RELATIONSHIP OF SERVANT LEADERSHIP WITH EMPLOYEE IN-ROLE AND EXTRA-ROLE PERFORMANCE IN GLC’S OF MALAYSIA

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Abstract

This research aims to study the relationship of servant leadership with employee performance of in-role and extra role performance. Servant leadership, and its relationship with employee OCB and task performance are discussed to start with. Though some literature is available on links of servant leadership with employee task performance or Organizational Citizenship Behaviors, but how these two behaviors interact is not explained much. This paper explains that servant leadership has positive relationship with OCB. Though, other leadership approaches are different from servant leadership as its focus is on personal integrity and lasting relationships with employees.

Keywords: Servant Leadership, OCB, Employee In-role and Extra-role Performance.

1. Introduction

Improved leaders are requirement of contemporary tough business environment as both benefit of organization and welfare of employee are necessary. As Bennis (2009) highlights that leader should grow himself in contemporary settings. Leaders impact teams to achieve common objective (Northhouse, 2015). Fisk & Friesen (2012) state that leadership has two elements; Leaders and the followers. According to Cheng et al (2012), leadership is not being authoritative but inspiring others to attain shared objectives. As Dierendonck (2011) explained that leadership evolves to creating development opportunities for employees because of this Servant leadership is important now a days, underlining service in the leader-follower relationship, and highlighting the significance of servant leaders’ communication.

There are few research on measuring servant leadership constructs of Barbutto & wheeler (2006), with employee performance of in-role and extra role behavior. To fill this gap, in Malaysian GLC’s, the goal of our study is to explore the direct relationship between servant leadership and employee performance. Social exchange theory (Blau, 1964) is used in this study, to progress the description between servant leadership and employee’s attitudes. According to Sendjaya & Pekerti (2010), servant leadership is connected with social exchange relationship of best standards. This research focuses to develop body of knowledge on servant leadership and its impact on performance.
There are very limited researches to investigate relationships of servant leadership with task performance with OCB, considering both individuals and organizational advantage. In a nutshell, this research effort adds literature, representing that sincere concern of leader in employee growth may nurture positive behaviors towards organizations.

2. Literature Review

2.1 Servant Leadership

Greenleaf’s *Servant Leadership* (1977), provides roots of its modern leadership theory and practice. As discussed by Dierendonck (2011), Greenleaf described selflessness as a fundamental attribute of servant leadership. Altruistic and ethical overtones requires leaders to be attentive to the needs of their followers and empathize with them (Northouse, 2004). Organizations with servant leadership must be able to serve customers well, which involves meeting their needs (Keith, 2010). As described by Dierendonck (2011), servant leadership is distinctive as a ‘servant’ attending to followers' needs, in contrast to other approaches. Owens & Hekman (2012) described qualities of servant leader as humility, self-sacrifice, unpretentiousness, and positive approach to organizational behavior.

Irving & Longbotham (2007) elaborate that ethics, virtues and morality are central to servant leadership while Keith (2010) stresses that followers’ interest is preferred on own interest by servant leaders for employee benefits. According to Choudhary et al (2013) servant leadership concentrates performance and better communication for employee benefit. Servant leader’s focus on the welfare of the followers while transformational leaders focus on the benefit of the organization (Bass, 2000). According to van den Heuvel et al (2010), promoting self-efficacy among followers and highlight the opportunities for knowledge and growth that may bring change successfully. Liden et al. (2014) describes that research effort is conducted in past to find the fundamental mechanisms linking servant leadership to followers’ reactions. According to Russell & Stone (2002), Servant leaders are curators of the organization devoted to empowering the potential of their followers, as also stated by Sendjaya & Sarros (2002).

Servant leadership helps to decrease follower’s ambiguity in the office. Ten characteristics of a servant leader can be identified as follows, drawn from Greenleaf’s works, listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of others and building community as also used by Crippen (2006). According to Robbins (2005), this is ‘supportive’ leadership as leader is ‘sociable’ and takes care of employees requirements. According to Andersen (2009), this employee focused behavior produces trustworthy affiliations in an organization.

Servant leadership is a better determinant of leader-employee relationship quality than transformational leadership (Barbuto & Wheeler, 2006). Servant leaders seek to involve their followers in decision making and enhance their followers’ growth while improving the caring and quality of organizational life (Spears, 2010). There exist two instruments the Barbuto & Wheeler (2006) SLQ instrument and the Liden et al. (2008) SLA (Servant Leadership Assessment) to measure servant leadership quantitatively. Liden et al.’s (2008) SLA instrument is applied only in limited research (Searle, 2011). Barbuto and Wheeler (2006) SLQ instrument will be used for measuring the servant leadership attributes in Malaysian government linked companies. Servant leadership questionnaire (SLQ) is measured these five attributes within 23 items. Altruistic calling, emotional healing, wisdom, persuasive mapping, organizational stewardship are the dimensions of this scale. Barbuto & Wheeler (2006), presented these five attributes of servant leaders that were also used by ‘Spears’ in 2010 works.

2.1.1 Altruistic Calling

Leader’s deep-rooted desire to make a positive difference in others’ lives. Because the ultimate goal is to serve, leaders high in this attribute will put others’ interests ahead of their own and diligently work to meet followers’ needs.
2.1.2 Emotional Healing

It describes a leader’s commitment to and skill in fostering spiritual recovery from hardship or trauma. Leaders who use emotional healing are highly empathetic and great listeners. They create environments that are safe for employees to voice personal and professional issues.

2.1.3 Wisdom

Consciousness of environments and expectancy of consequences merge to make wisdom. Leaders who have this attribute are adept at picking up cues from the environment and understanding their implications.

2.1.4 Persuasive Mapping

It is the extent to which a leader uses sound reasoning and mental frameworks. Leaders who score high in this characteristic are persuasive, offering compelling reasons to get others to do things.

2.1.5 Organizational Stewardship

It describes the extent that leaders prepare an organization to make a positive contribution to society through community development, programs, and outreach. These leaders also work to develop a community spirit in the workplace, one that is preparing to leave a positive legacy.

2.2 Employee Performance

Employee performance is defined as whether a person executes their job duties and responsibilities well. Many companies assess their employee’s performance on an annual or quarterly basis in order to define certain areas that need improvement. The main goal of any organization is to enhance the job performance of its employees so that it could survive in this highly competitive environment. According to Pattanayak (2005), the performance of an employee is his/her resultant behavior on a task which can be observed and evaluated. Contemporary challenges facing organizations have led many of them to refocus attention on their performance management Systems (Buchner, 2007) and explore ways to improve employee performance. Performance management is the multi-step process employed in organizations to manage employee performance (Smith & London, 2009). Performance management incorporates multiple contact points between managers and subordinates (Laiden et al., 2014). Moreover, when employees perceive organizational support, they will probably be more motivated to reciprocate (Casimir et al., 2014; Eisenberger et al., 2001). In-role and extra-role are two main aspects of employee performance (Soumendu & Arup, 2007).

2.2.1 Employee In-role Performance (task performance)

In-role behaviour is defined as all the behaviour that are necessary for the completion of the responsible work (Williams & Anderson, 1991). However, considerable less research has focused on the effect of employee’s performance, especially their in-role performance which is required by the formal job description (Riketta, 2008). In fact, in-role performance allows employees to think and deal with tasks creatively to produce novel and useful solutions to problems (Zhang & Bartol, 2010). The resources (skills or knowledge) acquired from engaging in creative activities in one area can benefit employees in other areas (Eschleman et al., 2014), thus leading to higher levels of in-role performance. We use the definition proposed by Vigoda (2000) and treat in-role performance as an employee’s formal behavior in relation to his or her role requirement which is the basic job duty and task required by job description.

Liden et al. (2008) observed that servant leadership predicts community citizenship behaviors, in-role performance, and organizational commitment. For instance, Rhoades & Eisenbergers (2002) meta-analysis showed that leader’s support is essential to perceiving support from the organization and POS (Perceived Organizational
Support) is related to affective commitment, in-role performance. Therefore, servant leadership could increase employees POS. In-role performance was assessed by using an adapted scale by Eisenberger, et al. (2001). The scale consists of five items. The managers had to rate their employees on a five-point scale ranging from 1 (agree) to 5 (disagree). Examples of items are “Performs tasks that are expected of him or her” and “Meets formal performance requirements of the job”.

2.2.2 Employee Extra-role Performance

OCBs are defined as discretionary behaviors that may or may not be explicitly required or rewarded but contribute to organizational functioning (Organ et al., 2006). OCBs have been shown to be positively related to productivity, performance, efficiency, job and customer satisfaction (Podsakoff et al., 2009). OCB is more likely to be recognized as job performance and behavior of employees. OCB is often referred to as extra role performance, or contextual performance of employees (Bambale, 2014). The performance of OCB must have direct or indirect effects on improving the organization’s efficiency and effectiveness. Individuals who perform OCB will not be formally rewarded. Behavior that goes beyond “in-role” is voluntary and, therefore, not directly recognized by the organizational formal reward system.

Barbuto & Wheeler (2006) reported findings that illustrate a positive relationship between servant leadership and several individual level outcomes, such as, extra effort, employee’s satisfaction, and perceptions of organizational effectiveness. Liden et al. (2008) observed that servant leadership predicts community citizenship behaviors, in-role performance, and organizational commitment. OCB is an extra-role behavior promoting positive work performance. The substance of OCB is employee proactive behavior, which is beneficial to organizational operations and improves organizational performance, but is not specified by the job scope or organization, and also not affected by the organizational reward and punishment system. Williams & Anderson (1991) divided OCB into two sub-dimensions: OCB-individual (OCBI) and OCBO-organization.

The organizational citizenship behavior questionnaire followed Williams & Anderson (1991), and Podsakoff et al. (1990). A five-point Likert scale ranging from (1) strongly agree (5) to strongly disagree is used. The three items identified in each type of OCB (a) OCBI and (b) OCBO.

2.2.3 Organization Citizenship Behavior-Individual

It refers to employee behavior that, in addition to benefiting specific individuals, indirectly benefits organizational performance. This type of behavior includes temporarily replacing absent employees, and supporting new employees. OCB-Is are described as helping behaviors that involve voluntary cooperating and helping colleagues in need, preventing work-related problems, and taking an interest in others (Williams & Anderson, 1991).

2.2.4 Organization Citizenship Behavior-Organization

OCB-organization (OCBO), while referring to employee behavior that is beneficial to the organization also includes the use of non-official rules to maintain the organizational order. The OCB indicators comprised the sub-facets of the OCBI and OCBO behaviors. OCB-Os are described as generalized compliance behaviors that involve being conscientious, consistent attendance, not complaining and respecting organizational rules and property (Williams & Anderson, 1991). Researchers have differentiated between organization-directed OCB (OCBO) and individual-directed OCB (OCBI) (Kaufman et al., 2001). While OCBO are concerned with contributions directed at organizational goals, OCBI are concerned with behaviors directed at individual coworkers, such as offering help to a newcomer or assisting a coworker with heavy workload.
2.3 Relationship of Servant Leadership with Employee In-role Performance

Leadership plays an important role in an organization (Yasir et al, 2016; Yasir & Mohamad 2016). A recent literature review conducted by Parris & Peachey (2013) shows that servant leadership is valuable at both individual and organizational levels. It is important that we develop a better understanding as how can servant leadership be enacted at both the individual and group-levels to influence key outcomes, such as performance or organizational success (Walumbwa et al., 2008).

Liden et al. (2008) observed that servant leadership predicts community citizenship behaviors, in-role performance, and organizational commitment. Leadership is an important resource that significantly impacts employee performance (Wright et al.; 2001). The goal of our study is to explore the direct relationship between Servant leadership and employee performance. Servant leadership may affect subordinates’ attitudes, and in-role performance, which is crucial to represent work (Illies & Judge 2004). Servant leadership’s person oriented attitude places the leader in the role of a steward of the interests of both the organization and its members (Reinke, 2004). Studies have found that servant leadership behaviors predicted significant incremental variance in employee commitment, satisfaction with supervisor, perceived supervisor support, procedural justice, organizational citizenship behavior and in-role performance (Ehrhart, 2004; Liden et al., 2008). Manager’s servant leadership was directly related to employees’ positive behaviors toward the organization. Servant leader’s spiritual orientation helps them to engage the followers in authentic and profound ways so that they are transformed and become what they are capable of becoming (Sendjaya et al., 2008).

Servant leadership, focused on future development through objective performance assessment, is suggested as the optimal leadership style for conducting performance appraisal. Servant leadership theory predicts that organizational leaders who use a particular set of leader behaviors will impact employee perceptions and subsequent actions through the process of social exchange (Andersen, 2009; Liden et al., 2008; Smith et al., 2004; Walumba et al., 2010). A more recent meta-analysis by Riggle et al. (2009) found similar results to Rhoades & Eisenberger (2002) meta-analysis: the relationships between servant leadership, with task and contextual performance.

2.4 Relationship of Servant Leadership with Employee Extra-role Performance

Ehrhart (2004) showed empirical evidence of the relationship between follower’s ratings of servant leadership behavior and manager’s ratings of follower behavior in a multilevel study on OCB, corroborating that servant leadership is an antecedent of unit-level OCB. Servant leadership as a predictor of leader-member exchange quality than transformational leadership and also illustrate a positive relationship between servant leadership and several individual level outcomes, such as, extra effort, employee’s satisfaction, and perceptions of organizational effectiveness. Hu & Liden (2011) found that team leaders who use servant leadership naturally raise the confidence of the team through positive motivation, leading to higher levels of overall team effectiveness and team organizational citizenship behaviors (OCB).

Riketta (2008) meta-analyzed the research on organizational identification and considered all its correlates, including in-role and extra-role performance, as well as its distinction from organizational commitment. His meta-analysis showed evidence that supported the high correlation between organizational identification and extra-role performance because, he noted, organizational identification measures focus on the causes of extra-role behaviors. Cameron & Spreitzer (2012) contend that servant leaders represent a positive approach to organizational behavior because their behavior motivates the employees and helps them realize their full potential. Contextually, Hunter’s et al. (2013) study offered a useful contribution to the literature because their finding has demonstrated significant effect of servant leadership on OCB through service climate. Additionally, a more recent study carried out by Vondey (2010) revealed that servant leadership significantly but partially correlates with OCB, thus suggesting more studies.
2.5 Model of the Study

Servant Leadership
- Altruistic calling
- Emotional healing
- Wisdom
- Persuasive mapping
- Organizational stewardship

Employee Performance
- In-role Behavior
- Organization Citizenship Behavior (I & O)

2.6 Hypotheses

H1. Servant leadership dimensions of Altruistic calling, emotional healing, wisdom, persuasive mapping, and organizational stewardship has positive relationship with employee in-role performance in Malaysian GLC’s.

H2a. Servant leadership dimensions of Altruistic calling, emotional healing, wisdom, persuasive mapping, and organizational stewardship has positive relationship with employee extra-role performance of OCBO in Malaysian GLC’s.

H2b. Servant leadership dimensions of Altruistic calling, emotional healing, wisdom, persuasive mapping, and organizational stewardship has positive relationship with employee extra-role performance of OCBI in Malaysian GLC’s.

3. Conclusion and Future Work

According to this model, given the helping conduct of a leader, managers should adopt this behavior by serving new employees to attain their fullest potential. An ideal servant leadership behavior in workplace appears when a manager can serve first to the new employees. This leadership style can effectively cooperative well with new employees. Servant leadership uniquely explains community citizenship, in-role performance and organizational commitment, suggesting that such leadership exhibits an active concern for the well-being of broader organizational constituencies and the community at large. In further study, the data collection will be done and analysis will be performed in PLS to investigate the role of each dimension of servant leadership in Malaysian government linked companies on employee performance.

References


