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DISCUSSING THE RELATION BETWEEN TRANSACTIONAL LEADERSHIP STYLE AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR (CASE STUDY: WEST AZERBAIJAN'S DEPARTMENT OF HEALTH INSURANCE)

Hamze Yousef Ghasriki and *Abdollah Mahmoodi

Department of Public Administration, Mahabad Branch, Islamic Azad University, Mahabad, Iran

**Author for Correspondence*

ABSTRACT

The purpose of this research is to discuss the relation between manager's transactional leadership style and employee's citizenship behavior. This research is descriptive and is of correlational type. The population is consisted of the entire employees of West Azerbaijan's department of health insurance. In order to determine the sample size, 86 individuals were selected from the population of 110 employees of west Azerbaijan's health insurance department via a simple random sampling method. Data collection instruments included standard questionnaire of multifactor leadership style by Bass and Alive (2000) and questionnaire of organizational citizenship behavior by Podsakv. Reliability of measurement instruments were respectively 0.91 and 0.80 and calculated via Cronbach's alpha. For data analysis, the Pearson correlation test, multivariate regression test and independent t test were used. Results indicated that there is a significant relation between transactional leadership style and employee's organizational citizenship behavior (OCB). There is also a significant relation among all elements of transactional leadership style and elements of OCB.

Keywords: *Leadership Styles, Transactional Leadership Style, Beyond Role Behaviors, Organizational Citizenship Behavior*

INTRODUCTION

In the current competitive world, organizations are continuously seeking new methods to maximize the performance and efforts of their employees. Despite the increase in implementing information technology, still there are cracks in organization's performance and efficiency. Now it seems to be believed that organization's efficiency is highly dependent on employee's efforts beyond the defined necessities of their tasks (Senobari, 2009).

In past, scholars and researchers were mostly concerned with behaviors within the role (Dyne *et al.*, 1994). These behaviors are the same official responsibilities like what has been explained in the definition of the job (Williams and Anderson, 1991). But nowadays, a new concept is introduced to organizations under the title of beyond role behaviors. Organizational citizenship behavior is one of beyond role behaviors which are not explained within the organizational role. This behavior is a wise behavior which aids co-workers, supervisors and the organization as well. Aiding the people who are new to the organization, avoiding misuse of co-workers, avoiding prolonged use of break times, voluntarily presence in organizational meetings and tolerating some stresses when the organization is going through a critical period (Bennett and Masholder, 1997) are other examples.

The most functional category from organizational citizenship behavior belongs to the organization which introduces factors such as chivalry, social behaviors, working conscious and civility (Markoczy and Xin, 2004).

One of the most important antecedents of OCB is leadership. Recent progressions in terms of leadership theories has moved from Charismatic leadership which considered the leader as an extraordinary entity, to transactional leadership styles which pays attention to enforcing followers for independent performance (Aghaz, 2006).

On the other hand, transactional leadership is one of the introduced approaches towards leadership regarding which, there have only been a few studies. Transactional leadership includes exchange of

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stimuli and rewards by the leader in order to absorb the support of followers. The purpose of this leadership is agreement on a set of actions that meets other goals of the leader and his fellow followers (Yukl, 2002).

Dimensions of transactional leadership include contingent reward, management based on active and passive exception in terms of contingent reward, insisting on give and take relationship between the leader and followers, a type of transaction that is mostly concerned with materialistic aspects. In terms of management based on passive exception, the leader only talks action at the time of problems and does not do anything until the situation becomes critical. In terms of management based on active exception, the leader focuses on errors and standard deviations in organization (Horwitz *et al.*, 2008).

In many researches, the relation between organizational citizenship behavior and leadership behaviors is supported. Leadership behaviors that are effective on OCB are divided in two categories as follows. Transformational behaviors that include setting the perspective, creating an appropriate model, improving group goals acceptance and etc.

Transactional behaviors including rewarding, contingent and non-contingent punishment behaviors.

In several positive relation analyses, there was a relation between transactional style of leadership and transformational leadership style and organizational citizenship behavior, although the relation between transformational leadership style and performance was stronger (Bass 1985, Low *et al.*, 1996).

With respect to the importance of OCB and effectiveness of leadership style on it, the purpose of the present paper is to discuss the relation between transactional leadership style and OCB in employees of West Azerbaijan's department of health insurance and providing necessary strategies and solutions. In this sense, several hypotheses are introduced and discussed.

MATERIALS AND METHODS

Methods

This research is an applied research and in terms of data collection methods it's of survey-correlation method. The population includes 110 individuals and for determining the sample size, the Cochran formula is applied. According to this formula, the sample size was 86. In this research, for the purpose of data collection two questionnaires were used. The multivariate leadership style standard questionnaire by Bass and Lowe (2000) and questionnaire of organizational citizenship behavior by Podsakf *et al.*, (1990). In order to check the validity of questionnaires a supervising professor and some of management professors approved the questionnaires and in order to evaluate the reliability of questionnaires, the Cronbach's alpha was used.

On this basis the total reliability of the questionnaire of leadership style was calculated as 0.91 and the total reliability of the questionnaire of organizational citizenship behavior was calculated as 0.80. Also reliability of its five-fold aspects of Altruism, Working conscious, chivalry, civility and social manners were respectively calculated as 0.85, 0.82, 0.85 and 0.70.

RESULTS AND DISCUSSION

Results

First Hypothesis: There is a relation between manager's transactional leadership style and employee's organizational citizenship behavior.

In order to evaluate the relation and level of correlation between manager's transactional leadership style and employee's organizational citizenship behavior, the Pearson correlation test was used and the results are shown in table 1.

Table 1: Results of Pearson's correlation coefficient test between transactional leadership style (Independent) and organizational citizenship behavior (dependent)

| Test type | number | correlation | significance | Desire d alpha |
|---------------------|--------|-------------|--------------|----------------|
| Pearson correlation | 86 | 0/68 | 0/000 | 0/01 |

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With respect to the fact that significance level of 0.000 is smaller than 0.01 and the other fact that correlation coefficient is equal to 0.68, there is a significant relation between transactional leadership style and organizational citizenship behavior.

Second Hypothesis

There is a relation between the elements of manager's transactional leadership style and elements of Altruism, working conscious, chivalry, civility and social manners in the answer to the second hypothesis of the research which implies a relation between the elements of transactional leadership style including contingent rewards, management based on active exception and management based on passive exception and elements of OCB including Altruism, working conscious, chivalry, civility, and social manners; the Pearson correlation test is used and the results are shown in table 2.

Table 2: Correlation matrix between the elements of transactional leadership and elements of OCB

| 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | element |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | - | Contingent rewards |
| | | | | | | | - | 0/62** Management: active exception |
| | | | | | | | - | 0/56** 0/75** Management: passive exception |
| | | | | | | | - | 0/63** 0/70** 0/67** altruism |
| | | | | | | | - | 0/36** 0/46** 0/39** 0/41** Working conscious |
| | | | | | | | - | 0/15* 0/37** 0/29** 0/35** 0/32** chivalry |
| | | | | | | | - | 0/36* 0/35* 0/40** 0/27** 0/35** 0/46** civility |
| | | | | | | | - | 0/28* 0/021* 0/60** 0/24** 0/51** 0/25** 0/26** Social manners |

Correlation is significant at 0.01 / Correlation is significant at 0.05

As you can see in table 2, there is a direct and significant relation among all elements of transactional leadership style and organizational citizenship behavior. In other words, existence of each of elements of transactional leadership style in every organization leads to increase in the elements of organizational citizenship behavior. The most significant correlation was noticed among management based on active exception and altruism and also the least significant correlation was noticed among management based on active exception and social manners.

Third Hypothesis

Manager's transactional leadership style is able to predict the employee's organizational citizenship behavior.

In order to evaluate the third hypothesis, a multivariate regression test is used and the results are shown in table 3.

Table 3: Regression equation of predicting OCB from elements of transactional leadership

| Shared correlation | P | t | Criterion coeff. | Non-criterion coeff. | | Multivariate regression |
|--------------------|-------|-------|------------------|----------------------|------|-------------------------------|
| | | | Beta | Sd.Er | B | |
| | 0/000 | 27/82 | | 0/14 | 3/93 | intercept (a) |
| 0/21 | 0/000 | 3/38 | 0/23 | 0/06 | 0/19 | Contingent rewards |
| 0/17 | 0/000 | 3/11 | 0/14 | 0/06 | 0/16 | Management: active exception |
| 0/15 | 0/000 | 2/31 | 0/16 | 0/06 | 0/13 | Management: passive exception |

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The multivariate regression of table 3 shows that contingent rewards, management based on active exception and management based on passive exception are able to predict organizational citizenship behavior. Results of slope of regression line (B) in terms of prediction variables shows that there is a relation between OCB and contingent rewards (0.19), and management based on active exception (0.16) and management based on passive exception (0.13). The Beta criterion coefficient shows that the most important predicting elements of OCB are respectively: contingent rewards (0.23), management based on active exception (0.14), and management based on passive exception (0.16). The shared correlation coefficient shows that the relation between OCB and variable of contingent rewards is independent from two management variables of management based on active exception and management based on passive exception.

According to yielded results, the regression of OCB can be written as follows:

$$OCB = (0.23) CR + (0.14) MEA + (0.16) MEP$$

Fourth Hypothesis

There is a significant difference between OCB in male and female employees.

In order to evaluate variables and test the fourth hypothesis, a t test is used and the results are shown in table 4.

Table 4: Results of t test for two independent samples of male and female

| Test results | significance | Degree of freedom | T test | Standard devt. | average | abundance | gender |
|--------------|--------------|-------------------|--------|----------------|---------|-----------|--------|
| denied | 0/794 | 84 | 0/263 | 8/31 | 49/94 | 52 | male |
| | | | | 8/42 | 49/45 | 34 | female |

With respect to yielded results, the average organizational citizenship behavior among female employees is somehow similar to average organizational citizenship behavior in male employees. Results indicate that statistic t (t= 0.263) at significance level (0.794) is not acceptable. Because the final significance level is larger than 0.05 and on this basis we can say that the average score of organizational citizenship behavior for female and male employees is almost the same and there is no significant difference.

Conclusion

The purpose of this study was to discuss the relation between transactional leadership style and organizational citizenship behavior in west Azerbaijan's department of health insurance and the results showed that there is a significant relation between transactional leadership style and its elements and OCB.

In terms of the first hypothesis which implies that there is a relation between OCB and transactional leadership style, the yielded result is consistent with findings of other researchers such as Poodsakof (1994) and Poodsakof *et al.*, (2000).

Naturally, individuals who are inherently excited to carry out organizational goals without having an eye for any reward, intend to perform activities beyond their tasks in order to reach organizational and team goals. These individuals cooperate in order to increase their self-value (Modassir and Singh 2008).

Results of data analyses showed that all aspects of transactional leadership have a direct and significant relation with organizational citizenship behavior. The comparison of statistics for all elements of transactional leadership style with elements of OCB, shows that the element of management based on active exception in transactional leadership and Altruism in OCB have the most significant relation.

As a result, one can say that more impressions could be made on the independent variable via improving the variable of management based on active exception, and on the other hand, any type of impact on independent variable, shows itself in the element of Altruism more than any other element. This result shows that if managers reward employees for obtaining a goal, they will have a better understanding of

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organizational citizenship behavior. The reason for this issue can be employee's increased need for materialistic rewards and also their lack of interest in involvement of managers in their affairs, unless the situation is critical.

In fact it can be said that inspiring an optimistic image about future, can work as a source of incentives for employees and provide sufficient motivation for movement towards organizational goals which facilitates the phenomenon of organizational citizenship behavior, since in this way, managers can provide hope for their subordinates and introduce the organization's future brighter and more accessible and also persuade their followers to have a better performance.

Also the results of multivariate regression of table 3 shows that contingent rewards, management based on active exception and management based on passive exception are able to predict organizational citizenship behaviors. Shared correlation coefficient shows that the relation between OCB and variable of contingent rewards is dependent from two management variables of management based on active exception and management based on passive exception and is equal to 0.21.

In fact it can be said that transactional leaders provide their employees contingent rewards and challenging jobs in order to improve their job satisfaction. These managers obtain their required trust through management based on active exception and management based on passive exception and also these managers are more likely to improve individual's level of internal incentives and tendency for beyond functional behaviors (Modassir and Singh 2008). Such leaders ask their followers to carry out beyond functional behaviors via explaining the mission, providing an appropriate functional model, improving group goals acceptance, providing organizational support and expression of high performance expectations (Organ *et al.*, 2006).

Also the results of t test for independent groups showed that female and male employees have a similar perspective towards organizational citizenship behavior. According to Konovsky and Pugh (1994), organizational citizenship behaviors occur in environments in which the quality of relations between leader and followers is based on social exchange theory. Organizational citizenship behavior is considered as a social capital which is exchanged by people who receive rewards. As suggested by Bass (1985) transactional leadership is based on social exchange and organizational citizenship behaviors are mutual acts for transactional leadership actions (Konovsky and Pugh 1994).

With respect to research findings, in terms of the first and second hypotheses it is recommended to impose pride on employees of the organization relative to their cooperation and collaboration. For imposing the culture of collaboration in the organization, managers should identify the barriers and take necessary actions regarding removal of these barriers. Also with respect to the characteristic of idealistic penetration, managers of organizations are recommended to integrate organizational and personal goals from the value perspectives and finally organization and managers should take steps simultaneously in order to create organizational citizenship behaviors. Because organizational citizenship behavior is not a one day process which can be inserted in the organization rapidly and rather it's a continuous and time consuming process.

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