

The history of transformational leadership management essay

[Business](#), [Management](#)



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\n[/toc]\n \nCorporate volunteering has been defined as company assistance

allowing employees to renounce their time and volunteer their expertise within a community (Wild, 1993). Such programmes have been increasingly endorsed by employers (Bowen, Burke, Little & Paul, 2009) with over 90% of Fortune 500 companies conducting volunteer programs (Boccalandro, 2009) Although the call for an increase in CSR (Corporate Social Responsibility) may have arisen from consumers, due to the increase in global media (Allen, 2003), businesses are now recognising the benefits of such programs.

Increased employer attractiveness (Peterson, 2004), increased business reputation (Schwaiger, 2004) which in turn increases competitiveness (Gray & Balmer, 1998) and improved innovation (Hull & Rothenberg, 2008) have all been cited as benefits within the literature. Moreover Margolis & Walsh (2003) suggested there is a positive relationship between CSR and financial performance. As well as having a direct impact on business performance employees also benefit from CSR. Increased employee motivation has been observed, perhaps due to a better working environment (COM, 2001) or harnessing motivation from participation in CSR activities (Weber, 2008), as

well as improved corporate culture (Brown & Ashcraft, 2005). Currently around 90% of the CSR research conducted reviews the organisational benefits (Aguinis and Glavas, 2012). However from the volunteer research, it is clear that volunteering can produce many benefits for the volunteer. Not only do people achieve a renewed sense of contribution to society (Kemp, 2002) but life skills can also be developed; such as an increased self-esteem (Crook, Weir, Wilms & Egdorf, 2006) and strengthened communication skills (Statistics Canada, 2001). Moreover job specific skills can be developed including; organisational and managerial skills (Statistic Canada, 2001), technical skills relating to their job (Crook, Weir, Wilms & Egdorf, 2006) and learning to work with a diverse group of people (Kemp, 2002). In turn this has allowed volunteers to receive improved job opportunities (Hall, Mckechnie, Davidman, 2001; Husbands, McKechnie, Leslie, 2001). When reviewing the CSR research on volunteer benefits, many skills have been found to increase following CSR involvement including; adaptability (Thomas, 2001; Tuffery, 1998), teamwork (Wild, 1993; Caudron, 1994; Tuffery, 1998) leadership skills (Tuffery, 1998) and cultural intelligence (Marquis & Kanter, 2009). Employees agree that CSR activities develop skills which are transferable and useful within their work environment (Geroy, Wright, Jacoby, 2000), which has led some to suggest CSR involvement to be an effective way of developing job related skills (Laabs, 1993). Attitudes can also be developed through CSR activity with volunteering being linked to greater employee retention and job satisfaction (Boccalandro, 2009). As well as increasing employee engagement, improving employee attitudes and behaviour towards the firm (de Gilder, Schuyt & Breedijk, 2005). As research

has identified that skills and attitudes can be developed through corporate volunteering, and corporate volunteering can have a direct effect on business performance, it has been suggested that companies encourage employees to take part in corporate volunteering to develop skills, instead of attending and relying on training courses which cost money (Caudron, 1994). This could be a positive move for businesses as not only does the return on investment for corporate responsibility overcome the cost, but research has identified that within the profiles of successful employees 70 percent of their development " has been on the job" including challenging projects (Velsor, McCauley, Ruderman, 2010). Work engagement is defined as " a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption" (Schaufeli & Bakker, 2004, p. 295) and is often described as the opposite of burnout (Bosman, Rothmann & Buitendach, 2005). This state like characteristic (Tims, Bakker & Xanthopoulou, 2011) comprises three parts, vigor, dedication and absorption (Schaufeli & Bakker, 2004). An engaged workforce has a high employee retention (Harter, Schmidt, & Hayes, 2002) increased levels of enthusiasm and energy regarding their work, (May, Harter & Gilson, 2004) perhaps explaining why engaged workforces have higher productivity (Harter, Schmidt, & Hayes, 2002). They also have better performance (Christian, Garza, & Slaughter, 2011) and display more proactive behaviour in their job (Sonnetag, 2003). Businesses are beginning to recognise these advantages, identifying that their main competitive advantage is in their employee's talent (Koyuncu, Burke & Fiksenbaum, 2006) rather than technological advances. Therefore an increasing number of businesses are now encouraging their employee

assets, by trying to comprehend psychological constructs such as engagement (Koyuncu, Burke & Fiksenbaum, 2006). Through this understanding of positive employee behaviour, leaders within organisations are looking to improve aspects of employee wellbeing such as work satisfaction which can assist an organisation trying to retain talent whilst, ensuring their workers are at their best. Employees have been found to have higher work engagement when they have taken part in CSR activities compared with colleagues, (de Gilder, Schuyt, & Breedijk, 2005) with engagement being seen to be sustainable when employees return to work under certain circumstances (Caligiuri, Mencia & Jiang, in press). This relationship may be due to former volunteers viewing their employer in a more positive light since engaging in CSR activities (Pajo & Lee, 2011).

Organisational Commitment

Organisational commitment is a psychological construct that encompasses the connection between the employee and organisation (Rashid, Sambasivan & Johari, 2003) with more committed individuals aligning themselves to the organisation no matter what the circumstances (Meyer & Allen, 1997). This construct contains three aspects; affective, normative and continuance commitment (Meyer & Allen, 1997). Organisations are increasingly beginning to appreciate the value of organisational commitment as it can bring many direct business benefits. Improved service and customer satisfaction (Malhotra & Mukherjee, 2004) which may increase an organisations' customer base, increased creativeness and innovation (Katz & Kahn, 1978) helping organisations to stay ahead of competitors are some of the benefits. Organisational commitment can also directly impact the workforce with

highly committed employees being more likely to demonstrate higher job satisfaction (Bekhoff, 1997), decreased absenteeism (Angle & Perry, 1981), and lower staff turnover (Gregson, 1992). Moreover it can increase employee effectiveness (Laschinger, 2001) which could explain why organisations that score higher on organisational commitment perform better (Riketta, 2002). However a meta-analysis showed that often this relationship can be affected by mediating factors. It has been found that 58% of UK employees consider CSR within the organisation they work for as important (Dawkins, 2004), particularly within the recruitment of graduates (Scott, 2004). Employees perception of their organisations' CSR activities has an impact on organisational commitment (Brammer, Millington & Rayton, 2007) with employees who have participated in corporate volunteering programs having higher organisational commitment (Gilder, Schuyt & Breedijk, 2005; Tuffrey, 2002). It has therefore been suggested that corporate volunteering schemes could help to improve organisational commitment which may have been reduced due to other work factors such as; lower pensions & lack of lifelong job (Tuffery, 2002). However it must be considered that employees who volunteer may have higher organisation commitment prior to volunteering (Peterson, 2004) and therefore these results should be interpreted with caution.

Cultural intelligence

Cultural intelligence refers to the ability to suspend judgement regarding a situation, until enough information has been received to make an unbiased judgement (Triandis, 2006). It has been seen to be useful in culturally

diverse situations, where taking into account more information than your own cultural background, helps to conclude an unbiased opinion of a situation or person (Earley & Mosakowski, 2004). Cultural intelligence can be broken down into four aspects; the cognitive aspect, which refers to aspects people understand about a new culture based on present cues (Earley & Ang, 2003), the meta-cognitive aspect, which describes the ability to understand your own interpretation and perception of a culture (Ang et al, 2007). The motivation aspect, which refers to the enthusiasm someone has to learn about a new culture using this to inform their behaviour. Finally the behavioural aspect, which refers to the ability to be sensitive to new cultures changing your behaviour accordingly. (Elenkov, McMahan, 2005). It has been observed that cultural intelligence is a critical component of business intelligence (Zakak & Douvas, 1999), especially if employees are working for multi-national companies, working across many different markets and therefore cultures. Cultural intelligence is also thought to be a significant trait within an effective leader, (Alon & Higgins, 2005; Elenkov & Maney, 2005) Being seen as most critical when the leader holds a position which requires thinking across multiple markets (Elenkov & McMahan, 2005), as low cultural intelligence can cause leaders to produce stereotypes which may, produce unnecessary conflict and result in delays (Holmes, 2002). As globalisation has developed the likelihood of businesses working over multiple markets an effective leader needs to have high cultural intelligence enabling them to continue to have an impact on the current market. Corporate volunteering has been seen to increase cultural intelligence

(Marquis & Kanter, 2009), perhaps due to the broad cultural situations volunteers are exposed to.

Transformational Leadership

Transformational leadership describes leaders which encourage employees to accomplish goals beyond expectations through transformation attitudes, beliefs and values rather than merely confirming to the leaders ideals (Bass, 1985). This is done through " identification with the leader, joining in a shared vision of the future, or going beyond the self-interest exchange of rewards for compliance"(Hater & Bass, 1988, p. 695). Such leaders can have a big impact not only on organisations but also employees through creating innovative ideas, promoting commitment and encouraging change such leaders can bring about a big organisational change (Tichy & Devanna, 1990). The workforce is also effected by such leadership, through developing their employees so effectively that they are able to take on a leadership role (Bass & Avolio, 1994). Transformational leaders bring about change through developing a connection between themselves and employees, this accounts for the exaggerated group performance which can be observed (Bass, 1989). Transformational leadership has been demonstrated as having a positive effect on employee performance (Trottier, Van Wart & Wang, 2008), through increasing commitment and strengthening skills of the workforce (Bass, 1999). These findings have been replicated in both field (Dvir, Eden, Avolio & Shamir, 2002) and experimental studies (Jung & Avolio, 2000) adding weight to the suggestion that transformational leadership affects organisational performance. Transformational leadership can be seen to have an effect on

the whole organisation as the leadership style is easily transferred (Kelloway & Barling, 2000). It has been suggested that leadership skills can be developed through corporate volunteering programs (Post, Frederick, Lawrence & Weber, 1996) with both Barclays Bank and Pfizer reporting an increase in leadership following employee involvement in corporate volunteering (Institute for Volunteering Research, 2004; Vian, Feeley, MacLeod, Richards & McCoy, 2007). As a result corporate volunteering can be a method of leadership development (Hansen, 2008).

Present study

There is a need for greater empirical evidence reviewing the outcomes of CSR (McWilliams & Sigel, 2011) as the majority of the research has been conducted at organisational level (Aguinis & Glavas, 2012). Moreover the majority of the research that has been conducted has been qualitative (Geroy, Wright, Jacoby, 2000); therefore there is a research need for quantitative research on employee volunteer programmes. This study aims to quantitatively investigate corporate volunteering programmes at volunteer level, reviewing the interaction of work engagement, organisational commitment, cultural intelligence and transformational leadership.

Hypotheses

H1 - Those who have taken part in corporate volunteering will report higher leadership behaviours, cultural intelligence, organisational commitment and work engagement than those who have not taken part. H2 - Corporate volunteering will be associated with cultural intelligence, leadership development and work engagement. H3 - Cultural intelligence will mediate

the relationship between corporate volunteering and leadership development. H4 - Work engagement will mediate the relationship between corporate volunteering and organisational commitment.