TRANSFORMATIONAL LEADERSHIP AND OUTCOMES:
ROLE OF SUPERVISOR’S ORGANIZATIONAL EMBODIMENT

by

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ABSTRACT

Organizational identification has been proposed to mediate the transformational leadership-empowerment association. Using a sample of 327 employees, we examined supervisor’s organizational embodiment (SOE) as an intervening variable in the process. The results showed that SOE moderated the relationship between transformational leadership behavior and organizational identification, which in turn influenced empowerment. In addition, empowerment was found to mediate the relationship between TLB and in-role and extra-role performance.
Chapter 1
INTRODUCTION

Transformational leadership focuses on providing followers with goals that transcend short-term objectives and meet higher order intrinsic needs (Bass & Avolio, 1997; Conger, 1999; Judge & Piccolo, 2004). Transformational leadership theory attempts to understand the enthusiasm and commitment of followers when leaders instill the belief in followers that they are contributing to an important undertaking. However, the findings concerning the relationship between transformational leadership and employees’ perceptions of empowerment are mixed, with some researchers finding a positive relationship (Avolio, Zhu, Koh, & Bhatia, 2004; Gumusluoglu & Ilsev, 2009; Jung & Sosik, 2002) and others reporting a negative relationship (Barling, Christie, & Turner, 2008). If leaders are less representing of the organization, they tend to blame the organization for the bad behaviors such as decrease in payment. Therefore, employees would decrease their identification with the organization. We suggest that, following Kark, Shamir, and Chen (2008), the contribution of transformational leadership to empowerment depends on its contribution to employees’ identification with the organization. Further, such identification may depend on the extent to which followers perceive that the leader embodies the organization, producing high identification with the organization among followers.

LITERATURE REVIEW

Transformational Leadership Behavior and Empowerment

According to transformational leadership theory, transformational leaders try to transcend followers’ self-interests and arouse followers’ higher-order motives for the good of the organization. Podsakoff, MacKenzie, Moorman, and Fetter (1990) classified transformational
leadership behavior (TLB) into six categories, including: identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, providing individual support, and offering intellectual stimulation.

A key aspect of empowerment involves the impact that employees have in their organizations. One important outcome of TLB is empowerment involving the experience of being enabled (Corsun & Enz, 1999). As found by Kark et al. (2003), such impact was be displayed in organization-based self-esteem which involves employees’ sense of personal adequacy arising from fulfilling their needs and thus perceiving themselves as “important, meaningful, effectual, and worthwhile within their employing organization” (Pierce, Gardner, Cummings, & Dunham, 1989, p. 625). Transformational leadership behavior (TLB) has been found to be positively related to followers’ beliefs in the collective efficacy of the group (Jung & Sosik, 2002), organizational commitment (Avolio, Zhu, Koh, & Bhatia, 2004), group performance (Jung & Sosik, 2002), and creativity (Jung, Chow, & Wu, 2003; Gumusluoglu & Ilsev, 2009).

Organizational Identification

Kark, Shamir, and Chen (2003) argued that that TLB led to employees’ empowerment by increasing their identification with the organization. Organizational identification refers to the extent to which individuals base their self-concept on their association with the organization (Mael & Ashforth, 1992). According to Kark et al, to transform employees’ self-interests for the collective good, transformational leaders aim to develop a deep organizational identity among employees, which links employees’ self-concepts to the values, missions, and objectives of the organization (House & Howell, 1992; House & Shamir, 1993; House, Spangler & Woycke, 1991). When employees identify with the organization, they tend to treat successes or failures of the organization as personal successes and failures. As a result, employees increase their sense of self-worth for being a member of the organization (Conger, 1999; Shamir et al., 1993) and they strengthen their motivation to exert control over the job,
which in turn increases empowerment. Therefore, in the present study we expect that organizational identification will mediate the relationship between transformational leadership and empowerment.

Hypothesis 1: Organizational identification mediates the relationship between TLB and empowerment.

Figure 1.1 Summary of Study Hypotheses

Empirical studies have also shown that transformational leadership behavior (TLB) is positively related to empowerment (Avolio, Zhu, Koh, & Bhatia, 2004; Gumusluoglu & Ilsev, 2009; Jung, Chow, & Wu, 2003; Jung & Sosik, 2002). However, other theorists hold other views (Howell, 1988; Kark et al., 2003). For example, Barling, Christie, and Turner (2008) argued that the relationship between TLB and empowerment could be negative when transformational leaders were immoral. According to Barline et al., immoral transformational leaders focus on self-interests. In order to maximize benefits for themselves, they may motivate employees by deception, exert high pressure on employees to conform to their wishes, and treat employees as tools to meet their personal objectives. Therefore, if the leaders were immoral leaders, TLB would undermine employees’ empowerment (Barling, Christie, & Turner, 2008). Furthermore, leaders would take credit for the positive behaviors (e.g., I promote you) and blame the
organization for unfavorable treatments (e.g., they decrease your payment). In this situation, employees would be less identified with the organization, reducing empowerment.

We suggest that the mixed findings of TLB and empowerment association could be because TLB influences organizational identification differently depending on the extent to which the supervisor’s actions are identified by subordinates with the organization. Howell (1988) maintained that the different power motives of the leader would generate different levels of organizational identification. According to Howell, leaders who adopt socialized power motives (motives to care about group well-being and to help others) are more likely to develop high levels of organizational identification, which in turn enhance empowerment. In contrast, leaders who adopt personalized power motives (motives to achieve self-interests and to maintain a personal control over others) are more likely to develop low levels of organizational identification which in turn, decrease employees’ empowerment.

**Supervisor’s Organizational Embodiment**

The extent to which TLB leads employees to identify with the organization may depend on how much employees’ supervisors are perceived to embody the organization or merely to be acting on their own behalf. Even though supervisors are the agents of the organizations (Levinson, 1965), employees sometimes attribute their supervisors’ actions to their supervisors’ interests. This can happen, for example, when leaders take personal credit for favorable treatment of employees and attempt to blame the organization for unfavorable treatment. Therefore, if leaders are not perceived as representing the organization, their behaviors are perceived by employees as representing leaders’ self-interests and it is less likely that employees develop their organizational identification.

As proposed by Eisenberger, Karagonlar, Stinglhamber, Neves, Becker, and Steiger-Mueller (2009), such supervisor’s organizational embodiment (SOE) refers to employees’ assessment of the extent to which their supervisor shares the identity of the organization. According to organizational support theory, employees tend to personify the organization and
ascribe the organization with humanlike characteristics, such as the values, goals, motives and abilities (Eisenberger et al., 1986; Levinson, 1965). As such, employees would compare the characteristics of the organization with those of the supervisor in determining SOE. To the extent to which supervisor’s characteristics overlap with those of the organization, employees would generate high or low levels of SOE.

When SOE is high, the treatment received from the supervisor would be interpreted as coming from the organization. For example, the supervisor’s compliments and criticisms of employees would be experienced as those of the organization. In contrast, when SOE is low, compliments or criticisms from this supervisor would be experienced as reflecting personal attitudes, and the goals provided by the supervisor would be interpreted as personal goals.

As shown in Figure 1, SOE should influence the relationship between TLB and organizational identification. When SOE is high, employees tend to ascribe TLB enacted by the supervisor coming from the organization. Hence, employees will give credit to the organization and generate high levels of positive feelings towards the organization, resulting in high levels of organizational identification. When SOE is low, employees perceive TLB as based on supervisors’ individual interests and thus fail to generalize their experience to the organization, resulting in low levels of organizational identification. In sum, SOE should moderate the relationship between TLB and organizational identification.

Hypothesis 2: SOE moderates the relationship between TLB and organizational identification.

Furthermore, the moderating effects of SOE on organization identification should influence empowerment. As discussed above, employees with a high level of organizational identification tend to feel worthwhile and effective in the group. As a result, they perceive themselves as competent, autonomous, and having control over the job, which should increase empowerment. Given that SOE influences the relationship between TLB and organizational identification, we expect that the moderating effect of SOE on the relationship between TLB and organizational identification will carry through to empowerment (see Figure 1).
Hypothesis 3: Organization identification mediates the relationship between the TLB-by-SOE interaction and empowerment.

Empowerment and Performance

Prior research has shown that TLB increases performance by empowering employees to perform their job independently (Jung & Sosik, 2002). Transformational leaders arouse employees’ higher order needs such as respect, achievement, and autonomy, which, in turn, increase employees’ empowerment. According to the social exchange theory (Blau, 1964, Gouldner, 1960), highly empowered employees tend to exert more effort to perform their job in return for the favorable treatment they received from the organization. In addition, transformational leaders express their expectations of high levels of performance and challenge employees to think critically and independently. As a result, employees will gain more control in their work, which in turn increase their intrinsic motivation to increase work performance. This argument has been supported by studies that find empowerment to be positively related to performance (Gilad, Bradley, Ruth, Don, & Benson, 2007; Jung & Sosik, 2002; Marcus, Rober, David, Bryan, & Mark, 2009). In this study, we examine two performance variables (in-role behavior and extra-role behavior) and we propose that empowerment mediates the relationship between TLB and both types of performance.

Hypothesis 4: Empowerment mediates the relationship between TLB and in-role/extra-role performance.
Chapter 2

METHOD

Sample and Procedure

The study was carried out in a social service company located in the northeastern United States. We gave employees verbal and written assurances that their individual responses would be kept confidential and that only group data would be reported to the organization. A total of 327 employees out of 508 (64.4%) responded to the questionnaire. Overall, these employees had an average age of 42.8 years (SD=10.9). They had been employed by their organization an average of 5.2 years (SD=5.0) before responding to the questionnaire. There were 107 supervisors and on average, each supervisor had 3.1 subordinates.

Measures

For all but the control variables, respondents rated their agreement with each statement using a 7-point Likert-type scale (1 = strongly disagree; 7 = strongly agree).

Control variables. In our study, we controlled for age, gender, education and dyadic tenure (tenure of subordinate-supervisor relationship).

Supervisor’s Organizational Embodiment (SOE). We developed a 9-item scale to assess employees’ perceptions of the extent to which supervisors and the organization are synonymous. Consistent with our conceptualization of SOE, we included items assessing employees’ global belief that supervisors represented the organization and items examining employees’ view that supervisors’ behaviors were synonymous of organization’s behaviors. Sample items are: “My supervisor is typical of (organization)” ; “When I am evaluated by my supervisor, it is the same as being evaluated by (organization)”. (α=.88)
Transformational Leadership Behavior (TLB). We used the 23-item Transformational Leadership Behavior Scale (Podsakoff et al., 1990). The scale is composed by six sub-dimensions that form a single second-order factor (Podsakoff et al., 1990). The factors are: identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, providing individual support, and intellectual stimulation. We conducted a confirmatory factor analysis to test the higher-order factor model and we found the model to fit our data ($\chi^2=470.2$, df=224; RMSEA=.058; CFI=.931; TLI=.922). Therefore, we used the scale to assess TLB ($\alpha=.93$).

Organizational-based Self-Esteem (OBSE). We used 7 items from the organization-based self-esteem scale developed by Pierce, Gardner, Cummings, and Dunham (1989) to measure empowerment ($\alpha=.84$). A sample item is “I am appreciated around here”.

Organizational Identification. We used 6 items of the scale developed by Mael and Ashforth (1992) ($\alpha=.75$). Item example: “When someone criticizes (organization), it feels like a personal insult”.

In-role Behavior. Supervisors evaluated their subordinates using Williams and Anderson’s (1991) five in-role items ($\alpha=.91$). A sample item is: “This employee meets formal performance requirements of the job”.

Extra-role Behavior. Supervisors evaluated their subordinates’ extra-role performance in four categories of organizational spontaneity, denoted by George and Brief (1992) as activities performed voluntarily that increase organizational effectiveness: making constructive suggestions, enhancing one’s own knowledge and skills in ways that will help the organization, protecting the organization from potential problems, and helping co-workers. Two items were extracted from Van Dyne, Graham, and Dienesch’s (1994) and Eisenberger et al. (2001), and six items were specifically constructed for this study. Sample items are: “This employee takes actions to protect the organization from potential problems” and “This employee keeps well-informed where his/her opinion might benefit the organization” ($\alpha=.95$).
Construct Validity Evidence

We conducted confirmatory factor analyses to examine the distinctiveness of the six constructs: TLB, SOE, organizational identification, Empowerment, in-role behavior, and extra-role behavior. Using chi-square difference tests (Bentler & Bonett, 1980), we compared the fit of five nested models, ranging from the hypothesized six-factor model to a single-factor model. As shown in Table 1, the chi-square difference tests and overall fitness indexes showed that the hypothesized six-factor model fit the data significantly better than all alternative models (Medsker, Williams, & Holahan, 1994).

Table 2.1 Confirmatory Factor Analyses of Nested Models

<table>
<thead>
<tr>
<th>Model</th>
<th>df</th>
<th>$\chi^2$</th>
<th>$\chi^2$ diff.</th>
<th>RMSEA</th>
<th>CFI</th>
<th>TLI</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-factor model</td>
<td>650</td>
<td>1284.49</td>
<td>--</td>
<td>.055</td>
<td>.92</td>
<td>.92</td>
</tr>
<tr>
<td>factor model (based on the above model,</td>
<td>655</td>
<td>1902.96</td>
<td>618.47***</td>
<td>.09</td>
<td>.85</td>
<td>.83</td>
</tr>
<tr>
<td>combine extra-role and in-role behavior)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-factor model (based on the above model,</td>
<td>659</td>
<td>2429.18</td>
<td>526.22***</td>
<td>.09</td>
<td>.78</td>
<td>.77</td>
</tr>
<tr>
<td>combine SOE and TLB)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-factor model (based on the above model,</td>
<td>662</td>
<td>2684.52</td>
<td>255.34***</td>
<td>.10</td>
<td>.75</td>
<td>.74</td>
</tr>
<tr>
<td>combine organizational identification and Empowerment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-factor model (based on the above model,</td>
<td>663</td>
<td>2856.78</td>
<td>172.26***</td>
<td>.10</td>
<td>.73</td>
<td>.71</td>
</tr>
<tr>
<td>combine SOE, TLB, organizational identification, and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowerment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-factor model</td>
<td>664</td>
<td>5874.22</td>
<td>3017.4***</td>
<td>.16</td>
<td>.36</td>
<td>.32</td>
</tr>
</tbody>
</table>

Note. N = 327. The results are described in the text.
*** p < .001.

Analysis Strategy

Because subordinates were nested in groups identified through supervisors, the use of ordinary least squares modeling is not appropriate due to the violation of the assumption of independence of observations (Raudenbush & Bryk, 2002). As a result, we used hierarchical linear modeling to analyze our data (HLM 6.0). In all the models used to test the hypotheses, we included employees’ age, gender, education and dyadic tenure as control variables.
To test mediating effects (Hypothesis 1 and Hypothesis 3), we used Krull and MacKinnon’s (2001) product of indirect effects method, where we calculated the product of (a) the effect of independent variables on the mediator; and (b) the effect of the mediator on the dependent variable, controlling for the independent variable. MacKinnon, Lockwood, Hoffman, West, and Sheets (2002) demonstrated that the z-prime method of testing mediation provides superior power and a lower Type 1 error rate than other methods. Therefore we performed Sobel tests using the z-prime statistic to assess the significance of the mediating effects.

Hypothesis 2 predicted that the relationship between TLB and organizational identification would be moderated by SOE (see Figure 1). To test this hypothesis, we computed the interaction term as the product of TLB and SOE, both grand mean-centered (Cohen, Cohen, West, & Aiken, 2003).
Chapter 3

RESULTS

Means, standard deviations, reliabilities, and the zero-order correlations are shown in Table 2.2.

Table 2.2  Means, Standard Deviations and Intercorrelation of All Variables

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Age</td>
<td>42.78</td>
<td>10.92</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Dyadic tenure</td>
<td>2.90</td>
<td>1.41</td>
<td>.094</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Education</td>
<td>3.37</td>
<td>1.60</td>
<td>.135*</td>
<td>.019</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Sex</td>
<td>.34</td>
<td>.47</td>
<td>.121*</td>
<td>-.054</td>
<td>.116*</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. TLB</td>
<td>5.29</td>
<td>1.03</td>
<td>.048</td>
<td>.147**</td>
<td>-.018</td>
<td>.077</td>
<td>(.93)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. SOE</td>
<td>4.97</td>
<td>1.24</td>
<td>.026</td>
<td>.096</td>
<td>-.083</td>
<td>.123</td>
<td>.506**</td>
<td>(.88)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Empowerment</td>
<td>5.51</td>
<td>1.05</td>
<td>.080</td>
<td>.215**</td>
<td>-.141*</td>
<td>.043</td>
<td>.527**</td>
<td>.515**</td>
<td>(.84)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Organizational Identification</td>
<td>5.06</td>
<td>1.10</td>
<td></td>
<td></td>
<td>.158**</td>
<td>.089</td>
<td>-.03</td>
<td>.093</td>
<td>.307**</td>
<td>.632**</td>
<td>.449**</td>
<td>(.75)</td>
</tr>
<tr>
<td>9. Extra-role behavior</td>
<td>4.57</td>
<td>1.38</td>
<td>.118*</td>
<td>.059</td>
<td>.160**</td>
<td>-.102</td>
<td>.145**</td>
<td>-.102</td>
<td>.156**</td>
<td>.085</td>
<td>(.95)</td>
<td></td>
</tr>
<tr>
<td>10. In-role behavior</td>
<td>5.32</td>
<td>1.22</td>
<td>.044</td>
<td>.095</td>
<td>.012</td>
<td>.152**</td>
<td>.174**</td>
<td>-.041</td>
<td>.171**</td>
<td>.090</td>
<td>.714**</td>
<td>(.91)</td>
</tr>
</tbody>
</table>

Note. N=327 for all variables. Cronbach’s alphas are provided in parentheses on the diagonal. *p<.05. **p<.001.

Tests of Hypotheses

To assess how much variance was explained across groups of employees managed by each supervisor, we calculated intra-class correlation coefficients (ICC (1)) using fully unconditional random intercept models. Results showed that subordinates differed significantly across organizational identification ($\tau_{00} = .10$, $\chi^2 (105) = 130.71$, $p < .05$, ICC (1) = .08), Empowerment ($\tau_{00} = .11$, $\chi^2 (105) = 141.79$, $p < .01$, ICC (1) = .10), in-role performance ($\tau_{00}$
= .26, χ²(105) = 170.81, p < .001, ICC (1) = .18) and extra-role performance (τ₀₀ = .71, χ²(105) = 302.85, p < .001, ICC (1) = .37). These results suggest the appropriateness of using HLM for the tests of the hypotheses.

Table 3 shows the results concerning Hypothesis 1 which proposes that organizational identification mediates the relationship between TLB and empowerment. A Sobel test, using the z-prime distribution, indicated that organizational identification mediated the influence of the TLB on empowerment (z' = 3.51, p < .001), supporting Hypothesis 1.

### Table 2.3 Mediating effect of Organizational Identification in the Association between Transformational Leadership Behavior and Empowerment

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
<th>Organizational Identification</th>
<th>Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coefficient</td>
<td>SE</td>
<td>t ratio</td>
</tr>
<tr>
<td>Intercept (β₀)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept (γ₀₀)</td>
<td>5.05</td>
<td>.06</td>
<td>78.7***</td>
</tr>
<tr>
<td>Age (β₁)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept (γ₁₀)</td>
<td>.01</td>
<td>.01</td>
<td>1.92</td>
</tr>
<tr>
<td>Dyadic tenure (β₂)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept (γ₂₀)</td>
<td>.04</td>
<td>.04</td>
<td>.84</td>
</tr>
<tr>
<td>Education (β₃)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept (γ₃₀)</td>
<td>-.01</td>
<td>.04</td>
<td>-.27</td>
</tr>
<tr>
<td>Sex (β₄)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept (γ₄₀)</td>
<td>.17</td>
<td>.12</td>
<td>1.41</td>
</tr>
<tr>
<td>TLB (β₅)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept (γ₅₀)</td>
<td>.38</td>
<td>.08</td>
<td>5.00</td>
</tr>
<tr>
<td>Organizational</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identification (β₈)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept (γ₈₀)</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
</tbody>
</table>

*Note. Level-1 N = 320. Level-2 N = 105.

*p < .05. ** p< .01. *** p< .001.

As can be seen on the left hand portion of Table 4 and as predicted by Hypothesis 2, the interaction of TLB with SOE on the organizational identification was statistically significant.
(γ70 = .11, t (312) = 3.27, p < .01). In order to analyze this interaction, we plotted the slopes of TLB predicting organizational identification at one standard deviation above and one standard deviation below the mean of SOE (Cohen et al., 2003). As shown in Figure 2, the relationship between TLB and organizational identification was positive and significant at high SOE (B = .17, t (312) = 3.40, p < .001) and was negative and significant at low SOE (B = -.11, t (312) = -1.94, p=.05), suggesting that TLB increases employees’ organizational identification when SOE is high, and decreases organizational identification when SOE is low.

Table 2.4  Moderating Effect of SOE and Mediated Moderation in the Association between Transformational Leadership Behavior and Organizational Identification

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organizational Identification</td>
</tr>
<tr>
<td></td>
<td>Coefficient</td>
</tr>
<tr>
<td>Intercept (β0)</td>
<td>5.06</td>
</tr>
<tr>
<td>Intercept (γ00)</td>
<td>5.06</td>
</tr>
<tr>
<td>Age (β1)</td>
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</tr>
<tr>
<td>Intercept (γ10)</td>
<td>.01</td>
</tr>
<tr>
<td>Dyadic tenure (β2)</td>
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</tr>
<tr>
<td>Intercept (γ20)</td>
<td>.02</td>
</tr>
<tr>
<td>Education (β3)</td>
<td>.01</td>
</tr>
<tr>
<td>Intercept (γ30)</td>
<td>.01</td>
</tr>
<tr>
<td>Sex (β4)</td>
<td>-0.03</td>
</tr>
<tr>
<td>Intercept (γ40)</td>
<td>-0.03</td>
</tr>
<tr>
<td>TLB (β5)</td>
<td>.03</td>
</tr>
<tr>
<td>Intercept (γ50)</td>
<td>.03</td>
</tr>
<tr>
<td>SOE (β6)</td>
<td>.55</td>
</tr>
<tr>
<td>Intercept (γ60)</td>
<td>.55</td>
</tr>
<tr>
<td>TLB x SOE (β7)</td>
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</tr>
<tr>
<td>Intercept (γ70)</td>
<td>.11</td>
</tr>
<tr>
<td>Organizational Identification (β8)</td>
<td></td>
</tr>
<tr>
<td>Intercept (γ80)</td>
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</tr>
</tbody>
</table>

Note. Level-1 N = 320. Level-2 N = 105.
*p < .05. ** p < .01. *** p < .001.
We used the information shown in Table 4 to test Hypothesis 3, which predicted mediated moderation such that the influence of TLB by SOE interaction effect on empowerment is mediated by organizational identification. A Sobel test supported the mediated moderation prediction ($z' = 1.76$, $p < .05$; critical z-prime value for statistical significance = .97).

Finally, we predicted that empowerment would mediate the relationship between TLB and both in-role behavior and extra-role behavior (Hypothesis 4). As shown in Table 5, Empowerment had a significant positive effect on in-role behavior ($\gamma_{07} = .19$, $t(104) = 2.44$, $p < .05$) and extra-role behavior ($\gamma_{07} = .31$, $t(104) = 3.86$, $p < .001$). A Sobel test supported Hypothesis 4 (for extra-role performance, $z' = 3.26$, $p < .001$; for in-role performance, $z' = 2.21$, $p < .05$).
Table 2.5  Hierarchical Linear Modeling Results for the Relationship of Empowerment and In-role Behavior and Extra-role Behavior

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
<th>Extra-role Behavior</th>
<th>In-role Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Coefficient</td>
<td>SE</td>
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<tr>
<td>Intercept ($\beta_0$)</td>
<td>Intercept ($\gamma_{00}$)</td>
<td>4.57</td>
<td>.11</td>
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<tr>
<td>Age ($\beta_1$)</td>
<td>Intercept ($\gamma_{10}$)</td>
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<td>.01</td>
</tr>
<tr>
<td>Dyadic tenure ($\beta_2$)</td>
<td>Intercept ($\gamma_{20}$)</td>
<td>.04</td>
<td>.05</td>
</tr>
<tr>
<td>Education ($\beta_3$)</td>
<td>Intercept ($\gamma_{30}$)</td>
<td>.09</td>
<td>.05</td>
</tr>
<tr>
<td>Sex ($\beta_4$)</td>
<td>Intercept ($\gamma_{40}$)</td>
<td>-.36</td>
<td>.14</td>
</tr>
<tr>
<td>TLB ($\beta_5$)</td>
<td>Intercept ($\gamma_{50}$)</td>
<td>.21</td>
<td>.09</td>
</tr>
<tr>
<td>Organizational Identification ($\beta_6$)</td>
<td>Intercept ($\gamma_{60}$)</td>
<td>-.01</td>
<td>.08</td>
</tr>
<tr>
<td>Empowerment ($\beta_7$)</td>
<td>Intercept ($\gamma_{70}$)</td>
<td>.31</td>
<td>.08</td>
</tr>
</tbody>
</table>

*Note. Level-1 $N = 320$. Level-2 $N = 105$.  
* $p < .05$.  ** $p < .01$.  *** $p < .001$.  

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Chapter 4
DISCUSSION

The main purpose of the present study is to propose SOE as a moderating mechanism in the relationship between TLB and organizational identification, which in turn influences empowerment. Additionally, we examine the mediating effects of empowerment on the relationship between TLB and in-role behavior and extra-role behavior. Our findings support our hypotheses and suggest several implications.

Our results showed that when employees strongly identified their supervisor with the organization (high SOE), the relationship between TLB and organizational identification was strengthened, which in turn led to greater empowerment. When employees identified the supervisor with the organization to only a small degree, the relationship between TLB and organizational identification was undermined, which in turn decreased empowerment. This result suggests that in order to understand the mixed findings of the relationship between TLB and empowerment, a key issue is to understand the association between TLB and organizational identification. This argument is consistent with Bass and Avolio (1993) who maintained that a common way for TLB leaders to exert their influence was to create organizational identification. Indeed, as Conger (1999) pointed out “A shared identity among individuals increases the heroic motive and the probability that individual self-interests will be abandoned voluntarily for the collective and altruistic undertakings.” (p. 156) The result of our study provides evidence for the organizational identification being an important mechanism in the TLB effects.

Secondly, our study has shown that the extent to which employees perceive their leaders as embodying the organization (SOE) plays a significant role in the relationship between TLB and organizational identification. The focus of SOE provides a new perspective in examining employees’ perception of their leaders. Previous transformational leadership literature
on employees’ perception of their leaders is largely focused on employees’ perception of leaders’ dispositional characteristics such as the power motive (Howell, 1999) or morality (Barling et al., 2007). The exclusive focus on leaders’ personal characteristics fails to take into consideration the supervisor’s relationship with the organization. The present findings suggest that how much the employees perceive the leader as the representative of the organization should influence employees’ identification of their supervisor with the organization so that favorable leadership behavior is attributed in part to the organization, leading to greater employee identification with the organization.

Further research is needed to empirically test the specific mechanisms through which SOE exerts its moderating effect on the relationship between TLB and organizational identification. Employees tend to perceive transformational leaders as extraordinary (Weber, 1947), and generate such positive feelings as liking, admiration, and idolization (Conger, 1999). SOE may enhance the transference of positive feelings from leaders to the organization: when leaders are believed to represent the organization, it is more likely that employees may also believe the organization is exceptional, resulting in a higher level of organizational identification.

Finally, our results showed that empowerment mediated the relationship between TLB and both in-role behavior and extra-role behavior. This result was consistent with previous research where empowerment was positively related to performance (Gilad et al., 2007; Jung & Sosik, 2002; Marcus et al., 2009). The present study findings explain how transformational leadership can lead to empowerment, and provide evidence for the argument that empowered employees increase their efforts to help the organization reach its objectives.

We should point out limitations in the current study. First, our study focused on a single perspective of empowerment, impact. In order to obtain a comprehensive understanding of SOE effects, future research might investigate such other aspects of empowerment as competence, self-determination, and meaning (Spreitzer, 1995). Second, the usual caveats about the use of a cross-sectional design apply. On the positive side, the present results replicated prior findings concerning the relationships among TLB, identification, and empowerment in
demonstrating the additional role of SOE. Further, the outcomes of in-role and extra-role performance demonstrate the practical significance of the findings.

The present study findings provide important practical implications. It is important for transformational leaders to pay attention to the image they project to employees concerning their organizational embodiment. Our results suggest that SOE moderates the relationship between TLB and organizational identification which may ultimately influence empowerment and employees’ performance. Thus, leaders need be sensitive to employees’ attributions concerning the motivation of their transformational behaviors. Effective leaders link their behaviors to the organization and motivate employees through these behaviors. As Bass and Aolio (1993) pointed out, if the leader were to become too much the centerpiece, it would undermine their ability to influence the followers. Additionally, our findings provide insights into how organizational identification can be increased or decreased by SOE. SOE is instrumental to the development of organizational identification. As a result, leadership training programs aimed at developing leaders’ transformational skills should incorporate ways for participants to identify themselves to subordinates as strongly linked to the organization.
REFERENCES


