

Full Length Research Paper

Mediating effects of subordinates' competence on leadership styles and organisational citizenship behaviour

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This paper seeks to examine the relationship between leadership styles and organisational citizenship behaviour within Malaysian companies. Although there have been several studies that explored the relationship between leadership styles and citizenship behaviour, hitherto, there has yet a study carried out to examine the mediating effects of subordinates' competence on such relationship. Data from 347 respondents from various industries showed that transformational leadership is significantly related to the subordinates' organisational citizenship behaviour. Subordinate competence by itself is not directly related to the organisational citizenship behaviour but it serves to mediate the relationship between transformational leadership style and the organisational citizenship behaviour. The paper concludes by highlighting the implications of the study for future research and practice.

Key words: Leadership, competence, organisational citizenship behavior.

INTRODUCTION

The objective of this study is to examine the leadership styles on subordinates' organisational citizenship behaviour. Subordinates' competence is investigated for its mediating effects on organisational citizenship behaviour (OCB) when subjected to different leadership styles. This study purports to examine the relationship between these variables and not on specific organizational citizenship problems confronting Malaysian organisations. Extensive literature has shown that leadership styles has the greatest impact on subordinate's response to work condition, thus, it is an important predictor. While leadership style and organisational citizenship behaviour has been examined before (Wang et al., 2005; Ehrhart, 2004; MacKenzie et al., 2001; Schlechter and Engelbrecht, 2006; Boerner et al., 2007; Bass et al., 2003; Podsakoff et al., 1996; Goodwin and Wofford, 2001), there has yet been a study that investigated the role of subordinates' competence as a mediator.

This study is conducted in Malaysia because of the lack of empirical work exploring subordinates' competence on the relationship between leadership styles and OCB. Hopefully, it will add knowledge in the area of organisational behaviour literature in Malaysian context. Moreover, the research is particularly interesting as it is conducted in the Malaysian setting of diverse social and organizational cultures. It provides a glimpse of how Malaysian "organisational men" respond to different leadership styles as social behaviour is normally entrenched and "given" in a particular society. One way of looking into this issue is from the "leadership" perspective of interpersonal interactions that occur across organisational levels as characterized by the phrase "superior-subordinate relationships". Our interest in the issue of interpersonal relationships is driven by the conviction that sound superior-subordinate relationship is crucial to organisational success; and furthermore it is consistent with the humanistic and cooperative work environment palpably favored and sought by contemporary managers. Positive interpersonal relationship at workplace should enhance positive organizational citizenship behavior (OCB)

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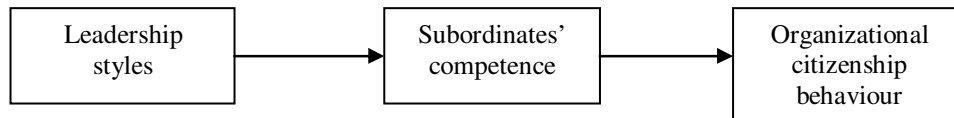


Figure 1. Proposed model of leadership styles and interactions.

among the employees. Subordinates with high levels of OCB are more likely to be committed to the organization (William and Anderson, 1991; Smith et al., 1983). Therefore, it is worthwhile for the superior to be aware of the existing leadership style in work situations and how it promotes subordinates' OCB.

This study seeks to answer the following research questions:

1. What is the direct and indirect effect of leadership styles on subordinates' organisational citizenship behaviour?
2. How does subordinates' competence mediate the relationship between leadership styles and organisational citizenship behaviour?

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

The theoretical foundation of this study rests upon the interaction among major variables as depicted in Figure 1. A review of the literature was undertaken to define and elaborate the interactions among the three variables - leadership styles, OCB and subordinates' competence.

Leadership styles

Past researches have extensively studied transactional leadership as the core component of effective leadership behavior in organizations. This was prior to the introduction of transformational leadership theory into the literature (Bass, 1985; Burns, 1978; House, 1977). Transactional leadership is based on exchange relationship where subordinates agreed with, accepted, or complied with the superior in exchange for rewards, resources or the avoidance of disciplinary action (Podsakoff et al., 1982, 1990). More recently, much empirical work has focused on transformational leadership, in particular on the extent to which transformational leadership augments the effect of transactional leadership in explaining various outcomes such as leader effectiveness (Hater and Bass, 1988), subordinate satisfaction (Seltzer and Bass, 1990) and subordinate effort (Bass, 1985). These earlier studies are of particular relevant for this research as the existing literature suggests that (1) transactional and transformational leaders employ different kinds of influence strategies to obtain follower conformity, and (2) transactional and transformational leaders elicit different patterns of follower conformity (Kelman, 1958; Howell, 1988; Tichy

and Devanna, 1986). This emergent genre of leadership study advocates that transformational leaders can motivate followers to perform beyond the normal call of duty.

Organisational citizenship behaviour (OCB)

The construct of OCB was introduced by Bateman and Organ (1983) by drawing upon the concept of super role behaviors as presented by Katz and Kahn (1966). Examples of employees OCB include: Accepting extra duties and responsibilities at work, working overtime when needed, and helping subordinates with their work (Masterson et al., 1996; Organ, 1988). Determining why individuals engage in OCB has occupied a substantial amount of research attention in both organisational behavior and social psychology (Brief and Motowidlo, 1986; McNeely and Meglino, 1994). Most research on OCB has focused on the effects of OCB on individuals, leadership behaviour and organisational performance (Bolino, Turnley, and Bloodgood, 2002; Podsakoff, MacKenzie, Pain, and Bachrach, 2000). A number of predictors of OCBs have been identified including job attitudes (Organ, 1988; Shore and Wayne, 1993), interpersonal trust or loyalty to the leader (Podsakoff et al., 1990), transformational leadership behaviour (Eisenberger, Hutchison, and Sowa, 1986; Greenberg, 1988), task characteristics (Farh, Podsakoff, and Organ, 1990), organisational justice (Moorman, 1991), cultural influences (Farh, Earley, and Lin, 1997), civic citizenship and covenantal relationship (van Dyne et al., 1994; Graham, 1991), dispositional influences (Van Dyne, Graham, and Dienesch, 1994; Moorman and Blakely, 1995) and contextual influences (Netemeyer, Boles, McKee, and McMurrian, 1997). The outcomes of OCB studied are satisfaction (Bateman and Organ, 1983), commitment (O'Reilly and Chatman, 1986), perceptions of fairness (Folger, 1993; Martin and Bies, 1991; Moorman, Niehoff, and Organ, 1993; Tepper and Taylor, 2003) and perceptions of pay equity (Organ, 1988).

Subordinate's competence

Boyatzis (2008, p.27) interprets competence "as an underlying characteristic of an individual which is causally related to effective or superior performance". A related perspective here is the notion that competencies are related to the willingness and ability of the employee to use his or her capacities in specific situations (Spencer,

1983). Competencies are factors contributing to high levels of individual performance and therefore, organisational effectiveness (Armstrong and Baron, 1995). McClelland (1973) saw competencies as components of performance associated with important life outcomes and as an alternative to the traditional trait and intelligence approaches to predicting human performance.

Perceived competence refers to the experience of feelings one is effective in dealing with the environment (Skinner and Wellborn, 1997). Competencies used in this way refer to broad psychological or behavioural attributes that are related to successful outcomes, be it on the job or in life in general. Competencies are operationalised in the current studies as those behavioural characteristics that significantly differentiate capable subordinates from others. It is also important to point out that competence refers not to how competent employees actually are but rather to their internal feelings about how competent they seem to themselves from engaging in a work task and solving problems associated with it.

HYPOTHESIZED RELATIONSHIPS

Leadership styles and OCB

Graham (1988) suggests that the most important effects of transformational leadership behavior should be on extra-role behaviors that exceed the requirements of in-role expectations. These extra-role behaviors are best articulated by the OCB construct (Organ, 1988; Deluga, 1995; Organ and Konovsky, 1989; Podsakoff et al., 1990). OCB is a behavior, largely discretionary and seldom included in formal job description. This behavior is said to be able to promote efficient and effective functioning of the organization (Organ, 1988). Transformational leaders motivate followers by getting them to internalize and prioritize a larger collective cause over individual interests. Individuals who are intrinsically motivated to fulfill a collective vision without expecting immediate personal and tangible gains may be inclined to contribute toward achieving the shared workplace goal in ways that their roles do not prescribe. These individuals make these contributions because in performing these acts their sense of self-worth and self-concept are enhanced. Individuals for whom this link between the interests of self and others has not been established are less likely to make these largely discretionary, non-tangibly rewarded contributions. Results of past researches show that transformational leadership has been consistently linked to followers' higher level of OCB (Bass, 1985; Organ, 1988; Podsakoff et al., 1990; Howell and Avolio, 1993; Lowe et al., 1996; Geyer and Steyrer, 1998; Wang et al., 2005; Schlechter and Engelbrecht, 2006; Boerner et al., 2007).

In contrast, transactional leadership may not trigger extra-role behaviour due to the followers' behaviour tending to be based only the reward linked to a particular

task (Podsakoff et al., 1990). Transactional leadership "is explicitly designed to clearly define and reward in-role performance" (Podsakoff et al., 1990, p. 109) instead of extra-role behaviour (Podsakoff et al., 1982). Bass and Avolio (1990) documented that transactional leadership is negatively linked to followers' low level of OCB. In detail, transactional leadership is primarily based on an economic exchange (Pillai et al., 1999). If the relationship between leader and followers is mainly regarded as an economic exchange, performing more than what is required or achieving a higher quality than is required will not be deemed to be appreciated by the leader. As a consequence, subordinates' job contributions will be in accordance with the compensation or reward system. In the long run, this behaviour may produce good OCB as subordinates use the casual parlances to 'work to rule'. Some evidence for this rationality can be found in the augmentation effect of transformational leadership on transactional leadership in predicting subordinates' OCB (Hater and Bass, 1988; Howell and Avolio, 1993; Seltzer and Bass, 1990; Waldman et al., 1990). It is based on the theoretical and empirical background that the following hypotheses are stated:

H_{1a}: Transformational leadership style is positively correlated with OCB.

H_{1b}: Transactional leadership style is negatively correlated with OCB.

Leadership styles and subordinates' competence

Successful leaders are those who are able to effectively communicate with subordinates with different levels of competence. According to leadership theorists, the performance of a leader is dependent up on his or her leadership style and its ability to influence subordinates with varied competence levels to perform tasks successfully. Today, leaders are aware that they deal with subordinates from diverse backgrounds, and the experience gained in this respect has taught them to respond differently in individual cases, especially with regard to different competence levels. The importance of leadership style affecting subordinates' competence has not been stressed or even discussed to any great extent in the theoretical and management literature.

Research nearly half a century ago found that supervisors reacted more warmly, permissively and collegially to a subordinate when the latter performed efficiently (Lowin and Craig, 1968), yet initiated more structure and showed less consideration for poor performers (Greene, 1975). The research findings of Dockery and Steiner (1990) suggest that subordinates' ability has an effect on leadership styles. The rationale behind this is that the transformational leader would want to give more latitude and support to subordinates who have high ability and perform efficiently and effectively. The study of subordinates' ability implied that the superior's exercise of

leadership styles can be affected by subordinates' competence. Hence, it can be conjectured that if the subordinates' competence is high, the superior may use transformational leadership, and that when subordinates' competence is low, the superior may be expected to adopt a transactional leadership style. Thus, the following hypotheses are put forward:

H_{2a}: A superior's exercise of transformational leadership is positively correlated with subordinates' competence.

H_{2b}: A superior's exercise of transactional leadership is negatively correlated with subordinates' competence.

Subordinates' competence and OCB

The concept of competence refers to applied knowledge and skills, performance and the behaviors required to complete a task very well (Armstrong and Baron, 1995). With regard to subordinate competence, the concept implies that subordinates must be able to perform their role effectively (Armstrong, 2000). OCB is an individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system (Organ, 1988), and this behavior is a matter of personal choice. It has been proposed that OCB links performance and job satisfaction in a meaningful way (Organ, 1988; Moorman, 1991). This is well argued by Boyatzis (1982) who places the concept of competence firmly in the context of effective performance from the outset. A study by Tremblay (2000) concludes that the perception of a high level of autonomy and influence on the work and the possibility of using competencies have a strong independent positive influence on employees discretionary behaviors. Complimentary to this, Dio's (1979) research established that subordinates' competence leads to a higher quality of decision and greater achievement and efficiency. In the same vein, Garavan and McGuire (2001) propose that competencies can be liberating and empowering, arguing that if employees are provided with a broad degree of self-control and self-regulation, they will work towards the fulfillment of organisational objectives. In addition, Dennison (1984) argues that once employees are empowered, they will psychologically perceive meaningfulness, competence, self-determination and impact, which will lead to organisational effectiveness (Lee and Koh, 2001). These types of competencies are those possessed by knowledge workers, who are increasingly regarded as the critical resource of the firm (Drucker, 1993). Thus, this study proposes the following related hypotheses:

H₃: Subordinates' competence is positively associated with OCB.

Leadership style, subordinates' competence and OCB

A study by Pillai et al. (1999) examined the relationship

between transformational and transactional leadership, procedural justice and distributive justice, trust in organizational obligation, OCB, and satisfaction from work. He found that an indirect relationship exists between transformational leadership and OCB. In another study, MacKenzie et al. (2001) examined the effect of transformational and transactional leadership on marketing personnel's performance at an insurance company. Their study suggests that transformational leadership has higher influence on performance than has transactional leadership.

This finding supports the assumption that the transformational leadership, as compared to transactional leadership style, has a stronger relationship with in-role performance and with OCB. Locke and Schweiger (1979) and Locke et al. (1980) studied group member knowledge and competence in the context of participative decision making (PDM) and performance. Based on their studies, they have come to view competence as a potential moderator variable. Their position would be strengthened if it could be shown that participation enhances the performance of more competent employees but fails to accentuate the performance of less competent personnel. There is an alternative view of the influence of competence on this relation: Supervisors may permit their more competent (and more productive) employees to participate in decisions that affect them. In this scenario, competence (and performance) would determine the level of PDM for each subordinate. Thus, the following hypotheses are advanced.

H₄: Transformational leadership style is positively correlated with OCB. This relationship is mediated by the subordinates' competence.

METHODOLOGY AND RESEARCH DESIGN

Sampling design

The sample selection for this study comprises executives, managers and professionals in services, manufacturing, mining and construction companies located mainly in the Klang Valley, Malaysia. This sample was selected from companies with a number of employees more than 35 where a more formalized structure and system of supervision are likely to exist and function (Blau and Schoenherr, 1971; Hall, 1977; Pugh et al., 1969). The companies that fulfil the aforementioned criteria were selected from the master list of the Federation of Manufacturers Malaysia (FMM), Service Directory, Construction Industry Development Board (CIDB) and Malaysian Trade and Commerce Directory, published in 2008. In order to decrease the pitfalls of inexact sampling, no more than two questionnaires were sent to the same company.

Research Instruments

Leadership styles

The leadership style scale consists of 14-items measuring six dimensions of the Transformational Leadership Behavior Inventory (TLI: Podsakoff et al., 1990). A 7-item scale was used to assess the

transactional leadership from Leader Reward and Punishment Behavior Questionnaire (LRPQ: Podsakoff et al., 1982). This instrument uses a 7-point Likert scale to measure subordinates' perception of the superior leadership styles.

Organizational citizenship behaviour (OCB)

OCB scale was measured using a 7-item scale developed by Smith et al. (1983). The scale measures the altruism of OCB. Incumbent rated these items on a 7-point Likert scale ranging from 1 strongly disagree to 7 strongly agree.

Subordinates' competence

Wagner and Morse's (1975) self-reported measure of individual sense of competence was used to measure the employee's task competence in lieu of a more direct measure of competence level. The instrument is made up of 23 items. All items are scaled on 5-point agree-disagree rating scales.

Data analysis procedure

The main statistical technique used was path analysis. Other statistical analysis employed is the correlational analysis.

RESEARCH RESULTS AND DISCUSSION

Respondents' characteristics

From the total of 2000 questionnaires mailed, a total of 374 responses were received and only 347 were usable. The response rate was approximately 17%. The detail of respondents' characteristics is shown in Table 1. By ethnic group, 44% of the respondents were Chinese, 33% were Malay, and 18% were Indian, while other races made up the rest. By gender, 46% were male and 54% were female. In terms of age, the highest proportion of respondents fell into the 30-39 years age group. They accounted for 45% of the total number of respondents. This was followed by the 20-29 years age group (38%), while those above 40 years old accounted for the remaining respondents.

On the whole, the education level of the respondents was high. Nearly 71% of the respondents had education up to tertiary level. Only 3% of the respondents had no tertiary education. The high educational level was reflected in the position or the type of occupation held by the majority of the respondents: 12 Presidents/Chief Executive Officers/Managing Directors/General Managers, 30 Senior Managers, 108 Departmental Managers/ Assistant Managers and 194 Executives, and others made up of only three people.

The survey data showed that 8% earned more than RM8,001 per month, 11% of the respondents earned more than RM6,001 per month, 32% earned between RM4,001 to RM6,000 per month, 41% earned between RM2,001 to RM4,000 per month and 8% earned less than RM2,000 per month. The average salary of the

respondents was higher than the population's average.

The population's average salary was RM2, 215.50/month (Source: Malaysian Economic Report, 2008).

On average, the respondents had worked in the present company for three years with a standard deviation of 4.3 years. In detail, 54% of the total respondents had worked for 1 to 3 years in the present company, 11% had worked between 4 to 6 years, 7% had worked between 7 to 9 years and 5% had worked between 10 and 13 years, while only 1% of the respondents had worked longer than 20 years in the present company. The degree of job mobility among respondents was reflected in the average number of previous jobs held by respondents, that being two jobs. For the present sample, 17% respondents reported they had had no previous job, 24% had one, 26% had two, 20% had three and the rest reported that they had had more than four previous jobs.

In terms of the organisational size, the sample was of medium to large size Malaysian companies. It was found that 26% of the companies had less than 100 employees, 12% had 101 to 200 employees, 15% had 201 to 400 employees, 22% had 401 to 1,000 employees and 25% had more than 1,000 employees. Classifying the business according to the type of industry revealed that a greater portion of the companies are in services Industries (65%), while 19% were in manufacturing industries and 16% were in mining and construction, and others. The survey revealed the following information about the respondent's superior. It was reported in the survey that 64% of the superiors were males and 36% were female. The racial composition of the superiors was: 50% Chinese, 32% Malay, 11% Indian and 7% from other races. On average, the superiors had worked in the organisation for 8 years with a standard deviation of 7.2 years - longer than the subordinates' average. 38% had worked between 1 and 5 years, 23% had worked between 6 and 10 years, 16% had worked between 11 to 15 years, 8% had worked between 16 to 20 years and 6% had worked more than 20 years in the present company. The superiors held various positions in the company with 24% of them in the first hierarchical level, 34% in the second level, and 30% in the third level, while only a fraction of them were in the lower management positions. Their educational level was also predictably high, with 95% of them having had tertiary education. Only 5% had up to either primary or secondary education. By designation, 126 of the superiors were the Presidents/Chief Executive Officers/Managing Directors/ General Managers of the companies, 102 were the Senior Managers, 115 were the Departmental Managers/ Assistant Managers and the rest consisted of Executives and others.

Validating the scales

The standardized Cronbach's alpha for each subscale is

Table 1. Respondents' sample characteristics.

Respondents' characteristic	Classification	Percent
Ethnic group	Chinese	44
	Malay	33
	India	18
	Others	5
Gender	Male	46
	Female	54
Age	≥50	3
	40 – 49	14
	30 – 39	45
	20 – 29	38
Education	Primary/Secondary	3
	Diploma/Bachelor Degree	71
	Master Degree	19
	Doctoral Degree	1
	Professional Qualification	5
	Others	1
Occupation	President/Chief Executive Officer/Managing Director/General Manager	3
	Senior Manager	9
	Departmental Manager/Assistant Manager	31
	Executive	56
	Others	1
Income per month (RM)	≥8,001	8
	6,001 – 8,000	11
	4,001 – 6,000	32
	2,001 – 4,000	41
	≤2,000	8
Length of service (Years)	≥14	5
	10 - 13	9
	7 - 9	12
	4 - 6	20
Job mobility (No. of previous jobs)	≥4	13
	3	20
	2	26
	1	24
	0	17
Organisational size (No. of employees)	≥1,000	25
	401 – 1,000	22
	201 - 400	15
	101 - 200	12
	35 - 100	26
Types of Industry	Services	65
	Manufacturing	19
	Mining and construction	8
	Others	8

Table 1. Contd.

Respondents' superior		
Ethnic Group	Chinese	51
	Malay	32
	India	11
	Others	6
Gender	Male	64
	Female	36
Age	≥ 50	18
	40 – 49	35
	30 – 39	43
	20 – 29	4
Education	Primary/Secondary	5
	Diploma/Bachelor Degree	51
	Master Degree	30
	Doctoral Degree	5
	Professional Qualification	8
	Others	1
Occupation	President/Chief Executive Officer/Managing Director/General Manager	46
	Senior Manager	16
	Departmental Manager/Assistant Manager	37
	Executive	1
Length of service (Years)	≥21	6
	16 – 20	10
	11 – 15	19
	6 – 10	27
	1 – 5	38
Hierarchy level	First	24
	Second	34
	Third	29
	Fourth	8
	Fifth	5

provided in Table 2. The internal consistency reliability coefficients for all the scales were satisfactory (Nunnally, 1978). All the scales had a Cronbach's alpha coefficient greater than 0.78.

Testing of hypotheses

H_{1a} and *H_{1b}*: Leadership and organizational citizenship behavior

H_{1a}: Predicts that transformational leadership style is

positively correlated with organizational citizenship behaviour. The positive relationship between transformational leadership and organizational citizenship behaviour is in the hypothesized direction. The correlational result in Table 2 indicates that transformational leadership is highly related to organizational citizenship behaviour ($r = 0.63$, $p < 0.01$). This relationship is also further affirmed by the path analysis result in Table 3 ($\beta = 0.596$, $p < 0.005$). This result is quite similar to past studied (Schlechter and Engelbrecht, 2006; Ferres et al., 2002; Mackenzie et al., 2001; Chen and Farh, 1999; Gerstner and Day, 1997)

Table 2. Means, standard deviations and Pearson correlations among key variables.

Variable	Mean	S.D.	1	2	3	4
Transformational leadership	4.56	1.14	0.92			
Transactional leadership	3.71	1.47	-0.63**	.91		
Subordinates' competence	3.35	0.41	0.31**	-0.15**	0.79	
Organizational citizenship behaviour	4.63	1.33	0.63**	-0.40**	0.31**	0.89

*Correlation is significant at the 0.05 level (2 tailed); ** Correlation is significant at the 0.01 level (2 tailed); Figure in diagonal represent coefficients alpha.

Table 3. Results of multiple regression analysis.

Variable	Regression coefficients for a full model	Path coefficients for a full model	t values for a full model	Regression coefficients for a trimmed model	Path coefficients for a trimmed model	t values for a trimmed model
Subordinate's competence						
Transformational	0.130(.024)	0.356	5.410***	0.112(.019)	0.308	6.023***
Transactional	0.021(.019)	0.075	1.143			
(Constant)	2.681(.163)		16.448***	2.838(.088)		32.310***
R ²	0.093			0.093		
F	18.809***			36.281***		
Df	2,344			1,345		
OCB						
Transformational	0.693(.065)	.593	10.747***	0.697(.051)	0.596	13.766***
Transactional	-0.005(.048)	-0.005	-0.094			
Subordinate's competence	0.402 (.139)	.125	2.882***	0.401 (.139)	0.125	2.886***
(Constant)	0.138(.563)		0.245	0.107(.455)		
R ²	0.412			0.413		
F	81.679***			122.868***		
Df	3,343			2,344		

* p < .05, ** p < .01, *** p < .005. Numbers in parentheses are the standard errors

that unambiguously indicate that there is a positive relationship between transformational leadership and OCB. The relationships between

leadership and OCB have been empirically studied with the conclusion that transformational leadership was consistently linked to followers'

higher level of OCB (Geyer and Steyrer, 1998; Howell and Avolio, 1993; Lowe et al., 1996; Onnen, 1987; Graham, 1988; Podsakoff et al.,

1990; Whittington, 1997; Goodwin et al., 2001; Wang et al., 2005; Mackenzie et al., 2001). Hence, there is strong conceptual support for the notion that transformational leaders motivate their followers to exhibit extra-role behaviors. Study by MacKenzie et al. (2001) on transformational leadership and salesperson performance concluded that transformational leadership influences salesperson to perform "above and beyond the call of duty" and that transformational leader behaviors actually have stronger direct and indirect relationships with sales performance and OCB.

H_{1b} predicts that transactional leadership style is negatively correlated with OCB. The correlational result in Table 2 indicates that transactional leadership was negatively correlated with OCB ($r = -0.40$, $p < 0.01$). Although seemingly logical, this relationship was however not affirmed by the path analysis results in Table 3. Paradoxically, a transactional leadership style did seem to influence OCB in a negative way. The direct effect of the transactional leadership on OCB was too weak and insignificant to lend support for hypothesis H_{1b}. The logical explanation is transactional leader uses hard approach which is viewed as ineffective in engaging subordinates' OCB. The results could also imply a less deterministic relationship between the transactional leadership on OCB relationships. Although the application of transactional leadership can be effective in certain situation, e.g., Yammarino and Bass's (1990a) investigation found that transactional leadership can have a favorable influence on attitudinal and behavioral responses of employees but it generally fails to evoke a voluntaristic initiative beyond the normal call of duty.

H_{2a} and H_{2b}: Leadership styles and subordinates' competence

H_{2a} states that superior's exercise of transformational leadership is positively correlated with subordinates' competence. The correlational analysis in Table 2 indicates that there was a positive and significant relationship between subordinates' competence and transformational leadership ($r = 0.31$, $p < 0.01$). The result of path analysis which partial out other effects indicated the relationship between transformational leadership and subordinates' competence to be significant ($\beta = 0.308$, $p < 0.005$). The result provided full support for hypothesis H_{2a}. The result seems to show that leader would use more transformational leadership style when dealing with subordinates who are more competent as evidenced in some literature (Dockery and Steiner, 1990).

H_{2b} states that superior's exercise of transactional leadership is negatively correlated with subordinate competence. The result in Table 2 indicates that there was a modest correlation between transactional leadership and subordinate competence ($r = -0.15$, $p < 0.01$). This relationship was however not confirmed by the path

analysis result in Table 3. The divergent results imply that the observed association of transactional leadership and subordinate competence is probably contributed largely by the spurious effects of other correlated variable. In this case, the transformational leadership was strongly correlated with subordinate competence. Thus, the observed significant correlation between transactional leadership and subordinate competence could be due to the reason that they share common association with transformational leadership. With the lack of direct effect, Hypothesis H_{2b} was not supported.

H₃: Subordinates' competence and OCB

H₃ proposes that subordinates' competence is positively associated with OCB. As shown in Table 2, the correlation coefficients are significant between subordinate's competence and organization citizenship behavior ($r = 0.31$, $p < 0.01$). This relationship was further affirmed by the path analysis result in Table 3 ($\beta = 0.125$, $p < 0.005$). On the strength of both the correlational and path analysis result, full supports were found for hypothesis H_{3a}.

H₄: Transformational leadership style, subordinates' competence and OCB

H₄ suggests that transformational leadership style is positively correlated with OCB. This relationship is mediated by the subordinates' competence. The strong direct relationship between transformational leadership and OCB is shown in Table 2 with path coefficient of 0.596 ($p < 0.005$). From Table 4, the mediation effect of subordinates' competence is significant at the 0.01 level for the path X₁ → X₂ → X₃. The result confirms that transformational leadership has significant direct relation to the subordinates' OCB and this relationship is mediated by subordinates' competence (Figure 2). When transformational leadership is exercised, the subordinates' competence would further increase the tendency of the subordinates to involve in OCB behavior. Transformational leader may be perceived by his/her subordinates as reflecting the leader's active support for the subordinates to get the task completed. Thus, the use of such leadership style may foster a high subordinates' OCB.

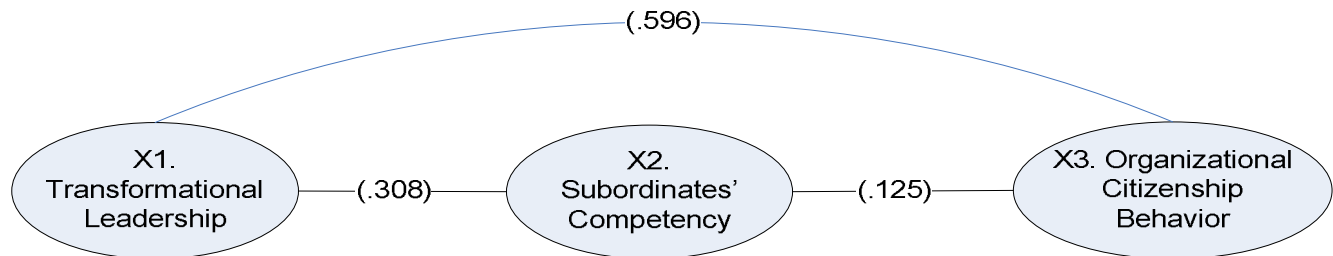
MANAGERIAL IMPLICATIONS

There are several specific managerial implications that can be derived from the present study. From a practical standpoint, the research findings suggest that when the superior has a choice in the leadership styles, he/she should place greater emphasis on the use of transformational leadership in order to achieve greater OCB. Transformational leadership style seems to alter

Table 4. Test of significance of indirect effect through a mediator.

Measurement path	Before mediator		After mediator		t-statistic $t=(ab)/\sqrt{(b^2sa^2+a^2sb^2)}$
	Regression coefficient a	Standard errors sa	Regression coefficient b	Standard errors sb	
$X_1 \rightarrow X_2 \rightarrow X_3$	0.130	0.024	0.402	0.139	2.551**

Degrees of freedom = N-1 = 346; * p <0.05, ** p <0.01, *** p <0.00.

**Figure 2.** Indirect effects through a mediator.

the ruinous influencing network created by fluctuating superior-subordinate power differences. Implication for fostering transformationally-oriented organisational cultures through training and development, job and organisational design as well as human capital decisions, seem important. Training in mentoring and recognising the varying development needs of employees can nurture transformational leader behaviour. The intellectual stimulation of transformational leadership in integrative problem-solving relationship should be promoted rather than the win-lose relationships that are inherently damaging. The transformational leadership style can be acquired through the learning of scenarios, role play and videotapes of actual cases in organisation. With suitable feedback, work productivity would increase. Similarly, organisations facing rapid environmental change would benefit from the flexibility cultivated by transformational leadership at all levels. The mediating effect of subordinates' competence has shed light on how the variable provides indirect effects on leadership styles and its outcome. This indicates that a transformational leader deals positively with competent subordinates to induce higher OCB.

LIMITATIONS OF THE STUDY

The limitations of this research should be noted. The data for this study was collected from industries using self report measures. Although this procedure is very popular and acceptable for attitudinal studies, it is often criticised as what appears to be an "objective" relationship may in fact be nothing more than a "phenomenological" effect. Moreover, the self-report taken from each respondent

present the problem of common method variance which is always a potential threat to validity in such situations. While this study tried to correct these drawbacks through the elimination of social desirability bias and the strain toward consistency in the scale construction, the drawbacks cannot be completely ruled out. The presence of this variance was checked through a principal component analysis and while such test does not eliminate common methods problem, the results indicate that it is not serious.

Additionally, considering the multiple interactions hypotheses, it is unlikely that key informants have somehow 'structured' their responses to successive dependent variable to the multiple items that measured the predictor variable (e.g. Brockner, Siegel, Tyler, and Martin, 1997; Doty, Glick, and Huber, 1993). Notwithstanding the aforementioned arguments and evidence, the possible limitations must be kept in mind and the causal relationships found in this study are to be viewed as only tentative.

CONTRIBUTION AND DIRECTION FOR FUTURE RESEARCH

This study contributes to the domain of leadership and OCB research in several ways. First, the model provides a foundation for integrating a large and diverse body of research. By invoking managerial leadership, the model provides the theoretical grounding for studies that compare effectiveness of different leadership styles with OCB. In line with past studies (Podsakoff et al., 2000; Mackenzie et al., 2001; Wang et al., 2005; Walumbwa et al., 2008), this study concurs that subordinates tendency

to engage in OCB occurs when the request was more interesting and encouraging, as in the case of transformational leader as opposed to the transactional leader. Future studies should also attempt to incorporate additional endogenous variables such as motivation, compliance and performance of subordinate that are more indicative of organizational outcomes.

Conclusion

This study sought to find out how a superior can achieve a greater understanding of the appropriateness of certain leadership styles when dealing with different subordinates' competence. The findings confirm earlier suggestion that superior might be inclined to choose transformational style rather than transactional leadership when pursuing greater subordinates' OCB. It has also been suggested that a superior must adopt appropriate leadership styles to induce subordinates to perform beyond their call of duties. The mediating effect of subordinates' competence level was investigated and shed light on how this variable strengthen or weaken the interaction between leadership styles and OCB. In an attempt to solicit subordinate super-ordinate effort in the organization, OCB is included as an outcome variable of this study. The existence of correlation indicates the relevance of leadership style in promoting subordinates' OCB in organization. Such behavior should have great practical significance and thus should be promoted in organization. This study found support for a mediation effect of subordinates' competence on the relationship between transformational leader and OCB. Specifically, a transformational leader tends to deal positively with subordinates that exhibit higher competence subordinates in order to induce OCB. In summary, this research provides the theoretical grounding for exploring a greater variety of outcomes including managers' leadership styles and their effect via subordinates' competence. The present study may serve as an encouragement to further efforts that apply the findings of organizational research to industrial settings.

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