
The Influence of Transformational Leadership on Organizational Citizenship Behaviour: The Mediation Role of Psychological Empowerment

Rosa De Lima Dyah Retno Palupi¹, Sinto Sunaryo²

¹Sebelas Maret University, Faculty of Economics and Business Jl. Ir. Sutami No. 36, Kentingan, Kec. Jebres, Surakarta City, Central Java 57126

²Sebelas Maret University, Faculty of Economics and Business Jl. Ir. Sutami No. 36, Kentingan, Kec. Jebres, Surakarta City, Central Java 57126

doi: 10.51505/IJEBMR.2023.7813

URL: <https://doi.org/10.51505/IJEBMR.2023.7813>

Received: Aug 01, 2023

Accepted: Aug 09, 2023

Online Published: Aug 18, 2023

Abstract

This study examines the effect of transformational leadership on organizational citizenship behavior and examines psychological empowerment as a mediator variable. The research was conducted at the Pangudi Luhur Foundation, Semarang and Surakarta, which are private education providers in Indonesia. The population in this study was 588 teachers from the Pangudi Luhur Foundation, Surakarta and Semarang. Respondents in this study amounted to 130 using proportional sampling as a sampling technique. This study uses the help of smart PLS 3.2.9 software. The findings show in hypothesis one that transformational leadership does not directly affect organizational citizenship behavior. Furthermore, the second hypothesis is that transformational leadership significantly influences psychological empowerment. The third hypothesis is that psychological empowerment significantly affects organizational citizenship behavior. lastly, the fourth hypothesis states that psychological empowerment mediates the effect of transformational leadership on organizational citizenship behavior. The mediating role of psychological empowerment is needed to provide a mechanism so that transformational leadership is able to produce positive behavior and even the extra role of the teacher. Psychological empowerment as a mechanism for transformational leaders influences the positive behavior of employees at work so as to create OCB. It is hoped that the creation of OCB will make the Pangudi Luhur Foundation more competitive than before.

Keywords: Transformational Leadership, Psychological Empowerment, Organizational Citizenship Behaviors

Introduction

Today, leadership plays an important role in the success of an organization, especially organizations engaged in services (Khan et al, 2020). This is because leadership affects the emotions, attitudes, and behaviors displayed by employees in the organization (Avolio et al, 2004). Leadership is the process of determining organizational goals and motivating employees to achieve overall organizational goals (Daniel et al, 2006). One of the leadership styles is transformational leadership which displays four behaviors, namely ideal influence, inspirational

motivation, intellectual stimulation, and individual consideration (Bass, 1985). Not only inspiring, transformational leaders also empower employees to go beyond their roles (Prabhakar, 2005). Transformational leaders empower employees by modifying the way they work because transformational leaders tend to shape employees to be competitive. Previous research by Lan and Chong (2015) suggests that employees who feel psychologically empowered are formed into individuals who are more confident, energetic, active, and more responsible in an effort to produce a more positive work environment. Furthermore, a positive work environment generates extra roles from employees. and more responsible in an effort to produce a more positive work environment. Furthermore, a positive work environment generates extra roles from employees. and more responsible in an effort to produce a more positive work environment. Furthermore, a positive work environment generates extra roles from employees.

Private schools are increasingly being challenged to remain competitive, including the Pangudi Luhur Foundation, which is based in Semarang, Central Java. The Pangudi Luhur Foundation is the largest Catholic education provider foundation in Indonesia whose schools are spread across various regions in Indonesia, even in remote areas. The challenge faced by the Pangudi Luhur Foundation is from limited resources, especially financing and government policies which make private schools increasingly difficult in the process of managing and finding students, for example the policy of limiting students in one class makes the Pangudi Luhur Foundation have to divide classes into more classes and in the end build infrastructure. as well as the increasingly heavy workload of teachers without additional reasonable compensation. In rural areas, Pangudi Luhur Foundation schools do not demand large fees for their students because they remain competitive with public schools. Therefore, the Pangudi Luhur Foundation is one of the educational foundations that implements a cross-subsidy system. The system is used so that students who can't afford it can still get a decent education. Furthermore, wages for private teachers that are inadequate and do not guarantee a decent life are the next challenge. These challenges make transformational leaders need to keep teachers performing well and even voluntarily giving their thoughts and energy to go beyond their role. The concept of Social Exchange Theory explains that transformational leaders are able to become role models who are able to provide inspiration and intellectual stimulation for teachers so that teachers feel obligated to repay this behavior by taking on an extra role for the Pangudi Luhur Foundation.

1. Does Transformational Leadership Affect Organizational Citizenship Behavior?
2. Does Transformational Leadership Affect Psychological Empowerment?
3. Does Psychological Empowerment Affect Organizational Citizenship Behavior?
4. Does Psychological Empowerment mediate the effect of Transformational Leadership on Organizational Citizenship behavior?

Literature Review

1.1 Transformational leadership

Transformational leadership is a leader who can inspire employees with a clear vision and challenging goals (Burns, 2012). Transformational leadership displays four behaviors namely, ideal influence, inspirational motivation, intellectual stimulation, and individual consideration (Bass, 1985). Ideal influence refers to leaders who have high morals and ethics so that they can

become role models for employees (Bass, 1985). Inspirational Motivation refers to leaders who provide direction and motivation to employees (Bass, 1985). Intellectual stimulation refers to leaders who always provide encouragement so that employees are able to present new ideas and ways of solving problems (Bass, 1985). lastly, Transformational leaders are able to motivate employees to be able to analyze and create a better problem-solving concept because they display fair, honest, and compassionate behavior (Warrik, 2011). Pradhan et al (2017) transformational leaders are able to empower employees to bring out their full potential in doing their jobs.

1.2 Psychological Empowerment

According to Conger and Kanungo (1988) psychological empowerment is giving employees as much responsibility and autonomy as possible to increase their work motivation. Conger and Kanungo (1988) also stated that employees who are delegated will have greater motivation in doing work. Psychological empowerment consists of four components, namely competence, namely the extent to which employees are able to do the job properly; meaningful which refers to how employees feel when doing work and how employees perceive their work and abilities. Furthermore, impact refers to the extent to which employees are able to contribute in influencing overall organizational performance. lastly, These various constructs of psychological empowerment provide mechanisms for organizations to increase employee contributions and influence employee work in a more positive direction (Malik et al, 2020). According to social exchange theory, empowered employees will perform extra roles for their work (Wu and Lee, 2017).

1.3 Organizational Citizenship Behavior

OCB or Organizational Citizenship Behavior according to Organ (1988) is defined as individual voluntary actions that are not recognized by the formal reward system. In this case employees perform extra roles for the organization and exceed organizational expectations (Tepper et al, 2001). There are five dimensions of OCB, namely altruism, awareness, expertise, politeness, and benevolence. The formation of OCB will increase productivity, efficiency, and organizational effectiveness (Cohen et al, 2000). In addition, OCB is important because it can increase scarce resources in organizations and is able to provide a more positive and stress-free work environment (Abdulrab et al, 2018)

Hypothesis Development

Transformational Leadership influences OCB

Transformational leadership is a leadership style that influences its employees by motivating and identifying employee goals and interests to be linked to organizational goals and interests so that they are willing to take on extra roles (Kim, 2014). A transformational leader has the ability to increase organizational effectiveness because he is able to clearly define a future vision and is able to empower employees to play a role in that vision (Bass, 1985). So that transformational leadership is one of the more effective leadership styles in encouraging positive employee behavior which will ultimately increase their extra role in the organization (MacKenzie et al, 2001). Previous research (Rafferty and Griffin,

H1. Transformational Leadership influences Organizational Citizenship Behavior

Transformational Leadership influences Psychological Empowerment

Research on transformational leadership has become interesting in the last 2 decades (Breevaart and Zacher, 2019). This is because transformational leadership has evidence to influence employee performance and effectiveness (Asrar-ul-Haq and Kuchinke, 2016). The transformational leadership style displays a style of inspiring and motivating employees to work even beyond their personal interests and assigned roles. Judging from social exchange theory, there is a positive relationship between transformational leadership and employee outcomes (Chun et al, 2016).

Therefore, psychologically empowered employees will be the main resource for the success of an organization (Saira, 2020). Transformational leaders encourage employees by using intellectual stimulation, individual consideration, recognizing employee values and beliefs, and challenging employee mindsets (Lan and Chong, 2015). Previous studies have mentioned the positive influence of transformational leadership on psychological empowerment (Avolio, 1999; Peterson and Speer, 2000; Alameh et al, 2012). Psychologically empowered employees will also utilize their full potential (Joo and Lim, 2013) and make employees believe they are able to positively contribute fully to the organization.

H2. Transformational Leadership influences Psychological Empowerment.

Psychological Empowerment Influences OCB

Judging from social exchange theory, employees who feel that they are empowered will show more OCB (Wu and Lee, 2017). Previous studies have highlighted that psychological empowerment is an important pathway for OCB (Saleem et al, 2017). OCB is important because it can utilize limited resources efficiently, which can be achieved by empowering employees and preventing employees from stress (Abdulrabet et al, 2018). Subsequent studies by Singh and Singh (2019) also state that organizations that provide a positive and empowering environment for their employees will produce OCB. Therefore, psychological empowerment can influence OCB by providing a positive work environment to increase the extra role of employees (Joo and Jo, 2017).

H3. Psychological Empowerment Influences OCB

Psychological Empowerment mediates the influence of Transformational Leadership on OCB

Transformational leaders can shape employee behavior to be more positive, including OCB (Blau, 1964). Previous studies on leadership stated the importance of applying a transformational leadership style to foster motivation, creativity, innovation, self-confidence, and empowerment of employee vision (Avolio, 1999). This is because transformational leaders are able to empower employees to analyze and solve problems with better solutions (Lan and Chong, 2015). In addition, Lan and Chong (2015) also stated that transformational leaders are also able to build a positive work environment, fair and honest behavior, and increase awareness of the importance

of work and increase loyalty to the organization so that they are willing to take on a bigger role. Therefore,

H4. Psychological Empowerment mediates the influence of Transformational Leadership on OCB.

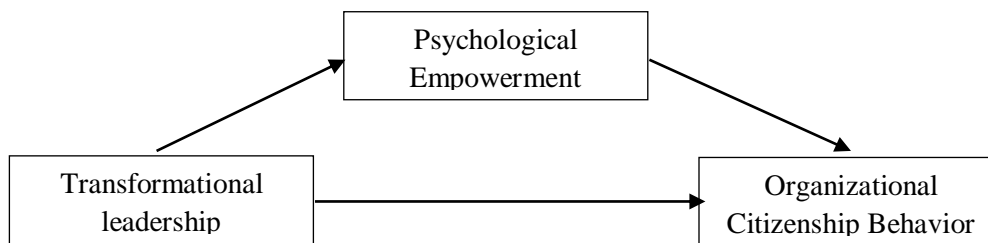


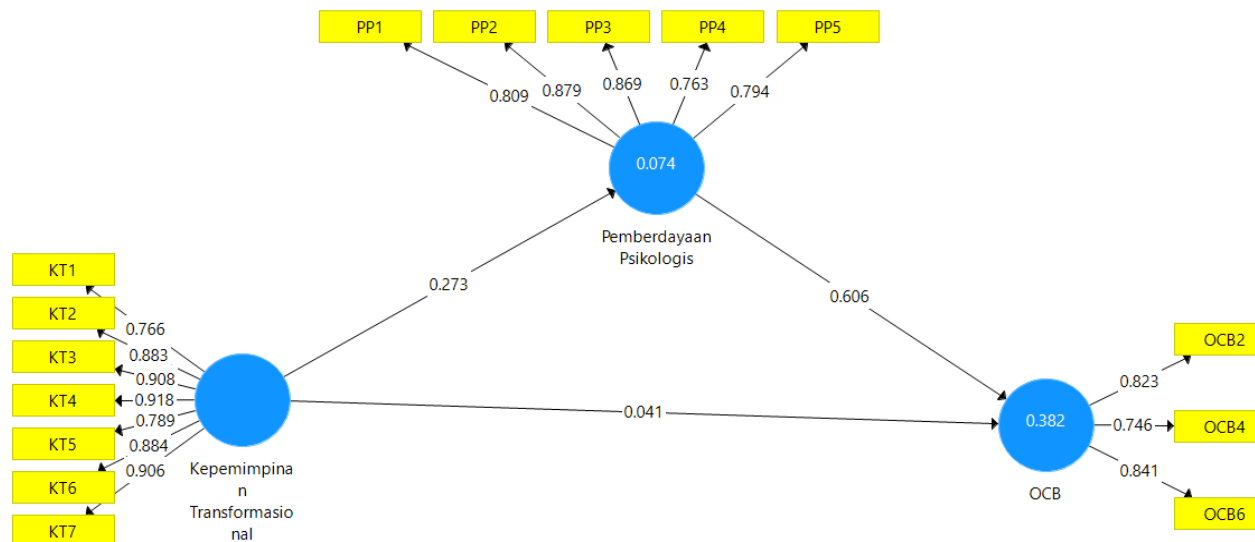
Figure 1. Theoretical Framework

2. Method

This study used a quantitative survey method with a total of 130 teachers from the Pangudi Luhur Foundation in Surakarta and Semarang from a total population of 588 teachers. The data collection technique used in this study was proportional random sampling. Questionnaire distribution is done online via Google Form. The anonymity and confidentiality of the respondents are maintained and never disclosed to any party. Data processing in this study uses the Smart-PLS 3.3.9 software. The sample size meets the minimum sample according to Hair et al, 2010, which is 5 multiplied by the number of indicators, namely 27. Transformational leadership indicators are measured by a questionnaire from Charles et al (2000). Psychological empowerment indicators are measured by a questionnaire from Spreitzer (1995). lastly, William and Anderson (1991)

Results

In the data processing process, to obtain accurate confirmation regarding the problems in the field, various statistical tests were carried out using the SmartPLS software. 3.2.9 to process validity, reliability, and hypothesis testing and produce the outer model as follows:



Validity Testing

After processing, there were several statement items in the questionnaire that were less valid so they were removed from the processing process. The statement points include PP6, PP7, PP8, PP9, PP10, PP11, PP12, OCB1, OCB3, OCB5, OCB7. The following is the result of the validity test.

Table 1. Outer Loading

	Transformational leadership	OCB	Psychological Empowerment
KT1	0.766		
KT2	0.883		
KT3	0.908		
KT4	0.918		
KT5	0.789		
KT6	0.884		
KT7	0.906		
OCB2		0.823	
OCB4		0.746	
OCB6		0.841	
PP1			0.809
PP2			0.879
PP3			0.869
PP4			0.763
PP5			0.794

Source: Data Processing, 2023

Reliability Testing

This study uses a reliability test. The reliability test is used to determine whether the results of the respondents' responses are consistent. The following are the results of the reliability test and the Cronbach Composite in this study.

Table 2. Reliability Results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Transformational leadership	0.944	0.961	0.955	0.751
OCB	0.726	0.732	0.846	0.647
Psychological Empowerment	0.882	0.890	0.913	0.679

Source: Data Processing, 2023

Based on the results of the data processing, all variables are declared reliable.

Hypothesis test

This study uses a hypothesis test to test the influence between variables by using the bootstrapping test, so the significance value can be seen and determined. A variable is declared accepted if it has a p-value less than 0.005 and a t-statistic value of more than 1.96 (Hair et al, 2018)

Table 3. Results of Direct Influence

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Transformational Leadership -> OCB	0.041	0.042	0.070	0.592	0.554
Transformational Leadership -> Psychological Empowerment	0.273	0.286	0.084	3,260	0.001
Psychological Empowerment -> OCB	0.606	0.606	0.067	9,069	0.000

Source: Data Processing, 2023

Table 4. Indirect Influence Results

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Transformational Leadership ->					
Psychological Empowerment ->	0.165	0.174	0.058	2,861	0.004
OCB					

Discussion

Transformational Leadership influences Organizational Citizenship Behavior

The results showed that the first hypothesis test obtained a t-statistic result of 0.592 less than 1.96 and a p value of 0.554 more than 0.005 which stated that the first hypothesis was rejected, meaning that Transformational Leadership had no direct effect on Organizational Citizenship Behavior. This is in line with research conducted by Buil et al, 2019 that transformational leadership is not directly influenced by OCB. In the context of this study, the OCB formed by the Pangudi Luhur Semarang and Surakarta Foundation teachers did not depend on transformational leadership. But they work beyond their roles or extra roles on the basis of a calling to work in Catholic schools as a community of faith.

Transformational Leadership influences Psychological Empowerment

The results showed that the second hypothesis test obtained a t-statistic result of 3.620 more than 1.96 and a p value of 0.001 less than 0.005 which indicates that the second hypothesis is accepted, meaning that Transformational Leadership has an effect on psychological Empowerment. This is in line with some of the previous literature which also discussed the influence of Transformational Leadership on Psychological Empowerment including (Avolio, 1999; Bono et al, 2004) which stated this positive influence. Transformational leaders lead with a tendency to motivate teachers and direct them to better and more precise problem solving and display good and honest behavior (Warrick, 2011). Transformational leaders also provide mentoring and coaching and encourage teachers to take on greater responsibility.

Psychological Empowerment Affects Organizational Citizenship Behavior

The results of the third hypothesis test obtained a t-statistic result of 9.069 greater than 1.96 and a p value of 0.000 less than 0.005 which indicates that the third hypothesis in this study is accepted, meaning that Psychological Empowerment influences Organizational Citizenship Behavior. This is in line with Social Exchange theory which states that teachers who feel empowered will tend to take extra roles for their organizations (Wu and Lee, 2017). This is also in line with research conducted by Singh (2019) which states that in organizations that are able to create a positive environment, teachers tend to be willing to give an extra role, namely OCB.

Psychological Empowerment mediates the influence of Transformational Leadership on Organizational Citizenship Behavior

The processing results show that the fourth hypothesis obtains a t-statistic result of 2.861 more than 1.96 and a p value of 0.004 less than 0.005 which indicates that the fourth hypothesis is accepted, meaning that Psychological Empowerment mediates the effect of Transformational Leadership on Organizational Citizenship Behavior. This is in line with Social Exchange theory which argues that Psychological Empowerment is able to provide or provide a mechanism for transformational leaders to be able to influence teacher performance outcomes (Blau, 1964). Transformational leaders tend to empower and motivate employees and lead to better problem solving. This makes teachers more confident in doing their jobs and creates a positive work environment (Lan and Chong, 2015).

Conclusion

The results of the research support the social exchange theory that fulfilling the expectations of leaders for employees to repay positive behavior in their organizations is by carrying out psychological empowerment (Bircht et al, 2016). Transformational leaders use psychological empowerment by increasing participation levels and encouraging participation in organizational decision making so as to create an increasingly positive environment and make employees willing to give extra roles to the organization. With psychological empowerment, employees are also increasingly more confident individually and increase their sense of responsibility for the work they carry. In the context of research, psychological empowerment which is a mechanism in which a transformational leader is able to increase the extra role of the teacher, psychological empowerment can be done to build an extra teacher role considering the many challenges faced by the Pangudi Luhur Foundation. This extra teacher role will help the Pangudi Luhur Foundation to remain competitive and able to carry out its goals.

References

- Abdulrab, M., Zumrah, A.R., Almaamari, Q., Al-Tahitah, A.N., Isaac, O. and Ameen, A. (2018), "The role of psychological empowerment as a mediating variable between perceived organizational support and organizational citizenship behaviour in Malaysian higher education institutions", *International Journal of Management and Human Science*, Vol. 2 No. 3, pp. 1-14.
- Asrar-ul-Haq, M. and Kuchinke, KP (2016), "Impact of leadership styles on employees' attitude towards their leader and performance: empirical evidence from Pakistani banks", *Future Business Journal*, Vol. 2 No. 1, pp. 54-64.
- Avolio, BJ (1999), *Full Leadership Development: Building the Vital Forces in Organizations*, Sage, Thousand Oaks, CA.
- Birtch, TA, Chiang, FF and Van Esch, E. (2016), "A social exchange theory framework for understanding the job characteristics–job outcomes relationship: the mediating role of psychological contract fulfillment", *The International Journal of Human Resource Management*, Vol. 27 No. 11, p. 1217-1236

- Blau, P. (1964), *Power and Exchange in Social Life*, John Wiley & Sons, New York.
- Bono, JE and Judge, TA (2004), "Personality and transformational and transactional leadership: a meta-analysis", *Journal of Applied Psychology*, Vol. 89 No. 5, p. 901.
- Breevaart, K. and Zacher, H. (2019), "Main and interactive effects of weekly transformational and laissez-faire leadership on followers' trust in the leader and leader effectiveness", *Journal of Occupational and Organizational Psychology*, Vol. 92 No. 2, pp. 384-409.
- Chun, JU, Cho, K. and Sosik, JJ (2016), "A multilevel study of group-focused and individual-focused transformational leadership, social exchange relationships, and performance in teams", *Journal of Organizational Behavior*, Vol. 37 No. 3, pp. 374-396.
- Conger, JA, & Kanungo, RN (1988). *The Empowerment Process: Integrating Theory and Practice*. *Academy of Management Review*, 13(3), 471–482. <https://doi.org/10.5465/amr.1988.4306983>
- Joo, B. -K. and Jo, SJ (2017), "The effects of perceived authentic leadership and core self-evaluations on organizational citizenship behavior", *The Leadership and Organization Development Journal*, Vol. 38 No. 3, pp. 463-481, doi: 10.1108/LODJ-11-2015-0254.
- Jung, HS and Yoon, HH (2012), "The effects of emotional intelligence on counterproductive work behaviors and organizational citizen behaviors among food and beverage employees in a deluxe hotel", *International Journal of Hospitality Management*, Vol. 31 No. 2, pp. 369-378
- Lan, XM and Chong, WY (2015), "The mediating role of psychological empowerment between transformational leadership and employee work attitudes", *Procedia-Social and Behavioral Sciences*, Vol. 172 No. 27, pp. 184-191
- Malik, M., Sarwar, S., & Orr, S. (2021). Agile practices and performance: Examining the role of psychological empowerment. *International Journal of Project Management*, 39(1), 10–20. <https://doi.org/10.1016/j.ijproman.2020.09.002>
- Peterson, NA and Speer, PW (2000), "Linking organizational characteristics to psychological empowerment: contextual issues in empowerment theory", *Administration in Social Work*, Vol. 24 No. 4, pp. 39-58
- Saleem, A., Nisar, Q. and Imran, A. (2017), "Organization citizenship behavior, psychological empowerment and demographic characteristics: teachers' perspective", *International Journal of Advanced and Applied Sciences*, Vol. 4 No. 7, pp. 129-135.
- Now, U., & Bougie, R. (2016). *Research Methods for Business: A Skill-Building Approach*.
- Singh, SK and Singh, AP (2019), "Interplay of organizational justice, psychological empowerment, organizational citizenship behavior, and job satisfaction in the context of

circular economy", *Management Decision*, Vol. 57 No. 4, pp. 937-952, doi: 10.1108/MD-09-2018-0966.

Spreitzer, GM (1995), "Psychological empowerment in the workplace: dimensions, measurement, and validation", *Academy of Management Journal*, Vol. 38 No. 5, pp. 1442-1465

Warrick, D. (2011), "The urgent need for skilled transformational leaders: integrating transformational leadership and organization development", *Journal of leadership, Accountability, and Ethics*, Vol. 8 No. 5, pp. 11-26

Wu, W. -L. and Lee, Y. -C. (2017), "Empowering group leaders encourages knowledge sharing: integrating the social exchange theory and positive organizational behavior perspective", *Journal of Knowledge Management*, Vol. 21 No. 2, pp. 474-491.