ANOVA section in Table (11), the F Value is (7.814) which is significant. The t value is (t= 2.795) and the p value associated with it is very small p < .01 (p= 0.006). Since the p value is smaller than 0.01, it can be concluded that the independent variable reliably predicts the dependent variable and the relationship between them is highly significant. As can be seen from the same table, R value represents the correlation (r= 224), the R square value is (.050) and the adjusted R square is (.044). The Adjusted R-Square is the proportion of variance in the dependent variable (OCB) which can be predicted from the independent variables (transformational leadership). Since the adjusted R square value is (.044), this means that the predictor (transformational

leadership) significantly influences the dependent variable (OCB) and that it accounted for 4.4% of variance in the dependent variable.

To find the most significant and important factor that played this explanation role we look at the Beta values of the predictors (transformational, transactional and passive/avoidant leadership) the factor with the higher Beta value is the most important predictor of all. Later in this paper, after examining all the predictors, the most important predictor of all will be known. As shown in Table (11), transformational leadership factor has a high alpha value (Beta= .224). From these results, it can be concluded that transformational leadership has a significant relationship with OCB which supports the first hypothesis (H1).

Table 11. Regression test for the relationship between transformational leadership and OCB

#### **Model Summary** Adjusted R Std. Error of Model R R Square Square the Estimate 6.95903 .224(a) .050 .044 a Predictors: (Constant), Transformational ANOVA(b) Sum of Model Squares df Mean Square Sig. Regression .006(a) 1 7.814 378.434 378.434 Residual 7167.359 148 48.428 Total 7545.793 149 a Predictors: (Constant), Transformational b Dependent Variable: OCB Coefficients(a) Unstandardized Standardized Coefficients Coefficients Sig. t Model В Std. Error Beta В Std. Error (Constant) 66.125 1.589 .000 41.615 Transformational .072 .026 .224 2.795 .006

a Dependent Variable: OCB

**H2**. Transactional leadership style in Islamic banks will not significantly influence the variance in employees' Organizational Citizenship Behaviors

To test the second hypothesis, a regression analysis for transactional leadership and OCB was conducted. As shown in Table (12), transactional leadership as an independent variable is examined with OCB as a dependent variable. As can be seen from same table, The F Value is (71.899) which is significant. The t value is (t=8.47) and the p value associated with this value is very small (0.000). Since the p value is smaller than 0.01, it can be concluded that the independent variable reliably predicts the dependent variable and the relationship between them is highly significant. As shown in Table (12), R value represents the correlation (r = 572), the R square value is (.327) and the adjusted R square is (.322). The Adjusted R-Square is the proportion of variance in the dependent variable (OCB) which can be predicted from the independent variable (transactional leadership). Since the adjusted R square value is (.322), this means that the predictor (transactional leadership) significantly influences the dependant variable (OCB) and that it managed to explain 32.2% of variance in OCB. As shown in Table (12), transactional leadership factor has a high alpha value (Beta= .527). From this test, it can be concluded that transactional leadership has a significant relationship with OCB which means that the second hypothesis (H2) is not supported.

Table 12. Regression test for the relationship between transactional leadership and OCB

#### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.572(a)	.327	.322	5.85788

a Predictors: (Constant), Transactional

#### ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2467.212	1	2467.212	71.899	.000(a)
	Residual	5078.581	148	34.315		
	Total	7545.793	149			

a Predictors: (Constant), Transactional

#### Coefficients(a)

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		В	Std. Error	Beta	В	Std. Error
1	(Constant)	56.365	1.709		32.989	.000
	Transactional	.562	.066	.572	8.479	.000

a Dependent Variable: OCB

**H3**. Passive/Avoidant leadership in Islamic banks will not significantly influence the variance in employees' Organizational Citizenship Behaviors

In order to test the third hypothesis, a regression analysis for passive/avoidant leadership and OCB was conducted. As can be seen from table (13), passive/avoidant leadership as an independent variable is examined with OCB as a dependent variable. As shown in the table, the F Value is (1.843) which is not significant. The t value is (t=1.358) and the p value associated with this value is higher than 0.05 (p= 1.77). As can be seen in Table (13), R value represents the correlation (r= .111), the R square value is (.012) and the adjusted R square is (.006). The Adjusted R-Square is the proportion of variance in the dependent variable (OCB) which can be predicted from the independent variables

b Dependent Variable: OCB

(transactional leadership). Since the adjusted R square value is (.006), this means that the predictor (passive/avoidant leadership) managed to explain 05% of variance in OCB. As shown in Table (13), passive/avoidant leadership factor has a high alpha value (Beta=.111). From these values it can be concluded that passive/avoidant leadership played no role as the t value (t= 1.358) is not significant and the beta weight is weak (Beta = .111) compared to other leadership styles. Based on above findings and discussion, it can be concluded that passive/avoidant style is a weak predictor and plays no significant role in the relationship so the third hypothesis (H3) is supported.

Table 13. Regression test for the relationship between Passive/Avoidant Leadership and OCB

			Model Summary		
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.111(a)	.012	.006	7.09633	

a Predictors: (Constant), Passive\_Avoidant\_Behaviour

#### ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	92.827	1	92.827	1.843	.177(a)
	Residual	7452.966	148	50.358		
	Total	7545.793	149			

a Predictors: (Constant), Passive\_Avoidant\_Behaviour

#### Coefficients(a)

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		В	Std. Error	Beta	В	Std. Error
1	(Constant)	67.574	2.071		32.627	.000
	Passive_Avoidant_Behaviour	.148	.109	.111	1.358	.177

a Dependent Variable: OCB

b Dependent Variable: OCB

**H4**. Transformational leadership is the most important predictor of all other leadership styles (transactional and passive/avoidant) to predict OCB

In order to test the fourth hypothesis, we look at the Beta values of each predictor as shown in Tables (11, 12 and 13) because it's the most significant and important factor that played this explanation role. As can be seen from these tables the transactional factor has the highest alpha value, thus this means it is the most important predictor of all (Beta= .527), then transformational (Beta = .224). Nonetheless, passive/avoidant leadership has the weakest beta weight (Beta = .111). Therefore, it can be concluded that the fourth hypothesis (H4) is not supported since transactional leadership predicts OCB more than transformational leadership.

#### 4.6 The Relationship between Intellectual Stimulation and OCB Factors

Mackenzie *et al.* (2001) advised future studies to test the relationship between intellectual simulation which is one of transformational leadership factors and OCB. Several studies revealed that intellectual stimulation had a negative impact on OCBs (Podsakoff *et al.*, 1990; Mackenzie *et al.*, 2001) or had shown to have a weak influence on it (Nguni *et al.*, 2006). The correlation test for the relationship between intellectual simulation and OCB was conducted. As can be seen from Table (14), intellectual stimulation has a high significant relationship with altruism, courtesy and generalized compliance. On the other hand, as shown in Table (15), both civic virtue and sportsmanship show non-significant relationship with intellectual stimulation.

Table 14. Correlation test between Intellectual Stimulation and OCB factors

OCB Factors	Intellectual Stimulation
Altruism	.290(**)
Courtesy	.548(**)
Sportsmanship	153
Civic Virtue	.031
Generalized Compliance	.322(**)

<sup>\*\*</sup> Correlation is significant at the 0.01 level

# 4.6.1 Regression Analysis for the Relationship between Intellectual Stimulation and OCB Factors (Altruism, Courtesy, Sportsmanship, Civic Virtue and Generalized Compliance)

H5. Intellectual stimulation has a non-significant relationship with altruism

In order to test the fifth hypothesis, as can be seen from Table (15), a regression test was conducted to find the relationship between intellectual stimulation and altruism. The finding was not expected as it showed a significant relationship between the two variables. As can be seen from Table (15), altruism as a dependent variable is examined with intellectual stimulation as an independent variable. ANOVA test showed that F Value is (13.593) which is significant. The t value is (t= 3.687) and the p value associated with it is very small p < .01 (p= 0.000). Since the p value is smaller than 0.01, it can be concluded that the independent variable reliably predicts the dependent variable and the relationship between them is highly significant. As can be seen from Table (15), R value represents the correlation (r= 290), the R square value is (.084) and the adjusted R square is (.078).

<sup>\*</sup> Correlation is significant at the 0.05 level

The Adjusted R-Square is the proportion of variance in the dependent variable (altruism) which can be predicted from the independent variables (intellectual stimulation). Since the adjusted R square value is (.078), this means that the predictor intellectual stimulation significantly influences the dependant variable altruism and that it accounted for 7.8% of variance in the dependent variable. As shown in Table (15), intellectual stimulation has a high alpha value (Beta= .290). From these results, it can be concluded that intellectual stimulation has a significant relationship with altruism which doesn't supports the fifth hypothesis (H5).

Table 15. Regression test for the relationship between intellectual stimulation and altruism

#### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.290(a)	.084	.078	2.52469

a Predictors: (Constant), Intellectual\_Stimulation

#### ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	86.641	1	86.641	13.593	.000(a)
	Residual	943.359	148	6.374		
	Total	1030.000	149			

a Predictors: (Constant), Intellectual\_Stimulation

#### Coefficients(a)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model	В	Std. Error	Beta	В	Std. Error
1 (Constant)	17.128	.498		34.375	.000
Intellectual_Stimulation	.158	.043	.290	3.687	.000

a Dependent Variable: Altrusim

b Dependent Variable: Altrusim

#### **H6.** Intellectual stimulation has a non-significant relationship with courtesy

As can be seen from Table (16), a regression analysis for the relationship between intellectual stimulation and courtesy was conducted in order to test the sixth hypothesis. As shown in the table, courtesy is tested as a dependent variable and intellectual stimulation as an independent variable. As can be seen from Table (16), the F Value is (63.649) which is significant. The t value is (t=7.978) and the p value associated with this value is very small (0.000). Since the p value is smaller than 0.01, it can be concluded that the independent variable reliably predicts the dependent variable and the relationship between them is highly significant. As shown in table (16), R value represents the correlation (r= 548), the R square value is (.301) and the adjusted R square is (.296). The Adjusted R-Square is the proportion of variance in the dependent variable (courtesy) which can be predicted from the independent variables (intellectual stimulation). Since the adjusted R square value is (.269), this means that the predictor intellectual stimulation significantly influences the dependant variable courtesy and that it managed to explain 29.6% of variance in courtesy. As shown in Table (16), intellectual stimulation has a high alpha value (Beta= .548). From this test, it can be concluded that intellectual stimulation has a significant relationship with OCB which means that the sixth hypothesis (H6) is not supported.

Table 16. Regression test for the relationship between intellectual stimulation and courtesy

#### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.548(a)	.301	.296	1.38051

a Predictors: (Constant), Intellectual Stimulation

#### ANOVA(b)

Model	-	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	121.302	1	121.302	63.649	.000(a)
	Residual	282.058	148	1.906		
	Total	403.360	149			

a Predictors: (Constant), Intellectual\_Stimulation

#### Coefficients(a)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model	В	Std. Error	Beta	В	Std. Error
1 (Constant)	10.781	.272		39.571	.000
Intellectual_Stimulation	.187	.023	.548	7.978	.000

a Dependent Variable: Courtesy

#### H7. Intellectual stimulation has a non-significant relationship with sportsmanship

A regression test is conducted in order to test the seventh hypothesis. As can be seen from Table (17), intellectual stimulation as an independent variable is examined with sportsmanship as a dependent variable. As shown in the table, the F Value is (3.537) which is not significant. The t value is (t= - 1.881) and the p value associated with this value is higher than 0.05 (p= 062). As can be seen from Table (17), R value represents the correlation (r= .153), the R square value is (.023) and the adjusted R square is (.017). Since the adjusted R square value is (.017), this means that the predictor intellectual stimulation managed to explain 01.7% of variance in sportsmanship. As shown in Table (17), intellectual stimulation has a negative low alpha value (Beta= -

b Dependent Variable: Courtesy

.153). Based on above findings and discussion, it can be concluded that intellectual stimulation is a weak predictor of sportsmanship and plays no significant role in the relationship thus that the seventh hypothesis (H7) is supported.

Table 17. Regression test for the relationship between intellectual stimulation and sportsmanship.

#### 

M	odel	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	67.073	1	67.073	3.537	.062(a)
	Residual	2806.260	148	18.961		
	Total	2873.333	149			

a Predictors: (Constant), Intellectual Stimulation

#### Coefficients(a)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model	В	Std. Error	Beta	В	Std. Error
1 (Constant)	14.605	.859		16.995	.000
Intellectual_Stimulation	139	.074	153	-1.881	.062

a Dependent Variable: Sportsmanship

#### H8. Intellectual stimulation has a non-significant relationship with civic virtue

As can be seen from Table (18), a regression test is conducted in order to test the eighth hypothesis. As shown in the table, intellectual stimulation as an independent variable is examined with civic virtue as a dependent variable. As shown in the table, the F Value is (.147) which is not significant. The t value is (t= 383) and the p value associated with this

b Dependent Variable: Sportsmanship

value is higher than 0.05 (p= 702). As can be seen from Table (18), R value represents the correlation (r= .031), the R square value is (.001) and the adjusted R square is (.006). Since the adjusted R square value is (-.006), this means that the predictor intellectual stimulation managed to explain -0.6% of variance in civic virtue. As shown in Table (18), intellectual stimulation has a negative low alpha value (Beta= -.153). Based on above results, it can be concluded that intellectual stimulation is a weak predictor of civic virtue and plays no significant role in the relationship so that the eighth (H8) is supported.

Table 18. Regression test for the relationship between intellectual stimulation and civic virtue.

			Model Summary		
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.031(a)	.001	006	1.53888	

a Predictors: (Constant), Intellectual\_Stimulation

#### ANOVA(b)

Model	-	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.348	1	.348	.147	.702(a)
	Residual	350.486	148	2.368		
	Total	350.833	149			

a Predictors: (Constant), Intellectual\_Stimulation

#### Coefficients(a)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model	В	Std. Error	Beta	В	Std. Error
1 (Constant)	7.661	.304		25.224	.000
Intellectual_Stimulation	.010	.026	.031	.383	.702

a Dependent Variable: Civic Virtue

b Dependent Variable: Civic Virtue

**H9**. Intellectual stimulation has non-significant relationship with generalized compliance In order to test the ninth hypothesis, a regression analysis is conducted. As can be seen from Table (19), generalized compliance is tested as a dependent variable and intellectual stimulation as an independent variable. As shown in Table (19), the F Value is (16.980) which is significant. The t value is (t=4.121) and the p value associated with this value is very small (0.000). Since the p value is smaller than 0.01, it can be concluded that the independent variable reliably predicts the dependent variable and the relationship between them is highly significant. As shown in table (20), R value represents the correlation (r= .322), the R square value is (.104) and the adjusted R square is (.097). The Adjusted R-Square is the proportion of variance in the dependent variable generalized compliance which can be predicted from the independent variables intellectual stimulation. Since the adjusted R square value is (.097), this means that the predictor intellectual stimulation significantly influences the dependant variable generalized compliance and that it managed to explain 9.7% of variance in courtesy. As shown in Table (19), intellectual stimulation has a high alpha value (Beta= .322). From this test, it can be concluded that intellectual stimulation has a significant relationship with generalized compliance which means that the ninth hypothesis (H9) is not supported.

Table 19. Regression test for the relationship between intellectual stimulation and generalized compliance.

#### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.322(a)	.104	.097	2.24078

a Predictors: (Constant), Intellectual\_Stimulation

#### ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	85.256	1	85.256	16.980	.000(a)
	Residual	738.099	147	5.021		
	Total	823.356	148			

a Predictors: (Constant), Intellectual\_Stimulation b Dependent Variable: Generlized\_Compliance

#### Coefficients(a)

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		В	Std. Error	Beta	В	Std. Error
1	(Constant)	16.135	.445		36.253	.000
	Intellectual_Stimulation	.159	.039	.322	4.121	.000

a Dependent Variable: Generlized\_Compliance

## **CHAPTER 5: DISCUSSION OF FINDINGS**

#### 5.1 Introduction

The purpose of this study is to explore for the first time in the UAE and other Arab countries the role of leadership behaviors in influencing employees' OCBs. The following discussion examines the results presented in Chapter 4. The major findings will be discussed with regards to previous results in other studies.

#### 5.2 Findings and Discussion

This study set out to investigate the effects of leadership behaviors on organizational citizenship behaviors OCBs in Islamic banks in the UAE. All hypothesized relations were supported by the data. Results of this study revealed the expected positive link between transformational leadership and employees' organizational citizenship behaviors. This finding is consistent with previous research. For instance, Mackenzie, Podsakoff and Rich (2001) investigated the impact of transformational and transactional leadership behaviors on organizational citizenship behaviors of salespeople. Their results validated that transformational leadership has a strong direct and indirect relationship with organizational citizenship behaviors. This finding was also consistent with Podsakoff et al., (1990) who examined the influence of transformational leader behaviors on subordinate trust with leader, satisfaction, and OCB. The results showed that there is an indirect link between transformational leadership and OCB mediated by trust. Also, Den Hartog et al. (2007) examined the relation between charismatic leader and two dimensions of OCB: helping and compliance. The results revealed subordinates show

more of helping and compliance behaviors when they perceive their leader as charismatic or transformational. Moreover, a new study by Babcock-Roberson and Strickland (2010) investigated the relationship between charismatic leader and OCB. The findings of the study showed a significant relationship between the two variables. This finding lends support to the basic notion that when a charismatic manager is present, a subordinate is more engaged in his/her work, which in turn promotes organizational citizenship behaviors (Babcock-Roberson & Strickland, 2010). Also, it supports another notion which says that transformational leadership influences employees to perform above and beyond the call of duty (Mackenzie et al., 2001). Nguni et al. (2006) study also showed a significant relationship between transformational leadership and OCB. In a research study by Purvanova, Bono and Dzieweczynski (2006), the result was also consistent with this study results as it indicated a positive link between managers' transformational leadership behaviors and followers' citizenship performance, though the association was not large. The result of this test is also consistent with Boerner et al. (2008) findings. He found that there is a positive relationship between transformational leadership and OCB even though when the relationship is mediated with stressors. This suggests that, managers in Islamic banks may be able to improve their effectiveness by paying more attention to their transformational leadership behaviors. As recommended by (Mackenzie et al., 2001, p. 129):

"...they need to think more carefully about how they can do a better job of articulating a vision, providing an appropriate model, fostering the acceptance of group goals and providing individualized support".

The results of this study also showed significant relationship between transactional leadership and OCB. This was not expected by the second study hypothesis (H2). The

study findings were consistent with Podsakoff et al. (1990) who showed a direct relationship between transactional leadership and OCBs, but no direct relationship between transformational leadership and OCBs. They argued that because leaders consider both in-role and extra-role behaviors when evaluating their employees' performance, employees may see the performance of OCBs as a way for getting appreciation and rewards (Podsakoff et al., 1990). Another study by Piliai et al. (1999) examined direct relationships between the two types of leadership behaviors: transformational and transactional, and OCBs. There research revealed that transactional leadership was significantly related to OCBs. Also, Mackenzie et al. (2001) discovered a significant relationship between transactional leadership behaviors and OCB. They mentioned that if a manager provides a positive feedback contingent on particular citizenship behaviors, then there should be a positive relationship between the two variables (Mackenzie et al., 2001). In fact, if rewards are managed on contingent basis by the mangers, then their staff will perceive that they are being treated fairly and trust them accordingly; consequently, this will increase their willing to engage in more citizenship behaviors. Similarly, punishments contingent on low levels of OCBs should be perceived as fair by employees, and accordingly increase their levels OCBs (Mackenzie et al., 2001). The present study finding is not consistent with Nguni et al. (2006) study which showed that transactional leadership behaviors had no significant and weak aggregate effects on OCB. Therefore, it can be said that if performances are not praised and rewarded frequently by leaders, employee's impression of being effective will suffer and as a result the OCB level will decrease.

The current study also anticipated no correlations between passive/avoidant leadership style and OCB. The results discovered that passive/avoidant leadership behaviors play no role in predicting OCB. This is consistent with Nguni et al. (2006) research which showed that the relationship between OCB and the two factors of passive/avoidant: passive management by exception and laissez-faire was not significant. Previous studies have found that passive/avoidant leadership was negatively related to unit commitment and performance effectiveness (Nguni et al., 2006). As stated by Bass (1985), passive/avoidant leaders are perceived by subordinates as being ineffective and therefore these behaviors are counterproductive in enhancing subordinates' motivation. With this leadership style, employees have the feeling that their manager does not react before the issue has become serious or the task execution gets affected. Employees would prefer a situation in which they have the trust that the manager will correct the errors in advance before the issue becomes serious and prevent problems expected in the future. When management by exception (passive) and laissez-faire are the dominant leading styles in Islamic banks or any organization they can lead to dissatisfaction, discomfort and frustration among employees. At the same time, the level of motivation to work more than expected will decrease and therefore employees' OCBs will not exist.

The findings of this study also revealed that transactional leadership had a stronger positive influence on organizational citizenship behavior than transformational leadership. The difference of this relationship between the two styles was very small. The reason could be located in the small number of participants in this survey. This finding is not consistent with some previous studies. For example, Bass (1985) found that the

correlation values for the relationship between transformational leadership components and the outcome measures are higher than between the transactional and the outcome measures. Leaders using transformational leadership behaviors are able to motivate and stimulate their subordinates to a higher degree more than transactional leadership Bass (1985). In addition, Mackenzie et al. (2001) examined the impact of transformational and transactional leaders' behaviors of salespeople on OCB. They found that transformational leadership behaviors augment the impact of transactional leaders' behaviors on OCB. At a minimum, this suggests that transactional leaders who carefully control the performance of their staff and recognize their contribution to the organization will be rewarded by advanced level of employee performance and citizenship behaviors which in turn will influence the organization performance positively. Mackenzie et al. (2001) recommended that managers should not ignore the impact of transactional leadership behaviors on their staff. They found that contingent reward behavior which is one factor of transactional leadership has positive effects on helping, civic virtue and sportsmanship (Mackenzie et al., 2001). Some studies confirmed that contingent punishment or rewards can affect employee's performance positively (Kohli, 1985; Mackenzie et al., 2001). Some studies were not consistent with the current study findings. For example, a study by Koh et al. (1995) in the Singaporean educational field, reported that transformation leadership behaviors have stronger positive effect on OCB than transactional leadership. Also, Hetland and Sandal (2003) findings showed that transformational leadership is more motivating than transactional leadership which is again not consistent with this study finding.

The current study found that intellectual stimulation has a significant positive relationship with some of the OCB factors such as altruism, courtesy and generalized compliance. On the hand, it showed non-significant correlation with civic virtue and sportsmanship. Mackenzie et al. (2001) study showed that managers who exhibit intellectual stimulation behavior, which is one of the transformational leadership factors, tend to have staff that are less productive and are less willing to help others, be good sports, and exhibit civic virtue. Several studies confirmed that leaders who always try to get their employees to find better ways of doing their jobs (showing intellectual stimulation behavior) create ambiguity and are perceived as less trustworthy and as a result their staff's citizenship behaviors get affected negatively (Mackenzie et al., 2001; Podsakoff et al., 1990). As illustrated by Mackenzie et al. (2001), intellectual stimulation may cause employees to focus more on identifying ways of working "smarter" at the expense of working "harder". In a research study by Nguni et al. (2006) intellectual stimulation also had shown to have a weak influence on OCB. Mackenzie et al. (2001) reported that intellectual stimulation has a negative effect on civic virtue and sportsmanship and suggested further investigations on this finding in the future studies. It can be concluded that the present study findings are consistent with Mackenzie et al. (2001) findings.

# CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

#### 6.1 Introduction

Chapter six draws conclusions for how these findings contribute to the literature, offers suggestions for leadership of organizations, discusses study limitations and recommends future research that builds on this study.

#### 6.2 Contributions of the Current Study

The current study contributes to the growing literature on the influence of leadership behaviors on organizational citizenship behaviors. It presents empirical evidence linking leader behaviors and followers' OCBs, hence providing support for a key theoretical proposition of multifactor leadership behavior theory. In addition, the study provides data related to the influence of leadership behavior on employees OCB which can be used by organizations trying to design leadership training courses for their managers, as well as by organizations wishing to increase their staff OCBs. Furthermore, the study adds to the growing body of evidence that leadership behaviors have direct effects on employees' attitudes and behaviors that have been linked to individual, group, and organizational success.

Theoretically, the current study findings make an important contribution in that they directly test a central principle of transformational leadership theory that transformational leaders motivate subordinates to see their jobs as important and rewarding (Bass, 1985). According to Bass (1985), transformational and transactional leadership behaviors lead to

higher satisfaction and effectiveness within the followers. These two statements can be supported with our results. The present study results showed that managers who score high on transactional and transformational leadership appear to be more successful in influencing staff tendencies directly to engage in organizational citizenship behaviors. In addition, employees who have managers that perform transformational and transactional leadership components are satisfied with their work condition and they perceive themselves to be effective and perform more than expect. Most of the past studies in this literature showed that transformational leaders influence OCBs in their followers more than transactional leaders. In contrast, the current study results revealed that transactional leaders influence employees OCBs more than transformational leaders. The study also confirmed that passive/avoidant leadership behaviors have no effect on employees OCBs which supports past studies. This could be expected since its two components: laissez-faire and passive management by exception are defined as non-leading styles and they can lead to frustration, dissatisfaction, low motivation and less effort.

Although, the study sample can be considered small compared to the Islamic banking sector in the UAE, the findings from this study pointed to fruitful areas for further investigations and future studies on the supervisor-followers relationship. The results of the analysis indicated that transactional and transformational leadership have significant relationships with OCB. This study supports Bass (199) statement that successful leaders can increase their influence by utilizing both leadership styles. For Bass (1985), transactional and transformational styles of leadership build on one another by comprising related dimensions of leadership. Therefore, the current study confirms the

importance of leadership and OCB especially in the Islamic banking sector and should be taken more seriously by the directors and policy makers.

This study also tested the influence of intellectual stimulation on each OCB factor (altruism, courtesy, sportsmanship, generalized compliance and civic virtue) which needs further investigations as recommended by several researchers (e.g. Mackenzie, Podsakoff and Rich, 2001; Nguni et al., 2006; Podsakoff et al., 1990). Some past studies showed that managers who exhibit intellectual stimulation behavior which is one of transformational leadership factors tend to have staff that are less productive and are less willing to help others, be good sports, and exhibit civic virtue (Mackenzie, Podsakoff and Rich, 2001; Nguni et al., 2006; Podsakoff et al., 1990). The current study found that intellectual stimulation has a significant positive relationship with altruism, courtesy and generalized compliance. On the hand, it showed non-significant relationship with civic virtue and sportsmanship which is consistent with Mackenzie et al. (2001) findings.

Strength of this study is that data were obtained from several job levels. Citizenship behaviors were based on self report and leadership behaviors of managers were assessed by their employees. Although, it's expected that the leadership and OCB link was not entirely free of biases when data are obtained from the same source, using the leadership reports of multiple employees considerably reduces the effects of common method variance. Another strength of this research is that a variety of jobs were included, ranging from administration to customer service to sales. The sample included several employees from different levels who held different jobs (i.e., IT technicians, customer service, audit

officers, HR officers or administration assistants) and reporting to different managers, allowing the researcher to directly examine the effects of managers' leadership behaviors on employees' OCBs. It can be concluded with some confidence that employees' OCBs were related to leaders' behaviors, and not to other factors such as task characteristics, job level or position.

#### **6.3 Recommendations for Management**

Human resource management is called for in order to recruit, develop and retain human capital which is the most valuable asset in any organization (Carmeli and Weisberg, 2006). Bartlett and Kang (2004) noted that human resource development is recognized as being able to promote and contribute to preferred work related attitudes and behaviors of employees. In human resource literature, OCB has been identified as a central element in a multi-dimensional individual performance construct (Werner 2000). Werner (2000) indicates that, it is possible that training would still be required to encourage organizational citizenship behaviors in a workplace. Barling *et al.* (1996) study suggested that training can improve leaders' behaviors in charismatic leadership and that intellectual stimulation which is an aspect of transformational leadership can be trained as well. As stated by Boerner *et al.* (2008):

"...A promising strategy in HR is to emphasize efforts on leadership training, including trainings in order to improve charismatic leadership skills" (p.517).

Boerner *et al.* (2008) study encourages leaders to change their leadership behaviors by attending trainings for charismatic leadership. Frese, Beimel, and Schoenborn (2003) recommended action training for managers who are willing to improve their

communication skills since communication is one aspect of transformational leadership. This training consists of five components, action-oriented mental model, learning by doing, motivation by experiencing the difference between present state and future goals, feedback in training, supporting transfer and the necessity to routinize behavior (Frese, Beimel and Schoenborn, 2003). Managers that aim to develop their charismatic leadership skills should therefore engage in this type of leadership training. Purvanova, Bono and Dzieweczynski (2006) suggest that leadership training courses could be developed to teach leaders how to create meaning for jobs that may appear to be less important. They also stated that:

"... companies concerned with raising the level of citizenship performance in their workforce could start by educating company leaders/managers about the importance of meaningful work to citizenship performance" (Purvanova, Bono and Dzieweczynski, 2006, p.18).

According to Purvanova, Bono and Dzieweczynski (2006), this can be accomplished by linking jobs to the broader purpose, goals and mission of the organization. They suggest that one possible means of rising citizenship performance in an organization is by altering staff perceptions of their jobs. Therefore, organizations concerned with raising the level of citizenship performance in their workers could start by educating organization managers about the importance of meaningful work to citizenship performance.

Nowadays, the low level of OCB could have other reasons. For example, the recent global financial crisis that resulted in the collapse of most of the financial institutions around the world. Most of the banks including Islamic banks have declared losses since the crisis started in 2007. The negative economical situation has forced most of the organizations worldwide to react with strong structural changes that led to decrease the

number of employees. Recently, it can be noticed that employees feel unsecure and unstable since it could be possible that they loose their jobs at any point of time. Hence, this frustration will lead to low work motivation and as a result, they might feel that there would be no need to put extra effort into work. In order to increase employees OCBs nowadays, leaders are advised to take the followers' worries into account and to react to them quickly. It is important to try to increase the level of security and stability as much as possible by taking transformational or transactional leadership approaches and build trust in their staff. Consequently, managers will be able to provide a working environment in which employees feel secure and exhibit more extra-role behaviors that can benefit the organizations outcomes.

#### **6.4 Study Limitations**

There are a few potential limitations to the present study, which are often associated with the use of self-reported data. The majority of participants of this study were working for the same Islamic bank. The questionnaire was sent to 350 employees only from different levels and departments. Before generalizing the study results to other organizational settings, it's recommend for future studies to replicate this study by including a broader variety of banks and larger sample sizes. Also, the research relied on follower ratings of leadership behavior, which are known to be deficient measures of actual behaviors (Purvanova, Bono and Dzieweczynski, 2006).

Moreover, the questionnaire was written in English language only and distributed to participant through e-mails. The researcher wanted to meet the participants and explain how to answer the questionnaire but this was not possible due to time limitations. A total of 150 responses were used in the study which can be considered as a small study sample compared to the size of Islamic banking sector in the UAE. The total number of received responses was 174 only, of which 24 were excluded because of incomplete data that won't benefit the study. Some researchers indicate that a small response rate is not acceptable (Roth and Bevier, 1998). Roth and Bevier (1998) found that responses collected from a small portion of a sample cannot be generalized to the sample and lead to doubts regarding the validity of the study. This study needed more follow-ups and meeting with the respondents to increase the response rate.

In addition, the questionnaire was very lengthy. Roth and Bevier (1998) stated that the length of the survey can lead to low response rate. The study questionnaire consisted of two instruments and a total of 55 items to be answered. The researcher of the current study got to know that the questionnaire was very lengthy from the respondents' feedback and the uncompleted received questionnaires. Eliminating the items wouldn't be a good option because it might affect the study results. However, if the questionnaire was shorter the resistance to participate rate would be less and the response rate would increase. In conclusion, all the mentioned limitations might raise questions about the accuracy of the collected data.

#### 6.5 Suggestions for Future Research

The results of this study suggest several interesting avenues for further investigations. The present study sample was obtained from four Islamic banks only. To enhance the validity, future studies should obtain a sample from more Islamic banks. Also, researchers should obtain a high response rate in order to ensure the accuracy of the study findings. Moreover, it's recommended that future questionnaires should be shorter so the resistance to participate rate would be less and the response rate would increase (Roth and Bevier, 1998).

Future studies can also test the effects of mediators such as trust or role ambiguity on the relationship between leadership behaviors and OCB. Leadership behaviors are likely to have indirect effect on employees' performance through potential mediator variable as reported by many researchers (Mackenzie *et al.*, 2001). These finding will help better understand the mechanisms through which leadership behaviors influence OCBs. Also, it would also be informative to know if characteristics of the participants such as their age, gender or organization tenure can influence the OCB level. These aspects should be taken into account in future studies.

Finally, Future studies should carry on testing the effect of intellectual stimulation on OCBS. As stated by Mackenzie *et al.* (2001), intellectual stimulation was negatively related to staff performance in the short run, but it's not clear that this would also be accurate in the long run.

#### 6.6 Conclusion

The present study adds to the leadership literature by documenting the relations between three leadership styles: transactional, transformational and passive/avoidant, and OCB in the Middle East and specifically in the UAE. Moreover, this study will add to the existing literature in the area of Islamic banking since there is lack of research in this area. Islamic banking has become a rapid growing business, not only in Muslim countries but worldwide so it needs more attention from authors.

In this study, two well-known questionnaires were used to assess the leadership styles and the organizational citizenship behaviors in the Islamic banks in the UAE. To detect the relationship and interactions between both variables, correlations between the results were conducted. The findings were consistent with most of the previous major studies and revealed that both transactional and transformational leadership styles can influence OCBs in Islamic banking organizations. The detailed explanation of all transformational and transactional leadership components and their effects in this study underscores their importance and their positive influence on employees and organizational outcomes. Leaders using transformational and transactional leadership build up an environment in which employees are encouraged to think differently, try new ideas and fulfill demands and requirements. All of these outcomes are the basic requirements for any Islamic bank that seeks progress and customer satisfaction. This study also recommends that passive/avoidant leadership style should not appear regularly in any organization due to its negative impact on employees' OCBs.

It can be said that the lack of effective leadership styles such as transformational leadership in any organization could lead to lower effectiveness, routine and stagnation. Thus it is essential for an Islamic bank to focus more on the leaders and further their development in order to support its progress. It is important to support these leadership behaviors, to keep them existing and to create an environment in which managers feel motivated to use these ways of leading more often.

Despite the limitations of this study, the study findings contribute to extend the literature on organizational citizenship behaviors and leadership by supporting the findings of previous studies. This research can be useful for both researchers and supervisors or managers in Islamic banks to manage the organizational citizenship behaviors of their employees and improve them through suitable leadership behaviors.

In conclusion, it is necessary for Islamic banks to reach the values proposed by this study in order to achieve higher work motivation and thus higher effectiveness. With the detailed observations of this research, now it became clear which leadership behaviors have to be used more often in Islamic banks and which of them have to be abandoned.

## **REFERENCES**

Allen, T., Barnard, S., Rush, M. and Russell, J. (2000), Ratings of organizational citizenship behavior: Does the source make a difference?, *Human Resource Management Review*, Vol. 10 (1), pp. 97-114.

Arnold, J., Cooper, C.L. and Robertson, J.T. (1998), *Work Psychology*. Harlow:Financial Times

Avolio B., Zhu W., Koh W. and Bhatia P. (2004), Transformational leadership and organizational commitment: mediating role of psychological empowerment role and moderating role of structural distance. *Journal of Organizational Behavior*, Vol. 25, p. 951–968.

Avolio, B. J. and Bass, B. M. (1999), Re-examining the components of transformational and transactional leadership using the Multifactor Leadership Questionnaire. *Journal of Occupational & Organizational Psychology*, Vol. 72 (4), p. 441-462.

Babcock-Roberson, M. E. and Strickland, O. J. (2010), The Relationship Between Charismatic Leadership, Work Engagement, and Organizational Citizenship Behaviors. *Journal of Psychology*, Vol. 144 (3), p. 313-326.

Barakat, M. and Sarver, E. (1997), Western banks taking 1st steps into Islam's `no interest' world. *American Banker*, Vol. 162 (20), p. 9.

Barling, J., Weber, T. and Kelloway, E.K. (1996), Effects of transformational leadership training on attitudinal and financial outcomes: A field experiment. Journal *of Applied Psychology*, Vol. 81 (6), p. 827–32.

Bartlett, K. and Kang, D. (2004), Training and organizational commitment among nurses following industry and organizational change in New Zealand and the United States. *Human Resource Development International*, Vol. 7 (4), p. 423-440.

Bass B.M. (1990), Bass and Stogdill's Handbook of Leadership. New York: Free Press.

Bass B.M. (1999), Two decades of research and development in transformational leadership. *European Journal of Work and Organizational Psychology*, Vol. 8, p. 9–32.

Bass, B. M. (1990), From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, Vol. 18, p. 19–31.

Bass, B. M. (1995), Theory of transformational leadership redux. *The Leadership Quarterly*, Vol. 6, p. 463–478.

Bass, B.M. and Avolio, B.J. (1995), MLQ Multifactor Leadership Questionnaire.  $2^{nd}$  ed: Sampler Set.

Bass, B.M. (1960), Leadership. New York: Psychology and Organizations.

Bass, B.M. (1985), Leadership and Performance beyond Expectations. New York: Free Press.

Bass, B.M. and Seltzer, J. (1990), Transformational Leadership: Beyond Initiation and Consideration. *Journal of Management*, Vol. 16, p. 693-703.

Boerner, S., Dutschke, E. and Wied, S. (2008), Charismatic leadership and organizational citizenship behaviour: examining the role of stressors and strain. *Human Resource Development International*, Vol. 11 (5), p. 507-521.

Boiral, O. (2002), Tacit Knowledge and Environmental Management. *Long Range Planning*, Vol. 35 (3), p. 291-317.

Boiral, O. (2009), Greening the Corporation through Organizational Citizenship Behaviors. *Journal of Business Ethics*, Vol. 87 (2), p. 221-236.

Bono, J. E. and Judge, T. A. (2004), Personality and Transformational and Transactional Leadership: A Meta-Analysis. *Journal of Applied Psychology*, Vol. 89 (5), p.901-910.

Brief, A. P. and Motowidlo, S. J. (1986), Prosocial Organizational Behaviors. *Academy of Management Review*, [online]. 11 (4), p. 710-725.

Burke, C. S., Stagl, K. C., Klein, C., Goodwin, G. F., Salas, E. and Halpin, S. M. (2006), What type of leadership behaviors are functional in teams? A meta-analysis. *Leadership Quarterly*, Vol. 17 (3), p. 288-307.

Burns, J. M. (1978), Leadership. New York: Haper and Row.

Bycio, P., Hackett, R. D. and Allen, J. S. (1995), Further Assessments of Bass's (1985) Conceptualization of Transactional and Transformational Leadership. *Journal of Applied Psychology*, Vol. 80 (4), p. 468-478.

Carmeli, A. and Weisberg, J. (2006), Exploring turnover intentions among three professional groups of employees. *Human Resource Development International*, Vol. 9 (2), p. 191-206.

Corrigan, P. W., Lickey, S. E., Campion, J., and Rashid, F. (2000), Mental health team leadership and consumer's satisfaction and quality of life. *Psychiatric Services*, Vol. 51(6), p. 781 – 785.

Covey. S. (1992), *Principle-centred Leadership*. London: Simon and Schuster.

De Hoogh, A., den Hartog, D., Koopman, P., Thierry, H., van den Berg, P., van der Weide, J. and Wilderom, C. (2004), Charismatic leadership, environmental dynamism, and performance. *European Journal of Work & Organizational Psychology*, Vol. 13 (4), p. 447-471.

Deluga, R.J. (1995), The relationship between attributional charismatic leadership and organizational citizenship behaviour. Journal of Applied Social Psychology, Vol. 25 (18), p. 1652–69.

Deluga, R.J. (1990), The Effects of Transformational, Transactional, and Laissez Faire Leadership Characteristics on Subordinate Influencing Behavior. *Basic & Applied Social Psychology*, Vol. 11 (2), p. 191-203.

Den Hartog, C.N., Keegan, A.E. and De Hoogh, A.H.B. (2007), Research reports. The interactive effects of belongingness and charisma on helping and compliance. *Journal of Applied Psychology*, Vol. 92 (4), p. 1131–9.

Druskat, V.U. (1994), Gender And Leadership Style: Transformational And Transactional Leadership In The Roman Catholic Church. *Leadership Quarterly*, Vol. 5, p. 99–119.

Farh, J., Zhong, C. and Organ, D. W. (2004), Organizational Citizenship Behavior in the People's Republic of China. *Organization Science*, Vol. 15(2), p. 241-253.

Fiedler, F.E. (1995), Cognitive resources and leadership performance. *Applied Psychology*, Vol. 44, p. 5-28.

Frese, M., Beimel, S. and Schoenborn, S. (2003), Action training for charismatic leadership: Two evaluations of studies of a commercial training module on inspirational communication of a vision. *Personnel Psychology*, Vol. 56 (3), p. 671–97.

George, J. M. and Brief, A. P. (1992), Feeling good-doing good: A conceptual analysis of the mood at work-organizational spontaneity. *Psychological Bulletin*, Vol. 112 (2), p. 310.

Hartog, D.N.D., Muijen, J.J. and Koopman, V. (1997), Transactional versus transformational leadership: an analysis of the MLQ. *Journal of Occupational and Organizational Psychology*, Vol. 70, p. 19-34.

Al-Tamimi, H. and Al-Amiri, A. (2003), Analysing service quality in the UAE Islamic banks. *Journal of Financial Services Marketing*, Vol. 8 (2), p.119-132.

Hater, J., Bass, B.M. (1988), Superiors evaluations and subordinates` perceptions of transformational and transactional leadership. *Journal of Applied Psychology*, Vol. 73 (4), p. 695-702.

Hetland, H. and Sandal, G. M. (2003), Transformational leadership in Norway: Outcomes and personality correlates. *European Journal of Work & Organizational Psychology*, Vol. 12 (2), p. 147.

- Hoffman, B. J., Blair, C. A., Meriac, J. P. and Woehr, D. J. (2007), Expanding the Criterion Domain? A Quantitative Review of the OCB Literature. *Journal of Applied Psychology*, Vol. 92 (2), p. 555-566.
- Jaques, E. and Clement, S. D. (1994), *Executive Leadership: A Practical Guide to Managing Complexity:* Cambridge. Blackwell.
- Johns, H. E. and Moser, H. R. (2001), From trait to transformation: The evolution of leadership theories. *Education*, Vol. 110 (1), p. 115-122.
- Jones, G. R. and George, J.M. (1998), The Experience and Evolution Of Trust: Implications For Cooperation And Teamwork. *Academy of Management Review*, Vol. 23 (3), p. 531-546.
- Judge, T. A. and Bono, J. E. (2000), Five-Factor Model of Personality and Transformational Leadership. *Journal of Applied Psychology*, Vol. 85 (5), p. 751-765.
- Jung D.I. and Sosik J.J. (2002), Transformational leadership in work groups: the role of empowerment, cohesiveness, and collective effectiveness. *Small Group Research*, Vol. 33, p. 313–336.
- Katz, D. (1964), The motivational basis of organizational behavior. *Behavioral Sci*, Vol. 9, p. 131–146.
- Koh, W. L., Steers, R. M., and Terborg, J. R. (1995), The effects of transformational leadership on teacher attitudes and student performance in Singapore. *Journal of Organizational Behaviour*, Vol. 16(4), p. 319 333.
- Kohli, A. K. (1985), Some Unexplored Supervisory Behaviors and Their Influence on Salespeople's Role Clarity, Specific Self-Esteem, Job Satisfaction, and Motivation. *Journal of Marketing Research* (JMR), Vol. 22 (4), p. 424-433.
- Konovsky, M. A. and Organ, D. W. (1996), Dispositional and contextual determinants of organizational citizenship behavior. *Journal of Organizational Behavior*, Vol. 17 (3), p. 253-266.
- Le Pine, J. A., Colquitt, J. A. and Erez, A. (2000), Adaptability to Changing Task Contexts: Effects Of General Cognitive Ability, Conscientiousness, And Openness To Experience. *Personnel Psychology*, Vol. 53 (3), p. 563-593, 31p.
- Leithwood, K. and Sleegers, P. (2006), Transformational school leadership: Introduction. *School Effectiveness & School Improvement*, [online]. 17 (2), p. 143-144.
- LePine, J. A., Erez, A. and Johnson, D.E. (2002), The Nature and Dimensionality of Organizational Citizenship Behavior: A Critical Review and Meta-Analysis. *Journal of Applied Psychology*, Vol. 87 (1), p. 52-65.

Lievens, F. and Anseel, F. (2004), Confirmatory factor analysis and invariance of an organizational citizenship behaviour measure across samples in a Dutch-speaking context. *Journal of Occupational & Organizational Psychology*, Vol. 77 (3), p. 299-306.

Lowe, K.B., Kroeck, K.G. and Sivasubramaniam, N. (1996), Effectiveness correlates of transformational and transactional leadership: a meta-analytic review of the MLQ literature. *Leadership Quarterly*, Vol. 7 (3), p. 385-425.

Mackenzie, S. B., Podsakoff, P. M. and Rich, G. A. (2001), Transformational and Transactional Leadership and Salesperson Performance. *Journal of the Academy of Marketing Science*, Vol. 29 (2), p. 115.

McNeely, B. L. and Meglino, B. M. (1994), The role of dispositional and situational antecedents in prosocial organizational behavior: An examination of the intended beneficiaries of prosocial behavior. *Journal of Applied Psychology*, Vol. 79 (6), 836-844.

Meindl, James R. (1990), On Leadership: An Alternative To The Conventional Wisdom. *Research in Organizational Behavior*, Vol. 12, p. 159.

Moorman, R.H. (1991), Relationship Between Organizational Justice and Organizational Citizenship Behaviors: Do Fairness Perceptions Influence Employee Citizenship?. *Journal of Applied Psychology*, Vol. 76 (6), p. 845-855.

Morrison, E. W. (1994), Role Definitions and Organizational Citizenship Behavior: The Importance Of The Employee's Perspective. *Academy of Management Journal*, Vol. 37 (6), p. 1543-1567.

Motowidlo, S.J. (2000), Some Basic Issues Related To Contextual Performance And Organizational Citizenship Behavior In Human Resource Management. *Human Resource Management Review*, Vol. 10 (1), p. 115.

Motowildo, S. J., Borman, W. C. and Schmit, M. J. (1997), A Theory of Individual Differences in Task and Contextual Performance. *Human Performance*, Vol. 10 (2), p. 71.

Nemanich L.A. and Keller R.T. (2007), Transformational leadership in an acquisition: a field study of employees. *Leadership Quarterly*, Vol. 18, p. 49–68.

Nguni, S.I., Sleegers, P. and Denessen, E. (2006), Transformational and transactional leadership effects on teachers' job satisfaction, organizational commitment, and organizational citizenship behavior in primary schools: The Tanzanian case. *School Effectiveness & School Improvement*, Vol. 17 (2), p. 145-177.

Niehoff, B. P. and Moorman, Robert H. (1993), justice As A Mediator Of The Relationship Between Methods Of Monitoring And Organizational Citizenship Behavior. *Academy of Management Journal*, Vol. 36 (3), p. 527-556.

- Nielsen, K., Yarker, J., Brenner, S., Randall, R. and Borg, V. (2008), The importance of transformational leadership style for the well-being of employees working with older people. *Journal of Advanced Nursing*, Vol. 63 (5), p. 465-475.
- Nirenberg, J. (2001), Leadership: A parctitioner's perspective and the literature. *Singapore Management Review*, Vol. 23(1), p. 1-33.
- Organ, D. W. (1988), Organizational *Citizenship Behavior: The Good Soldier Syndrome*., Lexington: Lexington Books.
- Organ, D., Podsakoff, P.and MacKenzie, S. (2006), *Organizational Citizenship Behavior: Its Nature, Antecedents, and Consequences.* Thousand Oaks, CA: Sage Publications.
- Organ, D.W. (1990), The Motivational Basis Of Organizational Citizenship Behavior. *Research in Organizational Behavior*, Vol. 12, p. 43.
- Organ, D.W. (1997), Organizational Citizenship Behavior: It's Construct Clean-Up Time. *Human Performance*, Vol. 10 (2), p. 85.
- Organ, D. W. and Ryan, K. (1995), A Meta-Analytic Review of Attitudinal And Dispositional Predictors Of Organizational Citizenship Behavior. *Personnel Psychology*, Vol. 48 (4), p. 775-802.
- Paillé, P. (2009), Assessing Organizational Citizenship Behavior in the French Context: Evidence for the Four-Dimensional Model. *Journal of Psychology*, Vol. 143 (2), p. 133-146.
- Paine, J. B. and Organ, D. W. (2000), The Cultural Matrix of Organizational Citizenship Behavior: Some Preliminary Conceptual and Empirical Observations. *Human Resource Management Review*, Vol. 10 (1), p. 45, 15p.
- Piliai, R., Schriesheim, C.A. and Williams, E. S. (1999), Fairness Perceptions and Trust as Mediators for Transformational and Transactional Leadership: A Two-Sample Study. *Journal of Management*, Vol. 25 (6), p. 897.
- Podsakoff, P. M., MacKensie, S. B., Paine, J. and Bachrach, D. (2000), Organizational citizenship behaviors: A critical review of the theoretical and empirical literature and suggestions for future research. *Journal of Management*, Vol. 26, p. 513–563.
- Podsakoff, P. M., MacKenzie, S. B., Moorman, R. H. and Fetter, R. (1990), Transformational leader behaviours and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviours. *Leadership Quarterly*, Vol. 1(2), p. 107 142.

Podsakoff, P. M., Ahearne, M., MacKenzie, S.B. (1997) Organizational Citizenship Behavior and the Quantity and Quality of Work Group Performance. *Journal of Applied Psychology*, Vol. 82 (2), p. 262-270.

Podsakoff, P. M. and MacKenzie, S. B. (1997), Impact of Organizational Citizenship Behavior on Organizational Performance: A Review and Suggestion for Future Research. *Human Performance*, Vol. 10 (2), p. 133.

Podsakoff, P. M., MacKenzie, S. B. and Bommer, W. H. (1996), Transformational Leader Behaviors and Substitutes for Leadership as Determinants of Employee Satisfaction, Commitment, Trust, and Organizational Citizenship Behaviors. *Journal of Management*, Vol. 22(2), p. 259-40p.

Porter, L.W. and G.B. McLaughlin. (2006), Leadership and the organizational context: Like the weather?. *The Leadership Quarterly*, Vol. 17 (6), p. 559–76.

Posdakoff, P. M. and Mackenzie, S. B. (1994), Organizational Citizenship Behaviors and Sales Unit Effectiveness. *Journal of Marketing Research (JMR)*, Vol. 31 (3), p. 351-363.

Purvanova, R. K., Bono, J. E. and Dzieweczynski, J. (2006), Transformational Leadership, Job Characteristics, and Organizational Citizenship Performance. *Human Performance*, Vol. 19 (1), p. 1-22.

R. J. C. and A. O. S. (2009), Islamic banking. OECD Observer, [online]. (275), p. 35-36.

Roth, P. L. and BeVier, C. A. (1998), Response Rates in HRM/OB Survey Research: Norms and Correlates. *Journal of Management*, Vol. 24 (1), p. 97-117.

Roth, P. L. and Switzer III, F. S. (1995), A Monte Carlo Analysis of Missing Data Techniques in a HRM Setting. *Journal of Management*, Vol. 21 (5), p.1003-1023.

Rowden, R. W. (2000), The relationship between charismatic leadership behaviors and organizational commitment. *Leadership & Organization Development Journal*, Vol. 21(1), p. 30-35.

Rungtusanatham, M. J., Choi, T. Y., Hollingworth, D. G. and Wu, Z., Forza, C. (2003), Survey research in operations management: historical analyses. *Journal of Operations Management*, Vol. 21 (4), p. 475.

Sajjad, R. (2010), Why Islamic banking?. Economic Review, Vol. 41 (2), p. 10.

Schnake, M. (1991), Organizational Citizenship: A Review, Proposed Model, and Research Agenda. *Human Relations*, Vol. 44 (7), p. 735-759.

Seltzer J., Numerof, R. and Bass B. (1989), Transformational leadership: is it a source of more burnout and stress?. *Journal of Health and Human Resources Administration*, Vol. 12, p. 174–185.

Siddiqui, S. H. (2001), Islamic banking :true modes of financing. *New Horizon*, [online]. p. 1-12.

Smith, C. A., Organ, D. W. and Near, J. P. (1983), Organizational Citizenship Behavior: Its Nature and Antecedents. *Journal of Applied Psychology*, Vol. 68 (4), p. 653-663.

Sunindijo, R.Y., Hadikusumo, B. H. W. and Ogunlana, S. (2007), Emotional Intelligence and Leadership Styles in Construction Project Management. *Journal of Management in Engineering*, Vol. 23 (4), p. 166-170.

Tichy N.M. and Ulrich D.O. (1984) SMR forum: the leadership challenge – a call for the transformational leader. *Sloan Management Review*, Vol. 26, p. 59–67.

Tichy, N.M. and DeVanna, M. A. (1986), The Transformational Leader Training & Development Journal, Vol. 40 (7), p. 26.

Van Dyne, L., Graham, J.W. and Dienesch, R.M. (1994), Organizational Citizenship Behavior: Construct Redefinition, Measurement, and Validation. *Academy of Management Journal*, Vol. 37 (4), p. 765-802.

Van Dyne, L. and LePine, J.A. (1998), Helping And Voice Extra-Role Behaviors: Evidence Of Construct And Predictive Validity. *Academy of Management Journal*, Vol. 41 (1), p. 108-119.

Vey, M. A. and Campbell, J.P. (2004), In-Role or Extra-Role Organizational Citizenship Behavior: Which Are We Measuring?. *Human Performance*, Vol. 17 (1), p. 119-135.

Werner, J.M. (2000), Implications of OCB and contextual performance for human resource management. *Human Resource Management Review*, [online].10 (1), p. 3-24.

Yammarino, F.J., Spangler, W.D. and Bass, B.M. (1993), Transformational leadership and performance: a longitudinal investigation. *Leadership Quarterly*, Vol. 4 (1), p. 81-102.

Yen, H. R. and Niehoff, B.P. (2004), Organizational Citizenship Behaviors and Organizational Effectiveness: Examining Relationships in Taiwanese Banks. *Journal of Applied Social Psychology*, Vol. 34 (8), p. 1617-1637.

Yorges, S.L. (1999) The Impact of Group Formation and Perceptions of Fairness on Organizational Citizenship Behaviors. *Journal of Applied Social Psychology*, Vol. 29 (7), p. 1444-1471.

Yukl, G. and Van. D. D. (1992), *Theory and Research on Leadership in Organizations*.  $2^{nd}$  ed. California: Consulting Psychologists.

# **APPENDIX A**

[A copy of the email sent to the employees to participate in the survey]

Dear Colleagues,

I would like to invite you to participate in my online survey. The data obtained from this

questionnaire will be used in my Master's dissertation. The goal of my research is to

investigate the influence of leadership behaviors on organizational citizenship in the

Islamic banks in the UAE.

You can rest assured that your responses will be anonymous and treated absolutely

confidential. The results of the analysis will be strictly used by me for study purposes

only. I seek your assistance to be as open, fair, honest as possible as you can in your

responses

It should only take you approximately 12-15 minutes to complete the survey. You can

find it at the following link:

http://www.surveymonkey.com/s/h-alobaidli

It would be great if you could forward the link to your colleagues and friends in other

Islamic banks in the UAE (eg. Ajman Bank, Noor Bank, Emirates Islamic Bank, Al Hilal,

ADIB, SIB and DIB)

Your experience and viewpoint would be a great support for this research. Thank you

very much for your support.

Warm wishes,

Hanan Al Obaidli

103

# **APPENDIX B**

[Questionnaire items used in the study]

# 1. Bass and Avolio Multifactor Leadership Questionnaire MLQ Items

# **Transformational Leadership**

### Idealized Attributes (IA)

- 1. Instills pride in others for being associated with him/her
- 2. Goes beyond self-interest for the good of the group
- 3. Acts in ways that build others' respect for him/her
- 4. Displays a sense of power and confidence

### Idealized Behaviors (IB)

- 5. Talks about his/her most important values and beliefs
- 6. Specifies the importance of having a strong sense of purpose
- 7. Considers the moral and ethical consequences of decisions
- 8. Emphasizes the importance of having a collective sense of mission

### Inspirational Motivation (IM)

- 9. Talks optimistically about the future
- 10. Talks enthusiastically about what needs to be accomplished
- 11. Articulates a compelling vision of the future
- 12. Expresses confidence that goals will be achieved

### Intellectual Stimulation (IS)

- 13. Re-examines critical assumptions to question whether they are appropriate
- 14. Seeks differing perspectives when solving problems
- 15. Gets others to look at problems from many different angles
- 16. Suggests new ways of looking at how to complete assignments

## Individual Consideration (IC)

- 17. Spends time teaching and coaching
- 18. Treats others as individuals rather than just as a member of the group
- 19. Considers each individual as having different needs, abilities and aspirations from others
- 20. Helps others to develop their strengths

# **Transactional Leadership**

Contingent Reward (CR)

- 21. Provides others with assistance in exchange for their efforts
- 22. Discusses in specific terms who is responsible for achieving performance targets
- 23. Makes clear what one can expect to receive when performance goals are achieved
- 24. Expresses satisfaction when others meet expectations

Management-by-Exception: Active (MBEA)

- 25. Focuses attention on irregularities, mistakes, exceptions, and deviations from
- **26**. Concentrates his/her full attention on dealing with mistakes, complaints and failures
- 27. Keeps track of all mistakes
- 28. Directs his/her attention toward failures to meet standards.

# Passive/Avoidant Leadership

Management-by-Exception: Passive (MBEP)

- 29. Fails to interfere until problems become serious
- 30. Waits for things to go wrong before taking action
- 31. Shows a firm belief in "If it ain't broke, don't fix it."
- 32. Demonstrates that problems must become chronic before he/she takes action Laissez-Faire (LF)
  - 33. Avoids getting involved when important issues arise
  - 34. Absent when needed
  - 35. Avoids making decisions
  - **36**. Delays responding to urgent questions

# 2. Konovsky & Organ (1996) Organizational Citizenship Behaviors (OCB) Ouestionnaire

### Altruism

- 1. I help others who have heavy work loads
- 2. I help others who have been absent
- 3. I help make other workers productive
- 4. I help orient new people even though it is not required
- 5. I share personal property with others if necessary to help them with their work

### Courtesy

- 6. I respect the rights and privileges of others
- 7. I consult with other people who might be affected by my actions or decisions
- 8. I inform my group before taking any important actions

### Sportsmanship

- 9. I complain a lot about trivial matters
- 10. I always find fault with what the organization is doing
- 11. I express resentment with any changes introduced by management
- 12. I think only about my work problems, not others
- 13. I pay no attention to announcements, messages, or printed material that provide information about the company

### Generalized Compliance (GC)

- 14. I am always on time
- 15. My attendance at work is above average
- 16. I give advance notice when unable to come to work
- 17. I maintain a clean workplace

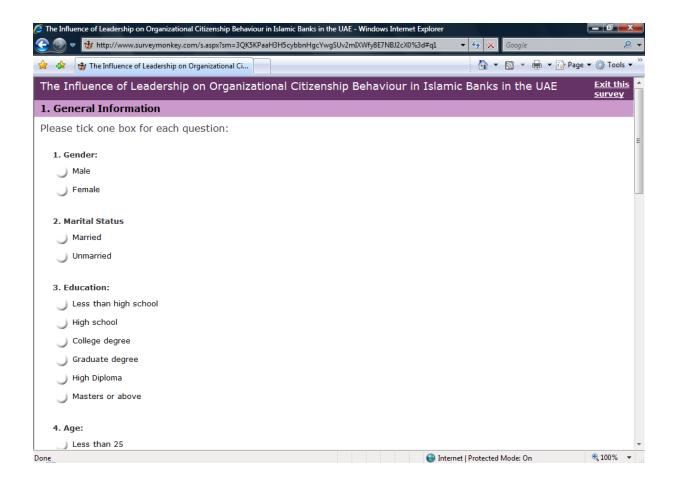
### Civic Virtue (CV)

- 18. I stay informed about developments in the company
- 19. I attend and participate in meetings regarding the company

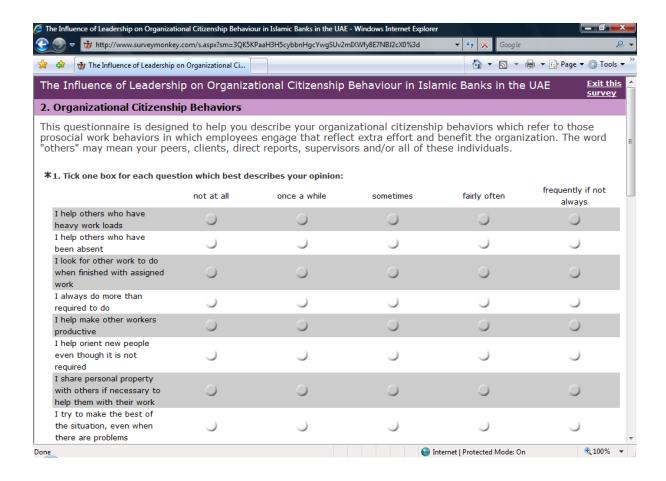
# **APPENDIX C**

[Snapshots of the Online Survey]

# 1. Demographic Data



# 2. Organizational Citizenship Behaviors



### 3. Leadership Behaviors

