



BRAND MANAGEMENT

The Journal of American Academy of Business, Cambridge is accepted for listing in the CABELL'S, ULRICH'S and PROQUEST (ABI / INFORM) DIRECTORIES of Refereed Publications.

NEW YORK \* LONDON \* BEVERLY HILLS \* HONOLULU \* ISTANBUL \* MIAMI



Halil Akmesse  
Vladislav Andreev  
Yunita Anwar  
Dr. Costin Daniel Avram  
Dr. Marioara Avram  
Dr. Veronel Avram  
Dr. Kartinah Ayup  
Dr. Noor Azlinna Azizan  
Dr. Danica Bakotic  
Ivana Bilic  
Dr. Maria L. F. de Soto Blass  
Hüseyin Cetin  
Dr. Shao-Cheng Cheng  
Dr. Z. S. Demirdjian  
Dr. Voicu Dan Dragomir  
Dr. Liliana Feleaga  
Dr. Niculae Feleaga  
Oana Adelina Floricioiu  
Usha Ramesh Goplani  
Dr. Jean Gordon  
Assoc. Prof. Giani Gradinaru  
Brock Husby  
Laurie Jensen  
Yu-Huan Kao  
Dr. Silva Karkoulian  
Prerna Kaushik

Phillipa Kerr  
Selcuk Kiran  
Dr. Kalayanee Koonmee  
Tomislava Pavic Kramaric  
Lillian Lim  
Dr. H. M. Linde  
Marina Lovrinevic  
Caleb Lye  
Dr. Simon Lye  
Angela Mahseredjian  
Dr. Donald Margotta  
Dr. Wayne J. McMullen  
Dr. Leila Messarra  
Dr. Ibrahim Mohamed  
Jacinta Chan Phooi M'ng  
Martin Surya Mulyadi  
Prof. Agam Nag  
Dr. V. Aslihan Nasir  
Dr. Deniz Ozenbas  
Dr. Meltem Ozturan  
Dr. Raif Parlakkaya  
Dr. Ivana Pavic  
Dr. Ivan Pavic  
Dr. Ivica Pervan  
Dr. Maja Pervan

Dr. Luis San Vicente Portes  
Loghin Radu-Daniel  
Marko Sabljic mag. oec.  
Dr. Pieter Sahertian  
Dr. Nancy Scannell  
Dr. Turan Senguder  
Dr. Budi Eko Soetjipto  
Carlo Sofman  
Dr. John Stanton  
Dr. Patricia Stanton  
Tehzun Sura  
Ivona Sustic  
Dr. Darko Tipuric  
Deepesh Tiwari  
Dr. Dragica Tomic  
Dr. Radovan Tomic  
Dr. Stewart L. Tubbs  
Dr. Raj Varma  
Dr. K. Prakash Vel  
Prof. J. C. Visagie  
Dr. Edward Vitale  
Dr. Ya-Chin Wang  
Dr. David Wright  
Dr. Mohsen Zayanderoody  
Pieter van der Zwan



Copyright 2011 All rights reserved. No part of the material protected by this copyright notice may be reproduced or utilized in any form or by any means, including photocopying and recording, or by any information storage and retrieval system, without the written permission of The Business Review, Cambridge.





## **THE BUSINESS REVIEW, CAMBRIDGE**

VOLUME 17 \* NUMBER 2 \* Summer 2011

### **BOARD MEMBERS**

Dr. Turan Senguder, Chairman of the Board and Chief Executive Officer  
Dr. Jean Gordon, Chair  
Dr. Z. S. Demirdjian, Senior Review-Editor  
Dr. Nancy J. Scannell, Associate Review-Editor

### **EDITORIAL ADVISORY BOARD**

Dr. Turan Senguder, Dr. Jean Gordon, Dr. Nancy Scannell, Dr. Z. S. Demirdjian, Dr. Stewart L. Tubbs, Dr. Ara G. Volkan,  
Dr. Robert Guang Tian, Dr. Steven H. Appelbaum, Dr. Shawana P. Johnson, Dr. Kristina L. Guo, Dr. Gordon W. Arbogast,  
Dr. Musa Pinar, Dr. Pearl Steinbuch, Dr. Henry Tam, Dr. Joseph C. Santora, Dr. Deniz Ozenbas, Dr. Jamaluddin Husain,  
Dr. Robert H. Parks, Dr. Balasundram Maniam, Dr. William V. Rapp, Dr. C. Pat Obi, Dr. Doug Flint, Dr. Jack A. Fuller,  
Dr. Stuart Locke, Dr. Roger D. Hahagriff, Dr. O. Kucukemiroglu, Dr. Tufan Tiglioglu,  
Dr. C. P. Kartha, Dr. Ziad Swaidan, Dr. Larson Ng, Dr. Chaiporn Vithessonthi,  
Dr. Cemal Zehir, Dr. Amir Mahmood, Dr. Raymond Cairo



### INFORMATION FOR CONTRIBUTORS

The Business Review, Cambridge, refereed journal, strives to be the flagship journal of the Association for Education in Business and to be premier journal in the field. The journal should provide leadership in developing theory and introducing new concept to its readership. **All submissions are subject to a two person blind peer review process. The Business Review, Cambridge is accepted for listing in the PROQUEST (ABI), CABELL'S and ULRICH'S DIRECTORIES of Refereed Publications.**

The Business Review, Cambridge (BRC) invites you to participate in the journal. The Business Review, Cambridge (BRC) publishes articles of interest to members of the Business Community and will provide leadership in introducing new concepts to its readership. Because business is a diverse field, articles should address questions utilizing a variety of methods and theoretical perspectives. The primary goal of the journal will be to provide opportunities for business related academicians and professionals from various business related fields in a global realm to publish their paper in one source. The Business Review, Cambridge will bring together academicians and professionals from all areas related business fields and related fields to interact with members inside and outside their own particular disciplines. The journal will provide opportunities for publishing researcher's paper as well as providing opportunities to view other's work. Doctoral students are highly encouraged to submit papers to BRC for competitive review.

BRC reserves the rights to amend, modify, add to, or delete its rules, policies, and procedures affecting its institutional relationship with authors (contributors) as deemed necessary by the administration. Any such amendment, modification, addition, or deletion shall not be considered a violation of the relationship between BRC and authors (contributors).

### GENERAL INFORMATION

The Business Review, Cambridge is published by The Business Review, three times a year. The address of the office of publication is BRC, 6051 N. Ocean Dr., #506, Hollywood, FL 33019. The e-mail is [drsenguder@aol.com](mailto:drsenguder@aol.com); Website: [www.jaabc.com](http://www.jaabc.com).

Requests for subscriptions, back issues, and changes of address, as well as advertising can be made via the e-mail address. Manuscripts and other materials of an editorial nature should be directed to the Journal's address above. For further details, see "Information for Contributors" above. Address advertising inquiries to Advertising Manager. Subscription rates for BRC: in U.S., Mexico, and Canada, \$298 (two issues) for one year. Rates for overseas \$348 (two issues) for one year.

Subscribers should send change of address notices to the BRC 45 days prior to their actual change of address. The Business Review will not replace journals not delivered because an address change was supplied late. The class of mail used for periodicals only includes 60 days of forwarding services, which cannot be extended. After 60 days the post office discards the material. Filing a change of address with the U.S. Postal Service will not guarantee that will receive all issues.

As a scholarly Journal, The Business Review, Cambridge contains the views, thoughts, assertions and opinions ("information") of its contributing authors. The Information provided by these authors does not necessarily represent The Business Review, Cambridge. The Business Review, Cambridge makes no representations about the accuracy of the Information contained herein; and the inclusion of the Information herein shall not be construed as an endorsement, either explicitly or implicitly, of the Information by The Business Review, Cambridge. The Business Review, Cambridge disclaims any and all responsibility or liability resulting from the Information contained in the Journal.

Copyright 2001-2011 All rights reserved. No part of the material protected by this copyright notice may be reproduced or utilized in any form or by any means, including photocopying and recording, or by any information storage and retrieval system, without the written permission of The Business Review, Cambridge. Permission is required to make copies of articles published in The Business Review, Cambridge. Those who desire formal, documented clearance should submit their requests for permission to the address above. Individuals and publishers who wish to republish materials in other works must obtain formal permission from the management of The Business Review, Cambridge and pay the appropriate fees. Inquiries should be directed to Dr. Turan Senguder, at the above address. Questions about republishing material can be addressed to Dr. Turan Senguder: [drsenguder@aol.com](mailto:drsenguder@aol.com).

### BOARD MEMBERS

Dr. Turan Senguder, CEO and Executive Chair – JAABC, FL  
Dr. Jean Gordon, Chair - JAABC, Miami, FL  
Dr. Z. S. Demirdjian, Senior Review-Editor, **California State University**, Long Beach, CA  
Dr. Nancy J. Scannell, Associate Review-Editor, **University of Illinois** at Springfield, IL

### EDITORIAL ADVISORY BOARD

Dr. Turan Senguder, The Journal of American Academy of Business, FL  
Dr. Jean Gordon, JAABC, Miami, FL  
Dr. Nancy Scannell, **University of Illinois at Springfield**, IL  
Dr. Z. S. Demirdjian, **California State University**, CA  
Dr. Stewart L. Tubbs, **Eastern Michigan University**, MI  
Dr. Ara G. Volkan, **Florida Gulf Coast University**, FL  
Dr. Robert Guang Tian, **Medaille College**, NY  
Dr. Steven H. Appelbaum, **Concordia University**, Canada  
Dr. Shawana P. Johnson, **Global Marketing Insights**, OH  
Dr. Kristina L. Guo, **University of Hawai'i-West O'ahu**, HI  
Dr. Gordon W. Arbogast, **Jacksonville University**, FL  
Dr. Musa Pinar, **Valparaiso University**, IN  
Dr. Pearl Steinbuch, **Mount Ida College**, Newton, MA  
Dr. Henry Tam, **York University**, Toronto, ON, Canada  
Dr. Joseph C. Santora ENPC, **School of Int. Management**, France  
Dr. Deniz Ozenbas, **Montclair State University**, NJ  
Dr. Jamaluddin Husain, **Purdue University Calumet**, IN  
Dr. Robert H. Parks, **Pace University**, NY, NY  
Dr. Balasundram Maniam, **Sam Houston State University**, TX  
Dr. William V. Rapp, **The New Jersey Institute of Technology**  
Dr. C. Pat Obi, **Purdue University Calumet**, IN  
Dr. Doug Flint, **University of New Brunswick**, Canada  
Dr. Jack A. Fuller, **West Virginia University**, WV  
Dr. Stuart Locke, **The University of Waikato**, New Zealand  
Dr. Roger D. Hanagriff, **Sam Houston State University**, TX  
Dr. O. Kucukemiroglu, **The Pennsylvania State University**, PA  
Dr. Tufan Tiglioglu, **Alvernia College**, PA  
Dr. C. P. Kartha, **University of Michigan-Flint**, Flint, MI  
Dr. Ziad Swaidan, **University of Houston**, Victoria, TX  
Dr. Larson Ng, Ph.D., **University of Hawaii at Manoa**, HI  
Dr. Chaiporn Vithessonthi, **Maharakham University**, Thailand  
Dr. Cemal Zehir, **Gebze Institute of Technology**, Turkey  
Dr. Amir Mahmood, **The University of Newcastle**, Australia  
Dr. Raymond Cairo, **London School of Economics**, England



## CONTENTS

- 1** \* Business Opportunities Arising from Smart Grid Virtual Power Plants.
- 8** \* Motives and Consequences of Investment Decisions: Evidence from Factual Movie Projects.
- 14** \* Market Integrity, Market Efficiency, Market Accuracy.
- 21** \* Ten Common Misconceptions About Implementing Continuous Improvement Efforts in Health Care Organizations.
- 28** \* The Concept of Internationalization and its Relevance to Small and Medium Service Enterprises (SMSEs)
- 35** \* Does Firm Size Matter? The Relationship between Firm Level Volatility, GDP Volatility and Capital Structure Decisions for Firms of Different Size Groups.
- 42** \* Consumer Protection in the Context of Global Financial Market Regulation: The Australian Position.
- 48** \* Improving Employee's Organizational Commitment, Self-Efficacy, and Organizational Citizenship Behavior Through the Implementation of Task-Oriented and Relationship-Oriented Leadership Behavior.
- 61** \* Beliefs About and Attitudes Towards Online Advertising.
- 68** \* Tax Incentives to Foster Green Investments Under the Spotlight of State Aids' Prohibition.
- 75** \* Development of Corporate Governance by Expanding the Corporate Responsibility of EU Member Countries.
- 83** \* What Controls the Australian Airspace Ticketing Prices?
- 89** \* Strategic Import Tariffs, Managerial Delegation, and Social Welfare in a Quality Differentiated Market.
- 97** \* Knowledge workers in Croatian Companies.
- 103** \* Ecosystem's Analysis Using Econometric Techniques.
- 110** \* Strategic Decision Making: Empirical Findings from Croatia.
- 117** \* Which colour is better? The Influence of Website Photo Colour on Consumer: The Incongruity Viewpoint.
- 124** \* Integrated Marketing: Success Story of Crystal Gallery.
- 131** \* Critical Success Factors in Russian Industrial R&D Projects.
- 138** \* Profitability of Technical Analysis Indicators: A Study of an Adjustable Technical Indicator, ABZ', on the Malaysian Futures Markets
- 147** \* Consumers' Beliefs About Companies Using Online Advertising.
- 153** \* Income Tax Incentives on Renewable Energy Industry: Case of USA, China, and Indonesia.
- 160** \* Fairness in the Workplace: The Relative Effects of Distributive and Procedural Justice on Incentive Satisfaction.
- 167** \* Enterprise Resource Planning Systems' Impact on Accounting Processes in Turkey: A Research on the Largest 500 Industrial Firms.
- 175** \* A Methodology for an Evaluation of the Impact of the Minerals and Petroleum Resources Royalty Act on the South African mining Industry.
- 182** \* Geopolitics and Accounting.
- 190** \* IFRS Consciousness and Adoption: A Research on the Turkish Corporations Listed on Istanbul Stock Exchange.
- 197** \* Influence of Ethics Education on Management and Entrepreneurship Students Attitude Toward Ethical Behavior: Case of Croatia.
- 205** \* Experience of Workplace Regulations in a Multi-National Construction Organisation.
- 213** \* Voluntary Internet Financial Reporting in Croatia - Analysis of Trends and Influential Factors.
- 220** \* Stakeholder Orientation and Firm Performance: Value Generating Strategy or Sophisticated Entrenchment Strategy? - Empirical Evidence from Croatia.
- 229** \* Changes of Market Structure and Competition in the Croatian (Non) Life Insurance Industry.
- 237** \* Aligning Industry Needs With Skill Development at Educational Institutions.
- 243** \* A Comparative Study of the Relationship Between Working Capital Management and Profitability of Listed Companies in Tehran Stock Exchange.
- 248** \* A Comparative Study of Job Satisfaction in the Malaysian Services and Manufacturing Sectors.
- 255** \* Cross Cultural Management: An Indian Perspective.
- 261** \* Stereotype, Image, and Reference Others As Predictor of Buyer Behavior; An Empirical Investigation.
- 269** \* Leadership Styles Correlate of Learning Organization In a Non-Western Culture.
- 278** \* The Labor Market's Flexicurity in the Romanian Bank Sector.
- 285** \* The Significance of Leaders in Modern Business.
- 290** \* How to submit a paper.
- 291** \* Index.



# Improving Employee's Organizational Commitment, Self-Efficacy, and Organizational Citizenship Behavior Through the Implementation of Task-Oriented and Relationship-Oriented Leadership Behavior

Dr. Pieter Sahertian, Kanjuruhan University, Malang, Indonesia  
Dr. Budi Eko Soetjipto, State University of Malang, Indonesia

## ABSTRACT

This study is aimed at analyzing the effect of the worker perception about the relationship-oriented and task-oriented leadership behavior by leader or the supervisor on work through organizational commitment and self-efficacy and OCB. Explanatory research is conducted in correlational research. The sample consists of 125 respondents from the workers of PT. Bank Central Asia Tbk. District VII Malang, who are supervisors (SPV) or chief managers (CM). The data were taken from questionnaires and interviews and analyzed using Structural Equation Modelling (SEM).

The results of the research shows: 1) The leaders tend to apply relationship-oriented and task-oriented leadership, self-efficacy, organizational commitment, and extra-role (OCB) performance. 2) The effect of relationship-oriented and task-oriented leadership behavior on extra role performance (OCB) is not significant. The correlation among those variables changes after the variables are moderated by self-efficacy and organizational variables. 3) The self-efficacy variable mediates the influence of relationship-oriented leadership behavior on extra-role performance (OCB), but task-oriented leadership behavior does not. Organizational commitment mediates task-oriented leadership behavior's effect on extra-role (OCB) performance, but not its effect on the employment of OCB.

Key words: leadership behavior, organizational commitment, self-efficacy, organizational citizenship behavior.

## INTRODUCTION

The leadership role is one of the most interesting roles in the organization because the leader plays a central role in determining objectives, allocating scarce resources, focusing attention on the goals of the company, coordinating changes in the organization, making personal contacts with the followers, and determining the most appropriate or correct direction to take in case of failure. The rapid changes that must be made by organizations these days have prompted many to voice the need for adaptive and flexible leadership. An adaptive leader can work more effectively in a dynamic environment if he or she understands the challenges faced by the organization so he or she can provide the appropriate response. Adaptive leaders will cooperate with followers to facilitate creative solutions for complex problems and will develop themselves so they can handle a broader range of leadership responsibility (Bennis, 2001).

Bass and Avolio (1995) described the concept of relationship-oriented leadership behavior, which is measured by indicators like idealized attribution, idealized behavior, individualized concern, intellectual stimulation, and inspirational motivation. On the other hand, task-oriented leadership behavior includes contingent rewards, active management by exception, and passive management by exception. Despite the plethora of terms used for these concepts, the concept that receives the most attention from researchers now is the effectiveness of task- and relationship-oriented leadership behavior. However, findings remain mixed.

Several studies have found evidence for the effectiveness of task- and relationship-oriented leadership behavior and of the combination of those two leadership behaviors (Bass, 1990). MacKenzie and Podsakoff (2001) found that relationship-oriented leadership behavior is positively correlated with performance. Hater and Bass (1998) found that relationship-oriented leadership contributes more to predicting the followers' performance than task-oriented leadership does. Brown and Dodd (1999) reported that one leadership behavior, contingent reward, produces greater satisfaction in the supervisor and greater productivity, while Jung and Avolio (1999) found that individual performance will increase and employees will contribute more ideas under a task-oriented leader than



under a relationship-oriented one; however, collective performance will be greater when they work under a relationship-oriented leader than a transactional one.

Several studies have found a relationship between organizational commitment and these two types of leadership behavior. The result of a study by Konovsky (cited in Brown, 2003) shows that supervisors who are helpful and willing to give emotional support affect employees' commitment to the organization. Koh et al. (1995) reported that relationship-oriented leadership has a greater effect than task-oriented leadership does in predicting organizational commitment, OCB, and job satisfaction.

In term of self-efficacy, Bass and Avolio (1995) stated that relationship-oriented leadership behavior improves followers' perception of their self-efficacy (self-confidence and belief in their potential for development). In this way, self-efficacy can influence the relationship between relationship-oriented leaders and the performance expected from the subordinates. Self-efficacy has been found to impact employee performance; Fuller et al. (1999) found that psychological empowerment moderates the relationship among three of the four dimensions of transformational leadership and job satisfaction.

The studies on the relationship between the two kinds of leadership and performance do not explicitly answer the question concerning the performance measure of extra-role performance (OCB), except for Koh et al. (1995), which uses extra-role performance, and Podsakoff et al. (1996), which uses both extra-role and in-role performance. Podsakoff et al. (1996) stated that most research on relationship-oriented leadership behavior has been focused on the effect of those leadership behaviors on in-role performance, rather than on extra-role performance. In addition, self-efficacy has never been used as a moderating variable in the relationship between leader behavior and employee performance. Several previous findings have shown that self-efficacy affects several follower outcomes, such as job satisfaction (Fuller et al., 1999; Judge & Bono, 2001) and performance (Phillips & Gully, 1997; Judge & Bono, 2001). Studies of organizational commitment have also shown that organizational commitment is more often seen as a dependant variable. The studies of Erturk et al. (2004) and Organ and Ryan (1995) used organizational commitment as an antecedent of performance, satisfaction, and other employee outcomes, but no research has used organizational commitment to predict the impact of leadership behavior on performance.

The findings of studies that support the role of self-efficacy and organizational commitment in predicting various outcomes of organizational members have lent credence to the idea that self-efficacy and organizational commitment can predict the relationship between relationship-oriented leadership behavior and task-oriented leadership behavior, on one hand, and employee performance on the other. Our research is different from other studies since relationship-oriented and task-oriented leadership behavior, which influence extra-role performance (OCB) (MacKenzie et al. 2001), has not been elaborated upon by using the dimensions of these leadership behaviors developed by Brown (2003). However, Brown did not predict the relationship between the dimensions of relationship-oriented and task-oriented leadership behavior and performance but analyzed only their impact on organizational commitment. Bass et al. (2003) and MacKenzie et al. (2001) did not include self-efficacy in predicting the relationship between leadership behavior and performance, although Richard et al. (2006) and Pillai and Williams (2003) included this variable and found that self-efficacy can improve performance.

### **Leadership Behavior**

Studies on relationship-oriented and task-oriented leadership behavior that have been carried out since the 1950s (Brown, 2003) have made significant contributions to the literature of leadership theory. One of the more important contributions is the distinction between relationship orientation and task orientation in leadership behavior. Another is the use of concepts of relationship-oriented leadership and task-oriented leadership to measure the effectiveness of individuals and organizations. Relationship-oriented and task-oriented leadership behaviors are considered active forms of leadership (Bass, 1990) in the sense that these behaviors are carried out by leaders who take proactive or reactive stances in performing their roles. Another approach to leadership, in which the leader takes a non-active stance, does not carry out his or her responsibility, and tries not to make any decisions (Bass, 1990), is called *laissez-faire* leadership.

The dimension of leadership behavior that is measured in the current research is taken from the concepts developed by Bass and Avolio (1995). Task-oriented leadership is measured by three indicators: (1) contingent reward, a leader behavior that recognizes employee achievement and explains expectations; (2) management-by-exception-active, where the leader takes immediate steps to correct problems and points out the mistakes made by the followers; and (3) management-by-exception-passive, where leader waits until the problem becomes chronic or



serious before taking action to correct it. Relationship-oriented leadership is measured by five dimensions: (1) idealized influence/attributed, where the leader instills a sense of pride and self-confidence in the followers; (2) idealized influence/behaviors, where the leader instills the collective meaning of the mission in the followers and talks about values and beliefs; (3) inspirational motivation, where the leader expresses enthusiasm, optimism and self-confidence; (4) intellectual stimulation, where the leader develops, trains and teaches the followers; and (5) individualized consideration, where the leader recognizes followers' achievements and explains expectations.

## LITERATURE REVIEW

### Self-Efficacy

Self-efficacy is derived from social cognitive theory, which was first proposed by Bandura (1986). This theory states that learning is the mastery of knowledge through cognitive processing of the received information. The social aspect of self-efficacy is understood as the idea that all human thoughts and actions are derived from what individuals learn from society, while the cognitive aspect is understood as the idea that cognitive processes can contribute to the motivations, attitudes, and behaviors of individuals. In short, this theory states that most of the knowledge and behavior of organizational members are actuated by the environment and that knowledge and behavior will continuously evolve in the thinking processes related to received information.

Specifically, self-efficacy is related to individuals' belief in their ability to influence or controlling their environment (Bandura, 1986). If individuals cannot mobilize the cognitive behavioral resources and motivation required to complete a task or achieve an objective, they will be overwhelmed by the aspects of the task and will suffer from lack of motivation in working (Stajkovic & Luthans, 1998).

Bandura (1997) defined self-efficacy as one's belief in one's ability to organize and carry out the tasks required to achieve a certain level of performance. The belief in one's own capabilities affects one's actions and way of thinking, feeling, and motivating oneself. In this way, self-efficacy is understood to affect the relationship between behavior and performance (Robbins, 1998). Individuals who have a high level of self-efficacy will exert all efforts to achieve a goal, and when they face difficulties or obstructions in achieving the goal, they will try their best to maintain their effort long enough to achieve the objective or the expected performance (Lee & Bobko, 1994).

Self-efficacy is measured using concepts from Bandura (1998) that were further developed by Phillips and Gully (1997). Self-efficacy is measured by three dimensions: (1) causal attribution, which is the belief in one's own capability, which will impact motivation, performance, and affective reaction; (2) expectation of outcome, or the belief that one is capable of executing a plan of action well when it is based on strong expectations; and (3) expected objective, or the ability to motivate oneself by seeking challenging objectives.

### Organizational Commitment

Meyer and Allen (1990) proposed several justifications for the three components of organizational commitment: affective commitment, continuance commitment, and normative commitment. The three kinds of commitment are considered components of attitudinal commitment, rather than three individual kinds of attitudinal commitment. Thus, an individual can experience the three psychological conditions at the same time at different levels for each. For example, employees can feel at the same time a great need and obligation to continue working in organization, although she or he does not desire to continue working. Other employees may not feel a need or obligation to continue work but have a great desire to continue working there. Thus, the general picture of one's commitment to the organization will reflect the impact of the three psychological conditions at the same time. Organizational commitment can be used to predict professional activities and job behavior (Meyer et. al., 1993) since organizational commitment reflects the positive attitude of an individual on the organization. This attitude motivates one to behave positively, to be disciplined in working, to obey the rules and policies of the organization, to maintain good relationships with colleagues, and to improve one's level of achievement. In this way, knowledge and understanding of organizational commitment can be used as a basis for predicting an individual's job behavior.

In this research, the concepts developed by Meyer and Allen (1991) serve as a reference for measuring employees' level of commitment: (1) Affective commitment is the emotional attachment felt by the employee, the feeling of identification with the organization and involvement with the organization. Employees who have strong affective commitment remain in the organization of their own volition. (2) Continuance commitment is the evaluation by the employee concerning whether the cost of leaving the organization is greater than the cost of staying. (c) Normative commitment is the sense of responsibility felt by an employee toward her or his organization.



An employee with a high level of normative commitment will remain in the organization because he or she feels that it is the right thing to do.

### Organizational Citizenship Behavior

The effectiveness of an organization is largely dependent on the behavior of the individuals in it. Individual behavior can be divided into in-role performance and extra-role performance, the latter of which is often termed organizational citizenship behavior (OCB). Researchers have used many different terms to refer to OCB, including extra-role behavior (Pearce & Gregersen, 1991; Wright et al., 1993). In addition, researchers see OCB as part of extra-role performance, which may include other behavior besides OCB (Bateman & Organ, 1983; Dyne et al., 1994). However, all of these studies converge on the same idea, which is that OCB refers to employee behaviors that are carried out beyond their formal tasks (in-role performance). Smith et al. (1983) defined OCB as the behavior beyond the formally assigned tasks that can contribute to the effectiveness of the organization, while Organ (as cited in Williams & Anderson, 1991) defined OCB as behaviors and attitudes that are beneficial to the organization but cannot be motivated merely by formal roles or by contract and compensation. Examples of such behavior are giving assistance to colleagues to lighten their loads, not taking more breaks than necessary, doing tasks not called for by the superior, and helping others to solve their personal problems.

The fundamental difference between in-role and extra-role behavior lies in the reward. In-role behavior is usually related to rewards and penalties, while extra-role behavior is usually not since these behaviors are carried out by individuals without direction from superiors, so there is no guarantee of receiving rewards (Morrison, 1994; Dyne et al., 1994). In other words, there is likely no additional incentive given to the individual who carries out extra-role behavior. According to Organ (1988), OCB cannot result in direct or formal reward through the organizational system of rewards, though it does not necessarily mean that OCB is limited only to behaviors that are not directly rewarded, nor does it mean that OCB will not be rewarded indirectly.

In this research, OCB refers to the concept developed by Williams and Anderson (1991), which includes the following indicators: (1) helping behavior, the willingness of an individual to help others deal with work-related problems; (2) sportsmanship, the willingness to tolerate the difficulties and burdens of doing the job without complaining; (3) civic virtue, the willingness to attend meetings, debate policies, and give greater priority to the interests of the organization by sacrificing personal interest; and (4) organizational loyalty, the willingness to maintain the reputation of the organization before other parties or the public.

Based on the discussion above, the model shown in figure 1 is tested in this research:

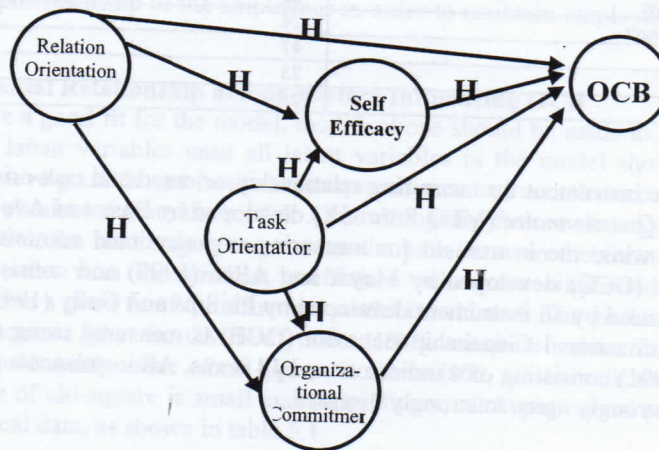


Figure 2.1: Conceptual Framework and Hypothesized Model

### RESEARCH OBJECTIVES

The objective of this research is to analyze the impact of employee perception of their direct supervisor's relationship-oriented and task-oriented leadership behavior on performance, as moderated by



organizational commitment and self-efficacy. In pursuing this objective, we propose the following hypotheses for testing:

- H1: relationship-oriented leadership behavior significantly affects organizational citizenship behavior.
- H2: task-oriented leadership behavior significantly affects organizational citizenship behavior.
- H3: relationship-oriented leadership behavior significantly affects self-efficacy.
- H4: task-oriented leadership behavior significantly affects self-efficacy.
- H5: relationship-oriented leadership behavior significantly affects organizational commitment.
- H6: task-oriented leadership behavior significantly affects organizational commitment.
- H7: self-efficacy significantly affects organizational citizenship behavior.
- H8: organizational commitment significantly affects organizational citizenship behavior.

## RESEARCH METHOD

### Population

The population studied for this research consists of 547 employees of PT. Bank Central Asia Tbk., District Office VII in Malang, East Java. The employees range from supervisors (SPV) up to Chief Manager (CM). The objective of this research is to describe and explain leadership behavior and its effect on various factors related to followers' performance.

### Sample

The data for this research is analyzed using SEM, for which the minimum sample required is 100-200 samples (Hair et al., as cited in Ferdinand, 2000). In determining sample size, it is recommended to use 5 to 10 observation for each individual indicator for all latent variables. In accordance with the initial structural model as hypothesized, the number of indicators for this research is 18, which requires that the number of samples to be 90-180.

The questionnaire was distributed to 130 respondents, of which 128 were returned with 3 incomplete, so the final number of samples for analysis is 125 respondents. This number meets the theoretical recommendations and technical requirements for analysis. These samples were collected using disproportionate stratified random sampling. The distribution of sample respondents is shown in table 4.1.

**Table 4.1. Number of Samples Based on Employee Rank**

Rank	Valid Questionnaire
Senior manager	2
Manager	7
Deputy manager	22
Assistant manager	24
Pro manager	47
Supervisor	23
Total	125

### Research Instrument

In this research, the instrument for measuring relationship-oriented and task-oriented leadership behavior is the *Multifactor Leadership Questionnaire* (MLQ Form 5X) developed by Bass and Avolio (1995) and consisting of 8 indicators and 32 items, while the instrument for measuring organizational commitment is the *Organizational Commitment Questionnaire* (OCQ) developed by Meyer and Allen (1997) and consisting of 3 indicators and 18 items. Self-efficacy is measured by an instrument developed by Phillips and Gully (1997) consisting of 3 indicators and 10 items, and the Organizational Citizenship Behavior (OCB) is measured using an instrument developed by Williams and Anderson (1991) consisting of 4 indicators and 14 items. All instruments are anchored by a five-point Likert scale, ranging from strongly agree to strongly disagree.

### Method of Data Analysis

The data of this research is analyzed by inferential analysis, a quantitative analysis of data using a mathematical statistical approach. The analysis is carried out by structural equation modeling (SEM). As a development of the single equation approach, SEM is useful for analyzing the direct and indirect effect of causality. SEM can also measure the fit of the model by estimating simultaneously the variances and covariances of the variables implied logically by the model (Kline, as cited in Todd, 2003).



## RESEARCH FINDINGS

Followers' perceptions of the relationship-oriented leadership behavior of their superiors show that inspirational motivation has a value of 4.09, which is smaller than the 4.42 for intellectual stimulation. Therefore, the type of leadership behavior of leaders in the sample tends to be intellectual stimulation, which is oriented toward developing, training, and cultivating the followers, and inspirational motivation, which expresses enthusiasm, optimism, and self-confidence. This finding shows that the leaders in the sample are more focused in their relationship-oriented leadership behavior toward providing stimuli to their subordinates in terms of improving their intellectual capability and providing inspirational motivation.

The followers' perceptions of task-oriented leadership behavior show that all indicators have high scores, with an average of 4.22 (which puts this score in the category of very high). Task-oriented leadership behavior is used by the leaders in the sample more often than relationship-oriented leadership behavior is used. In other words, goal-oriented or task-oriented leaders who emphasize the means to achieve goals and who are concerned with the production and achievement of the followers. In conducting their task-oriented leadership behavior, the leaders in the sample have used all three types of task-oriented behavior: contingent reward and management-by-exception (both active and passive).

Employee perceptions of the self-efficacy of their leaders show that all indicators have an average of 4.60 (which puts this score in the category of very high). The findings shows that the belief in the capability (self-efficacy) of the employees (both leaders and followers), especially their confidence in themselves that their actions will achieve the desired result when based on strong expectations, is high. Therefore, the leaders in the sample apply relationship-oriented leadership behavior, especially individualized consideration.

Employee perceptions of the organizational commitment of their leaders show that these leaders are highly committed, as is clear from the average value of 4.26 for the indicators of organizational commitment variables (very high). Therefore, the affective commitment, continuance commitment, and normative commitment of the employees (both superiors and subordinates) to their company is strong. In order to maintain the level of employee's commitment, the leaders in the organization create or maintain a working environment conducive to subordinates' maintaining their wish to remain in the organization and to their feeling emotional attachment.

The respondents' perception of organizational citizenship behavior is very good, with an average of 4.49. This score shows that the employees have strong intentions to go beyond the formally assigned tasks, even though such actions are not considered in the organizational reward system. This finding shows that the leaders in the organization develop the sportsmanship of the employees in order to maintain employee motivation to work beyond formal assignments.

### Testing the Model and Causal Relationship among Factors Influencing OCB

In order to achieve a good fit for the model, modifications should be made to the model by eliminating all insignificant indicators or latent variables until all latent variables in the model show significant results. In the modification process to achieve good fit and facilitate interpretation, constructs that are meaningless or that have the smallest loading factor are eliminated from the model. After all loading factors show significance, and no more can be eliminated from the model, the next step is to examine the path between the constructs that have insignificant values. The insignificant paths with the smallest coefficient values are eliminated from the model until the modification indices show that a good fit of the structural model is achieved. The goal is to achieve adequate indices with relatively small chi-squares (that is, CMIN/df under 2.00), adequate values for GFI, AGFI, CFI, and an RMSEA below 0.08. The probability value of chi square is above 0.05, which indicates that the probability is not significant. When the value of chi-square is small and insignificant, all hypothesized paths in the structural model are supported by the empirical data, as shown in table 5.1.

**Table 5.1. Goodness of Fit Indices for the Causal Relationship Between Factors that Influence OCB**

Criteria	Cut-off value	Result	Comment
X <sup>2</sup>	Expected to be low	50.91000	Adequate
Probability of $\chi^2$	≥ 0.05	0.73378	Adequate
RMSEA	≤ 0.08	0.00000	Adequate
GFI	≥ 0.90	0.94000	Adequate
AGFI	≥ 0.90	0.91000	Adequate
CFI	≥ 0.90	1.00000	Adequate



The result of the simulation for the causal relationship among constructs for determining the path coefficient values and meaningfulness levels for each variable is significant, where the assessment on the meaningfulness is based on the value of  $p$ , with the threshold  $p < 0.05$  and  $t > (t \alpha/2, df) = 1.96$ . The path coefficient values among the latent variables shown in table 5.2 are illustrated in figure 5.1.

To determine the causal relationship between construct, we also examine the values of path coefficients and the meaningfulness of each variable. The meaningfulness is assessed based on the value of  $p$ , where the threshold is  $p \leq 0.05$  and  $t > (t \alpha/2, df) = 1.96$ . The path coefficients among the latent variables are shown in table 5.2.

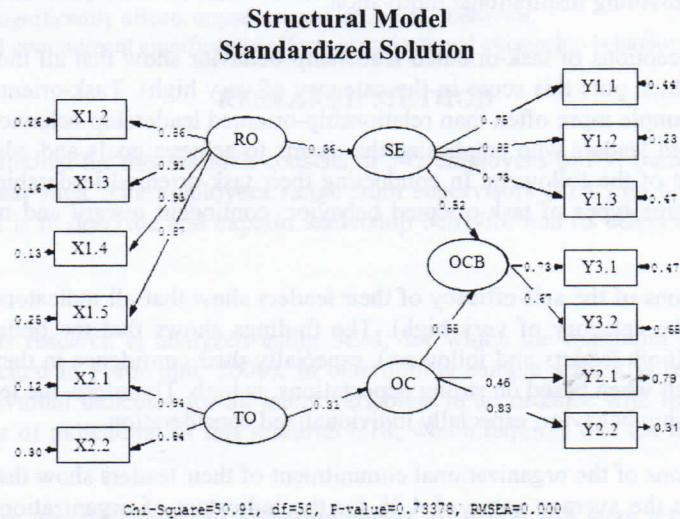


Figure 5.1. Path Diagram for Factors Influencing OCB

Table 5.2. Path Coefficients of Factors that Influence OCB

Factors	Path Coefficient	t-value	P	Comment
RO – OC	0.31	2.98	< 0.05	Significant*
RO – SE	0.36	3.97	< 0.05	Significant*
SE – OCB	0.52	2.99	< 0.05	Significant*
OC – OCB	0.55	2.86	< 0.05	Significant*

Notes: RO = relationship-oriented OC = organizational commitment SE = self-efficacy \*: significant at  $\alpha = 0.05$ .

## RESULTS AND IMPLICATIONS

The results of the hypothesis testing show that the impact of relationship-oriented leadership behavior on OCB is insignificant. Therefore, it is likely that, when employees are busy with the work entrusted to them, their interaction with their superiors is limited. In the company in which this research was carried out, employees' work patterns in carrying out their duties are based primarily on a manual of procedures, which will further reduce their interaction with superiors or leaders. The company is a banking institution, and as such, orientation to customer service is particularly strong, which means that employees must have leeway and discretion in conducting their tasks, and this leeway allows them to play roles beyond their formal tasks. They compete among themselves in performing their work, so subordinates may neglect to pay attention to how leaders influence their performance.

The condition described here is consistent with the result of this research since, when self-efficacy enters into the interaction between relationship-oriented leadership behavior and OCB. This result can be interpreted to imply that relationship-oriented leadership behavior has a significant impact on OCB when subordinates have strong confidence in their ability to completing their jobs. The essence of relationship-oriented leadership behavior, as stated by Bass and Avolio (1995), is that a relationship-oriented leader will motivate her or his followers to do more than the expectation using charisma, inspiration, intellectual stimulation, and individualized consideration. Therefore, subordinates' perceptions of their self-efficacy and potential for development will be enhanced by a leader who applies relationship-oriented behaviors. Shea (1999) found that self-efficacy plays an important mediating role in the relationship between consideration as a leadership behavior and the quality of individual performance.



Thus, the ability of subordinates in completing their tasks may be influenced not only by the leader's behavior but also by the cognitive process, which is an important factor in people's ability to make connections among events; the behavior of subordinates will be strongly influenced by the consequences of previous behavior (Davis & Luthans, in Bass, 1990). Bandura (in Shea, 1999) stated that individual performance can be enhanced by motivating self-efficacy so individuals can complete the tasks assigned to them successfully.

One important caveat for the result of this research is that this study does not find any impact from relationship-oriented leadership behavior on OCB. This is related to organizational culture since the interaction patterns in an organization affects the effectiveness of leadership. The research's finding of insignificance in the relationship between relationship-oriented leadership behavior and OCB should not be interpreted as a total absence of impact, but only as an indication that the impact is very small and statistically negligible or meaningless. Therefore, for a banking organization like the subject of this research, relationship-oriented leadership behavior is not effective enough to improve performance. However the findings from other organizations in previous studies show different results.

The impact of task-oriented leadership behavior on OCB is also found to be insignificant. This finding is consistent with Howel and Merenda (1999), who found that contingent reward and management-by-exception have a negative impact on performance. This finding is also consistent with Koh et al. (1995), who found that task-oriented leadership behavior does not explain the variance in OCB. However, the result of our research is different from those of several previous studies, such as those of Jung and Avolio (2000), Bass et al. (2003), and Podsakoff et al. (1999), which show that task-oriented leadership behavior has a positive impact on OCB.

The rejection of Hypothesis 2 may be related to the sample used in this research. In the banking industry, all employees must be equipped with a standard manual as a reference in carrying out their tasks. Since the employees have been equipped with manuals as guidance in accomplishing their tasks, the role of leaders in giving direction is reduced. Strong leadership control by means of instruction and other kinds of task intervention reduces the discretion of the subordinate and thereby reduces the extra-role performance of the subordinate. An individual is less able to do anything beyond her or his formal duties when he or she is bound by a contract as a consequence of the contingent reward and management-by-exception approach to leadership (Bass, 1990). Therefore, task-oriented leadership behavior would not motivate the employees to improve his or her level of OCB and the higher the task orientation of a leader is, the lower the extra-role performance or OCB of the subordinate will be.

Employees are often too busy with their own work to pay much attention to the behavior of leaders that may affect their own job behavior. This kind of attitude is evident among subordinates who have a strong commitment to the organization and are willing to work beyond their formal duties. This contention is corroborated by the current research, which finds an indirect relationship between task-oriented leadership behavior and OCB. This finding shows that task-oriented leadership behavior has a significant impact on OCB if subordinates have strong organizational commitment because such commitment motivates the subordinate to go beyond her or his formal duties. The employees whose leaders apply task-oriented leadership behavior will not go beyond their formal duties when they do not have strong commitment to the organization. This result is consistent with Yousef (2000), who found that subordinates who perceive that their superiors apply consultative and participative leadership behavior will have strong commitments to the organization and high levels of performance.

The findings of this research show that neither relationship-oriented nor task-oriented leadership behavior influences employees' OCB. In organizations with mechanistic cultures, where routines are based on guidelines and standard procedures, the subordinates work according to targets set by the organization, even when the leaders are not present. In such a work environment, the role of leaders and the function of tight supervision in controlling and directing subordinates are reduced. Leaders are more oriented to the coordination function, so management behavior is more dominant than leadership behavior.

Based on the result of testing the hypotheses concerning relationship-oriented leadership behavior and self-efficacy, subordinates' perceptions of the relationship-oriented leadership behavior of the leaders is high on average, as is employees' perceptions of their own self-efficacy. Therefore, it is likely that, when leaders apply relationship-oriented leadership behavior, the self-efficacy of the subordinates will improve. Schyns (2001) also found a positive relationship between relationship-oriented leadership behavior and self-efficacy, and Bass and Avolio (1995) stated that leaders with a relationship orientation will heighten the perception of their followers concerning their self-



Thus, the ability of subordinates in completing their tasks may be influenced not only by the leader's behavior but also by the cognitive process, which is an important factor in people's ability to make connections among events; the behavior of subordinates will be strongly influenced by the consequences of previous behavior (Davis & Luthans, in Bass, 1990). Bandura (in Shea, 1999) stated that individual performance can be enhanced by motivating self-efficacy so individuals can complete the tasks assigned to them successfully.

One important caveat for the result of this research is that this study does not find any impact from relationship-oriented leadership behavior on OCB. This is related to organizational culture since the interaction patterns in an organization affects the effectiveness of leadership. The research's finding of insignificance in the relationship between relationship-oriented leadership behavior and OCB should not be interpreted as a total absence of impact, but only as an indication that the impact is very small and statistically negligible or meaningless. Therefore, for a banking organization like the subject of this research, relationship-oriented leadership behavior is not effective enough to improve performance. However the findings from other organizations in previous studies show different results.

The impact of task-oriented leadership behavior on OCB is also found to be insignificant. This finding is consistent with Howel and Merenda (1999), who found that contingent reward and management-by-exception have a negative impact on performance. This finding is also consistent with Koh et al. (1995), who found that task-oriented leadership behavior does not explain the variance in OCB. However, the result of our research is different from those of several previous studies, such as those of Jung and Avolio (2000), Bass et al. (2003), and Podsakoff et al. (1999), which show that task-oriented leadership behavior has a positive impact on OCB.

The rejection of Hypothesis 2 may be related to the sample used in this research. In the banking industry, all employees must be equipped with a standard manual as a reference in carrying out their tasks. Since the employees have been equipped with manuals as guidance in accomplishing their tasks, the role of leaders in giving direction is reduced. Strong leadership control by means of instruction and other kinds of task intervention reduces the discretion of the subordinate and thereby reduces the extra-role performance of the subordinate. An individual is less able to do anything beyond her or his formal duties when he or she is bound by a contract as a consequence of the contingent reward and management-by-exception approach to leadership (Bass, 1990). Therefore, task-oriented leadership behavior would not motivate the employees to improve his or her level of OCB and the higher the task orientation of a leader is, the lower the extra-role performance or OCB of the subordinate will be.

Employees are often too busy with their own work to pay much attention to the behavior of leaders that may affect their own job behavior. This kind of attitude is evident among subordinates who have a strong commitment to the organization and are willing to work beyond their formal duties. This contention is corroborated by the current research, which finds an indirect relationship between task-oriented leadership behavior and OCB. This finding shows that task-oriented leadership behavior has a significant impact on OCB if subordinates have strong organizational commitment because such commitment motivates the subordinate to go beyond her or his formal duties. The employees whose leaders apply task-oriented leadership behavior will not go beyond their formal duties when they do not have strong commitment to the organization. This result is consistent with Yousef (2000), who found that subordinates who perceive that their superiors apply consultative and participative leadership behavior will have strong commitments to the organization and high levels of performance.

The findings of this research show that neither relationship-oriented nor task-oriented leadership behavior influences employees' OCB. In organizations with mechanistic cultures, where routines are based on guidelines and standard procedures, the subordinates work according to targets set by the organization, even when the leaders are not present. In such a work environment, the role of leaders and the function of tight supervision in controlling and directing subordinates are reduced. Leaders are more oriented to the coordination function, so management behavior is more dominant than leadership behavior.

Based on the result of testing the hypotheses concerning relationship-oriented leadership behavior and self-efficacy, subordinates' perceptions of the relationship-oriented leadership behavior of the leaders is high on average, as is employees' perceptions of their own self-efficacy. Therefore, it is likely that, when leaders apply relationship-oriented leadership behavior, the self-efficacy of the subordinates will improve. Schyns (2001) also found a positive relationship between relationship-oriented leadership behavior and self-efficacy, and Bass and Avolio (1995) stated that leaders with a relationship orientation will heighten the perception of their followers concerning their self-



efficacy. In addition, Bass (1990) stated that relationship-oriented leadership contributes to the self-development of followers.

In a competitive working environment, a leader is expected to be able to express enthusiasm and optimism, to be willing to develop, train, and facilitate the learning of subordinates so they can improve their ability to deal with the tasks that have been assigned to them. The result of our analysis shows that intellectual stimulation (with a loading factor of 0.93) has a dominant impact on the construct of relationship-oriented leadership behavior. Therefore, when leaders express their expectation that the employees have the ability to organize and carry out their tasks and responsibilities with maximum performance, it is also expected that the leaders provide intellectual stimulation through self-development and training so employees can conduct their duties responsibly.

The result of hypothesis testing on task-oriented leadership behavior's influence on self-efficacy is not significant. In analyzing the impact of leadership behavior on performance improvement by entering self-efficacy as moderating variable, Shea (1999) found that leaders who apply structuring behavior do not have significant impact on individuals' self-efficacy. Misumi (in Bass, 1990) stated that task-oriented leadership motivates individuals and groups to achieve their goals when, for instance, they have to make a deadline and the leader determines the deadline and understands what is required for the work to be done. Shea (1999) stated that the structuring behavior of leadership is focused on the work being done and on how to maintain standards and make deadlines.

A leader with purely task orientation is more likely to maintain psychological distance from his or her followers and will tend to be reserved in interactions with followers (Blau & Scott, in Bass, 1990). When this attitude is accompanied by an inability to trust subordinates, tight supervision results (McGregor, as cited in Bass, 1990). The result of the current research shows that subordinates' perceptions of their superiors directly impact leadership behavior by direct superiors seldom has a positive influence on the self-improvement of subordinates.

The current research found the impact of task-oriented leadership behavior on organizational commitment to be insignificant. This finding is consistent that organizational commitment has a negative relationship with relationship-oriented leadership, and Brown (2003), who found that relationship-oriented leadership behavior can explain small variances in normative commitment but cannot explain variances in continuance commitment.

Empirically, this research shows that the employees in the sample have a strong level of commitment to the organization, which includes affective commitment, continuance commitment, and normative commitment. The leaders also have the tendency to apply relationship-oriented leadership behavior. Indicators of relationship-oriented leadership behavior that have been identified in this research show that the level of subordinates' perceptions of their direct superiors is above average (good/positive). The same also applies to the indicators for organizational commitment. However, a high level of relationship-oriented leadership behavior is found to be unrelated to improvements in employee's commitment. The rejection of Hypothesis 5 shows that the high level of employee commitment is not caused by the leader's behavior but is due to the strength of employees' commitment to remain in their present organization. Therefore, even without idealized influence, inspirational motivation, intellectual stimulation, or individualized consideration, these employees will remain committed to the company because they value the opportunity to work in this organization.

Another finding of this research is related to the job characteristics, where employees are expected to maintain the responsiveness, accuracy, and maximum amount of finished work in accordance with the existing manual or guidelines for providing excellent service to the customers. Such a working condition does not give much opportunity for the employees to interact with their superiors. However, fact that they are responsible in carrying out their work manifests their commitment to the company that has given them a chance to demonstrate their potential.

The result of the study by Avolio et al. (2004) is different from the authors' initial expectation that there is a significant relationship between relationship-oriented leadership and organizational commitment. Their finding that relationship-oriented leadership has only a moderate correlation with organizational commitment indicates that a close relationship between superior and subordinate will likely reveal the inconsistencies of the superior to the subordinate, will influence their commitment to the organization, and will affect their feelings about the level of employee empowerment and its impact on organizational development. A similar condition seems to occur in the work environment of our research site.



Based on hypothesis testing, task-oriented leadership behavior has a significant impact on organizational commitment, which lends support to Hypothesis 6. When a leader recognizes employee achievement, is willing to explain his or her expectations (contingent reward), and is willing to take immediate action to correct problems and point out the mistakes of the subordinate (management-by-exception active), then continuance commitment and affective commitment of the employee will improve.

This result supports Muchiri (2001), who found that task-oriented leadership is positively related to organizational commitment. Bycio et al. (1995) found that employees feel an improvement of normative commitment when their leader applies contingent reward behavior, and our study shows that management by exception has the strongest relationship with continuance commitment. Gruenfeld and Kassum (as cited in Bass, 1990) found that nurses feel satisfied with their highly task-oriented supervisors when the relationship orientation of the supervisors is also high and that job satisfaction that results from the leadership behavior of supervisors can improve employee's commitment to the organization.

The direct support for Hypothesis 6 in this research shows that the working environment in the BCA Bank may be characterized by positive competition among the employees, where leaders recognize employees' achievements in carrying out their jobs and are willing to explain their expectations. Our results show that, when an organization wishes to improve employees' level of commitment, leaders should apply contingent reward behavior, since the more task-oriented the leaders' behavior is, the greater the employees' commitment to the organization will be.

The result of hypothesis testing shows that self-efficacy has a significant impact on OCB. A belief in one's own capability will affect the way one thinks, feels, self-motivates, and acts, so self-efficacy can affect the relationship between attitude and performance (Robbins, 1998). Individuals with high self-efficacy will devote attention to achieving goals and will persevere longer than other employees will when faced with obstacles and difficulties (Lee & Bobko, 1994).

This result is consistent with Wood and Bandura (1989), who found that individuals with high levels of self-efficacy are capable of mobilizing their motivation, cognitive resources, and all the necessary effort required to complete tasks and achieve goals. Busch et al. (1998) found that high self-efficacy improves the quality of lecturers in giving their courses.

These research results suggest that employees who work in a competitive environment will be motivated to work optimally in completing their task and responsibilities in accordance with the target and plan. Positive competition among employees motivates each employee to show his or her capability and potential in achieving organizational goals. This assumption is consistent with the findings of Bandura and Gist (as cited in Busch et al., 1998) that there are two important factors in determining self-improvement: (1) the success one experiences in doing one's job, and (2) the experience of seeing other people being successful or failing in doing their jobs.

The result of hypothesis testing in this research shows that the impact of organizational commitment on OCB is significant. According to O'Reilly and Chatman (1986), organizational commitment affects an employee's loyalty to the organization. Because of this loyalty, the employee will be willing to work beyond her/his formal assignment, so a high level of organizational commitment will indirectly stimulate extra-role behavior. This result is consistent with Schappe (1998) and William and Anderson (as cited in Erthurk et al., 2004), which stated that employees' tendency toward organizational commitment is the factor that has the most influence over the emergence of OCB.

When employees want to remain in their present organization and feel emotional involvement (affective commitment), they tend to feel obligated to remain in the organization since they consider it the right thing to do (normative commitment). The willingness to remain in the present organization may also be present because leaving the organization would entail a high cost (continuance commitment). Commitment causes employees to be more tolerant of the difficulties and burdens in their work without complaint (sportsmanship) and to be willing to help others deal with their work-related problems (helping behavior).

The result of our tests shows that the most dominant indicator for the construct of organizational commitment is continuance commitment (with a loading factor of 0.83). Management should strive to maintain a high level of continuance commitment through policies that are benevolent to the employees and that will motivate



them to work beyond their formal duties (extra-role), even if doing so is not recognized in the formal reward system. If the management instead assumes that the high level of employee commitment to the organization is due only to the lack of job opportunity elsewhere, then management is less likely to monitor the competition. Such a stance would open the door to competitors to snatch the best employees from the organization, which has undoubtedly invested in their development.

## CONCLUSION

Based on the result of analysis and hypotheses testing, several conclusions can be inferred.

In general, relationship-oriented and task-oriented leadership behaviors are at high levels in our sample, as are self-efficacy, organizational commitment, and extra-role performance (OCB) of both leaders and subordinates. However, the impact of relationship-oriented and task-oriented leadership behavior on extra-role performance (OCB) is not significant.

This result indicates that the role of manager is more important than the role of leader, since what the subordinate needs is the coordinating function of a manager, not the control function of a leader. The relationship-oriented leadership behavior has a direct and significant impact on self-efficacy, but it has no significant effect on employee organizational commitment. Task-oriented leadership behavior has a significant impact on organizational commitment but not on self-efficacy. Self-efficacy helps in conceptualizing and explaining the impact of relationship-oriented leadership behavior on extra-role performance or OCB, but it cannot conceptualize or explain the impact of task-oriented leadership behavior on subordinates' OCB. Organizational commitment plays a role in conceptualizing and explaining the impact of task-oriented leadership behavior on extra-role performance/OCB, but not in conceptualizing or explaining the impact of relationship-oriented leadership behavior on subordinates' OCB. Subordinates' self-efficacy is higher when they work under leaders who apply relationship-oriented leadership behavior, but their organizational commitment decreases under such leaders. Subordinates' organizational commitment is higher when they work under leaders who apply task-oriented leadership behavior, but their self-efficacy is lower. In short, self-efficacy and organizational commitment have significant impacts on organizational citizenship behavior (OCB).

Based on this research, leaders should develop deep insights concerning the capabilities and emotional conditions/characters of each of their subordinates when they wish to employ certain leadership behaviors in order to improve the extra-role performance of their subordinates. When subordinates have weak bargaining power, choosing the right leadership behavior is even more important. Since OCB can improve the effectiveness of the organization, relationship-oriented and task-oriented leadership behavior can be employed in alternation by paying attention to the subordinates' beliefs in their own capabilities and to their organizational commitment. Considering that OCB relates to performance beyond standard performance and is not recognized in the reward system of the organization, management, especially leaders, should pay attention to factors that have been shown to improve employees' OCB, such as self-efficacy and organizational commitment.

This research shows that the same leadership behavior can be perceived differently and can have different effects on the organizational commitment, self-efficacy and extra-role performance (OCB) of employees. Studies on the leadership behaviors and their effect on organizational commitment, self-efficacy, and OCB are rarely carried out in banking organizations, so future studies should test other banks with different organizational cultures and business orientations to determine if our results hold. Research should also be undertaken on the differences in levels of organizational commitment, self-efficacy, and extra-role performance (OCB) among the employees in big banks, mid-sized banks, and small banks. More studies need to be carried out to understand when leadership behavior can affect continuance commitment. Dunham, Grube, and Castaneda (as cited in Brown, 2003) stated that the relationship between leadership behavior and continuance commitment can change based on employees' perceptions of their ability to obtain other jobs with the same characteristics as their present jobs.

## THE FUTURE RESEARCH

a. The result of this research and previous research has shown that the same leadership behavior can produce different perceptions and effects on organizational commitment, self-efficacy, and OCB. Research on leadership behavior and its impact on organizational commitment, self-efficacy, and OCB is rarely conducted in the banking industry, so future research should test whether the same leadership behavior produce different impacts on



- Muchiri, M.K. (2001). An inquiry into the effects of transformational and transactional leadership behaviors on the subordinates' organizational citizenship behaviors and organizational commitment at the Railways Corporation Workshop. (Unpublished thesis). Yogyakarta: Universitas Gadjah Mada.
- O'Reilly, C., & Chatman, J., (1986). Organizational commitment and psychological attachment: The effect of compliance, identification, and internalization on prosocial behavior. *Journal of Applied Psychology*, Vol. 71, No. 6, 838-844.
- Organ, D.W. & Ryan, K. (1995). A Meta-analytic review of attitudinal and dispositional predictors of organizational citizenship behavior. *Personal Psychology*, Vol. 48, 775-802.
- Podsakoff, P.M., Mackenzie, S.B., & 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, No. 2, 259-298.
- Shea, C.M., (1999). The effect of leadership style on performance improvement on a manufacturing task. *Journal of Business*, Vol. 72, No. 3, 407-421.
- Smith, C.A., Organ, D.W., & Near, J.P. (1983). Organizational citizenship behavior: Its nature and antecedents, *Journal of Applied Psychology*, Vol. 68, No. 4, 653-663.
- Todd, S.Y. (2003). *A Causal Model Depicting the Influence of Selected Task and Employee Variables on Organizational Citizenship Behavior*. A dissertation submitted to the Department of Sport Management and Physical Education in partial fulfillment of the requirements for the degree of Doctor of Philosophy. [www.emeraldinsight.com/0953-4814.htm](http://www.emeraldinsight.com/0953-4814.htm)
- William, L.J., & Anderson, S.E. (1991). Job satisfaction and organizational commitment as predictors of organizational citizenship and in-role behaviors. *Journal of Management*, Vol. 17, No. 3, 601-617.
- Yamarino, F., Spangler, W. & Bass, B. (1993). Transformational leadership and performance: A longitudinal investigation. *Leadership Quarterly*, Vol. 4, 81-102.
- Yousef, D.A. (2000). Organizational commitment: A mediator of the relationship of leadership behavior with job satisfaction in a non-western country. *Journal of Managerial Psychology*, Vol. 15, No. 4, 6-28.