CHAPTER 1

INTRODUCTION

The study of leadership and influence tactics contributes significantly to the advancement of knowledge in the area of organisational behaviour and management. One of the major success factors of supervisory roles in any organisation lies in the key area of leader behaviour and the influence tactics used by the leader to motivate subordinates to achieve organisational goals. The initial report by Graen (1976) indicates that leaders build different types of relationships with different subordinates and these relationships can be observed from the influence perspectives.

In general, most previous studies on leadership behaviour have focused on the outcomes of leadership behaviour such as leader effectiveness (Avolio, Yammarino, & Bass, 1991; Bass, 1985a; Bass & Avolio, 1989), subordinates' satisfaction (Avolio et al., 1991; Bass, 1985a, 1985b; Seltzer & Bass, 1990), performance (Avolio, Waldman, & Einstein, 1988; Bass, 1985a), subordinate effort (Bass, 1985a; Seltzer & Bass, 1990), employees' organisational commitment (Barling, Weber, & Kelloway, 1996; Lee, 2005) and trust (Bass, 1985a; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Another stream of leadership studies focused on attempting a broader and more integrated perspective. Trevion, Brown, and Harman (2003) have conducted an inductive interview-based study with corporate ethics officers and senior executives on their perceived ethical leadership and contrast it with 'ethically neutral' leadership, while Lynham and Chermack (2006) indicate in general, leadership literature has shown an

absence of integrative theory prompting them to pursue an integrative perspective of leadership that focuses on leadership responsibility to both people and performance. Subsequently, more studies on leadership have linked with organisational learning and knowledge management. There are numerous researchers supporting the idea that organisation can be adaptive and innovative depends on its environment that stimulates employees learning process to create new ideas or knowledge (Calantone, Cavusgil, & Zhao, 2002; Craig & Moores, 2006; Dodgson, 1993; Huber, 1991; Hurley & Hult, 1998; Kim, 1993; Nonaka, 1994; Senge, 1990; 1996; Sutcliffe & Huber, 1998; Therin, 2002; Kempster & Parry, 2004; Parry & Rowland, 2009).

Likewise, empirical research on influence focuses on power (Brass & Burkhardt, 1993; Ibarra, 1993; Rahim, 1989; Raven, Schwarwald, & Koslowsky, 1998; Yukl, Kim & Falbe, 1996), and the types of influence tactics supervisors attempt are linked with their objectives (Kipnis, et al., 1980; Yukl & Falbe, 1990; Yukl, Guinan, & Sottolano, 1995). The influence outcomes explored are commitment, resistance and compliance (Yukl et al., 1996), helping behaviour (Sparrowe, Soetjipto, & Kraimer, 2006), effectiveness (Brennan, Miller, & Seltzer, 2001) and members' performance (Soetjipto, 2002). Research examining the relationship between various leadership behaviours and influence tactics in general are numerous (Cable & Judge, 2003; Charbonneau, 2004; Clarke & Ward 2006; Deluga, 1988a, 1988b; Lamude & Scudder, 1995; Soetjipto, 2002; Tepper, Eisenbach, Kirby, & Potter, 1998, Warren, 1998; Yukl & Chavez, 2002; Yukl et al., 1995), however limited studies have exactly examined the types of downward influence tactics used by different transformational and transactional leadership styles. The use of transformational-transactional leadership typology is fitting for this study as

this typology implicitly emphasises the great leader (Robbins & Judge, 2011).

In Malaysia, literature relevant to these two major streams of leadership and influence strategies is limited, especially research studies of transformational-transactional leadership and downward influence tactics are not well integrated. This evidence can be observed where study on downward influence strategies that superiors use in combination with their leadership styles is relatively recent (Ansari, 1990; Yukl, 1998). Additionally, in Malaysian setting, studies on Malaysian leadership style have not reached conclusive support on leadership. For instance, Govindan (2000), exploring the leadership preference among Malaysian managers, found that participative and consultative styles are preferable, while Gill (1998), studying cross-cultural leadership styles, found Malaysian leaders are inclined more towards directive, controlling and transactional type of leadership.

The exploration of the relationships between the broad aspect of organisational contexts and influence tactics can be identified in some of the past literature (e.g. Brass, 1984; Cheng, 1983; Ferris, Duleboun, Frink, George-Falvy, Mitchell, & Matthews, 1997; Sullivan, Albrecht, & Taylor, 1990). The inclusion of variables such as subordinates' competence (e.g. Boyatzis, 1982; Skinner & Wellborn, 1997; Spencer, 1983) and role ambiguity (e.g. Hickson, Hinings, Lee, Schoeck, & Pennings, 1971; Jackson & Schuler, 1985; Kahn, Wolfe, Quinn, Snoeck, & Rosenthal, 1964; Pearce, 1981; Rizzo, House, & Lirtzman, 1970) served to investigate the roles of intervening variables on the relationship between antecedents and outcomes. Some research examined the outcomes of influence tactics such as satisfaction (Castro, Douglas, Hockwarter, Ferris, & Frink, 2003) and organisational citizenship behaviour (OCB) or helping behaviour (Barbuto,

3

2000; Dulebohn, Shore, Kunze, & Dookeran, 2005; Moideekutty, 2006; Soetjipto, 2002; Pillai, Schriesheim, & Williams, 1999; Sparrowe et al., 2006).

Initially, the conceptual and empirical research on influence tactics and OCB flourished in a concurrent manner but subsequently conceptual overlaps in behavioural and motive content were pointed out (e.g., Bolino, 1999; Eastman, 1994). Since previous investigations of influence tactics and OCB have been conducted separately, little is known about their level of distinctiveness. This omission represents a research need since both of these categories of behaviour are common within organisations and both have been found to be associated with supervisor-subordinate relationship quality and important organisational outcomes. The current study was designed to address this gap in the literature, that is to evaluate whether or not supervisor downward influence tactics and OCB are distinct constructs, and what is the nature of their interactions.

Yet cumulatively, most existing studies that explored the bivariate relationship between variables have not achieved the level of diversity and extensiveness to reach a cohesive theory or unequivocal findings. Therefore, this study is designed with the intention to explore a more comprehensive model which is able to reconcile and provide an explanation for the unequivocal results in the past studies. Moreover, a more complex model allows for the exploration of multi-interaction hypotheses and not only bivariate relationships.

Recently, contemporary management has realised the importance of a leader's ability to influence employees and this has become an essential component of successful management. This realisation occurs when researchers recognise both how pervasive interpersonal influence is in organisational life, and the fact that managers must often

work through others to accomplish organisational goals. Additionally, businesses tend to measure managerial effectiveness by the manager's ability to influence employees to strive towards achieving organisational tasks and objectives (Bass, 1990a; Yukl, 1998). Managerial effectiveness can further generate employee commitment and in the long run, the commitment can lead to organisational citizenship behaviour (Yukl, 1998). In fact, Falbe and Yukl (1992) have summarised a few important findings in their various studies on influence behaviour. These are: (i) a manager's success depends on the way he or she influences others; (ii) a manager must understand how the influence process works in order to gain subordinates' commitment and extra effort; (iii) an insight into influence processes provides the manager with knowledge of how decisions are made in organisations; (iv) knowing the influence processes provides clues as to whether the strategies and policies enforced are appropriate; (v) the influence processes can secure co-operation and support from peers over whom the manager has no power, and also influence superiors to release resources, and (vi) finally, influence behaviour provides hints to the manager on why organisations reject or adopt new ideas. Hence, it is essential for the manager to have knowledge and better understand of the influence processes.

There are many research efforts being made to examine the specific types of influence used by superiors to effect changes in the actions of their subordinates (Yukl, 1998; Yukl, Falbe, & Youn, 1993; Yukl & Tracey, 1992). More specifically, these researchers have identified categories of proactive behaviours called influence tactics used by the superior with different targets and objectives (Yukl & Falbe, 1990; Yukl et al., 1993; Yukl & Tracey, 1992), and have commented that leadership research should

explore the influence process as the basis for examining leader-member interactions (Bass, 1990b; Hollander & Offermann, 1990; Yukl, 1989). These comments are in line with later research arguing leadership to be less enamored with power as expressed in hierarchal dominance. In fact, leaders today need to understand how to influence subordinates or how to balance their influence with authority (Glasser, 2006) in order to be effective.

In terms of using influence tactics effectively, several empirical studies offer strong support for the idea that the most effective leaders in organisations understand the nature of influence, what influence tactics are available to them, and how and when to use those tactics (Case, Dosier, Murkison, & Keys, 1988; Kaplan, 1986; Kipnis & Schmidt, 1988; Mowday, 1978; Schilit & Locke, 1982; Yukl & Falbe, 1990). These works seem to suggest that influence is important in all human relationships and hence, an integral part of organisational behaviour, and as such it continues to generate great interest for behavioural theorists. The substantial studies by behavioural researchers have considered the existence of influence in the analysis of organisational phenomena. For example, in any organisation, role differentiation requires a different use of influence tactics; and work direction, reward, supervision, discipline, organisational change and performance review, also involve various applications of influence tactics.

This study is particularly relevant as it is conducted in the context of the diverse Malaysian workforce. It provides a glimpse of how Malaysian 'organisational men and women' respond to different leadership styles as social behaviour is normally entrenched and taken as given in a particular society. One way of exploring this issue is from the influence perspectives of interpersonal interactions that occur across organisational levels

as characterised by the phrase 'superior-subordinate relationships'. The researcher's interest in the issue of interpersonal relationships is driven by the conviction that sound superior-subordinate relationships are both crucial to organisational success, and consistent with the humanistic and co-operative work environment palpably favoured and sought by contemporary managers. It is also believed that positive interpersonal relationships in the workplace are able to increase subordinates' satisfaction and organisation citizenship behaviour (OCB). Subordinates with high levels of satisfaction and OCB are more likely to be committed to the organisation (Smith, Organ, & Near, 1983; Williams & Anderson, 1991). Therefore, it is worthwhile for the superior to be aware of the existing influence tactics in work situations and how these can promote satisfaction among subordinates with their leaders and their OCB.

The importance of differences in the perception of influence should not be under-estimated, since the way in which a superior uses his or her influence carries several implications for the organisation. For example, the superior's use of influence tactics may be reinforced by subordinates' responses or the superior may anticipate subordinates' reaction to the use of downward influence tactics. It is necessary, therefore, for the superior to be aware of the existence of the multiple sources of influence in work situations and how the use of these different sources promote subordinates' satisfaction and OCB, since negative outcomes can lead to many organisational dysfunctions such as a decline in work performance, absenteeism, and high turnover (Lamude, 1994; Motowidlo, 2003). Accordingly, the statement by Williams and Anderson (1991) that a strong relationship exists between the influence tactics used by superiors and the levels of satisfaction and OCB experienced by

subordinates is clearly true. An indiscriminate use of influence styles can trigger negative consequences, which further increases sensitivity and susceptibility to misunderstanding, in turn causing dissatisfaction. Clearly, the prevention of negative outcomes among subordinates is crucial for effective organisational operation.

The majority of the previous research into influence has been in the context of multi-directional influence tactics and a limited set of variables. Specifically, all the studies concerned examined a piecemeal collection of influence tactics and no published research to date has produced a unified, comprehensive integrated influence framework. This marks a gap in the literature, and the aim of this study is to fill that void. A further shortcoming in the literature relates to the scant attention that has been paid to linking the types of downward influence styles with organisational variables such as structure and span of control, leadership styles and subordinates' satisfaction with supervision, and OCB. Knowing how downward influence tactics relate to their antecedents and consequences will enable superiors to change or maintain their influence tactics to achieve desirable outcomes. Hence, this study which seeks to determine the correlates and consequences of downward influence tactics, will ultimately contribute to the knowledge of organisational management and behaviour in this area. Individual competence and organisational role can also act as intervening factors in these relations. Research that identifies the managerial styles and how situations or contexts can be further exploited in influence situations, can contribute to improved industrial outcomes, and this study can be regarded as one small step in this direction.

1.1 Purpose and Significance of the Study

The purpose of the study is to investigate the extent to which leaders' downward influence attempts affects the members' outcomes. This study also explores the determinants of superiors' downward influence in Malaysian companies. Determinants investigated are leadership styles and organisational contexts which would be expected to affect the way superiors exercise their influence on subordinates. The mediating variables of leader's downward influence tactics, subordinates' competence and role ambiguity, are investigated to test the intervening effects with their antecedents and outcomes. The reason for exploring the mediating variable is partly due to the lack of cohesive evidence in published literature relating the antecedent variables such as leadership styles and organisational contexts, and performance outcome variables such as OCB and satisfaction with supervision (van Sell, Brief, & Schuler, 1981). In response to the absence of consistent results, the researcher has begun to analyse and include mediating variables to explain why observed relationships vary across studies. For example, Yukl (1999) has recommended researchers to examine the potential mediators that link leadership styles with job performance.

This study also combines the leadership model with influence behaviours, in a response to the comment by Yukl (1998) which highlighted the scarcity of research combining these two perspectives, despite their importance and usefulness. In fact, there has not been much attention focused on how downward influence tactics operate in the realm of leadership study. Kipnis et al. (1984) expressed the view that "despite the fact that the essence of managerial work is the exercise of influence, there is a paucity of systematic research on the ways in which managers attempt to change the behaviour of

others" (p. 59). This study, combining these perspectives, hopefully will bring together important concepts that are inextricably linked (Burns, 1978; Gardner, 1990; Hinkin & Schriesheim, 1990) and as such will provide more persuasive arguments about the effectiveness of leadership.

Much of the existing research exploring influence tactics used by superiors in Malaysian work settings is limited. The only three local studies known to the researcher that have examined downward influence are: (1) a study by Liew (2003) who explores downward influence tactics' impacts on leader-member exchange, affectivity and gender, (2) a study by Omar (2001) who examines downward influence tactics, leader-member exchange and organisational outcomes, and (3) an empirical study by Lo and Osman (2008) on power congruence to downward influence tactics in Malaysian manufacturing companies. Moreover, only a few studies investigate downward influence tactics, role ambiguity and subordinates' competence as mediators. Thus, by incorporating larger configurations of variables, this research, albeit exploratory in nature, is conducted with the aim of gaining greater understanding of appropriate influence tactics within the specific contexts to enable the superiors to better achieve their objectives in maintaining organisational effectiveness and success.

Intentionally, this research is also aimed at reconciling inconsistencies in previous findings. In addition to the limited amount of research examining the downward influence tactics in organisations, the results of those studies that have been conducted unfortunately reveal a lack of convergence among them. In most cases, these inconsistent results consist of some significant correlations of the same direction and

others that are non-significant. Thus, the true magnitude of the various relationships is still unclear.

As a result of the conflicting findings, it is difficult to conclude the true nature of the relationship between downward influence tactics and work outcomes. In order for a body of literature to advance and have an impact on the field of organisational behaviour, it is important that we be able to show consistency in research findings or, at the very least, attempt to explain discrepancies. Therefore, another purpose of the current study is to compare its results with those of recent research examining the effects of influence tactics on work outcomes, and to critically review these results with a view to attempting to provide a consistent explanation for these results that will allow us to better understand the effects of influence tactics used in organisations.

By incorporating a larger configurations or 'gestalt' of variables in the study, it is possible to analyse the relationship from 'causal' and 'interaction' perspectives that is not usually addressed when using an under-specified model. Thus, the present study also offers methodological contributions by analysing a complex relationship of fourteen variables using one of the Structural Equation Modelling (SEM) methods called path analysis. This methodology which is widely used for complex models is able to assess both the strength of direct and indirect effects in the causal chain.

Moreover, there is no consensus among organisational behaviour research studies on the types of influence tactics (Barry & Watson, 1996). This is due to various typologies regarding the range of downward influence available to managers (Kipnis et al., 1980; Schilit & Locke, 1982; Yukl & Tracey, 1992), and to the overlapping of influence tactics (Hochwarter, Pearson, Ferris, Perrewe, & Ralston, 2000; Kipnis et al.,

1980; Schriesheim & Hinkin, 1990). Apart from the lack of consensus concerning the actual number of influence tactics, the original list of those tactics that have been reported has only been explored in Western organisational settings and the study of influence tactics adopted in non-Western settings has been vastly ignored. Finally, this thesis also attempts to confirm the universality and applicability of theories and research instruments that have been mainly developed within Western organisational settings. Unlike many such contexts, Malaysian industrial settings are characterised by a workforce with diverse social backgrounds and it will be interesting to explore how the Malaysian workforce responds to different influence tactics as used by their managers.

1.2   Research Questions

In order to direct the research path, five research questions are formulated to establish the multitude of relationships that exist between the correlates and consequences of downward influence tactics, and how the variables affect the nature of these relationships. These research questions are as follows.

1. Can leadership styles and organisational contexts be predictors of the exercise of downward influence tactics and subordinates' satisfaction with supervision and organisational citizenship behaviour?

2. Are there any significant differences in subordinates' satisfaction with supervision and organisational citizenship behaviour when the subordinates are subjected to downward influence tactics?

3. To what extent does the subordinates' competence mediate the relationship between the leadership styles and downward influence tactics?

4. To what extent does role ambiguity mediate the relationship between the leadership styles and downward influence tactics?

5. To what extent does role ambiguity mediate the relationship between the leadership styles and outcome variables of satisfaction with supervision and organisational citizenship behaviour?

These research questions will be appropriately recast into specific hypotheses for empirical testing as discussed in Chapter 3.

1.3   Scope of the Study

The scope of this study is restricted to testing the model predicting the relationships between the leadership styles, downward influence tactics, organisational contexts, role ambiguity, subordinates' competence, satisfaction with supervision and organisational citizenship behaviour (OCB) in Malaysian companies. The foundation of this study rests upon the interaction among major variables as depicted in Figure 1.1. As this model shows, leaders with varying leadership styles attempt to influence members to perform their work in a different way. The influence attempts instigate responses from members, which form the exchanges between leaders and members. These perceptions may affect leaders' choice of influence tactics (inspirational appeals, consultation, ingratiation, exchange, pressure or legitimating) to persuade members to complete a given task. As a result, members may manifest responses that lead them to or away from, a particular type of OCB and satisfaction with supervision, according to their leaders' influence attempts. In addition, the organisational structure and span of control may influence the relationships between them. Subordinates' competence and degree of role ambiguity are suspected to mediate these relationships.

The primary data used in this study is secured through a survey questionnaire. Cross-sectional data obtained from respondents within three Malaysian industries namely: service, manufacturing, mining and construction, are subjected to quantitative analysis to test the conceptual model depicted in Figure 1.1.
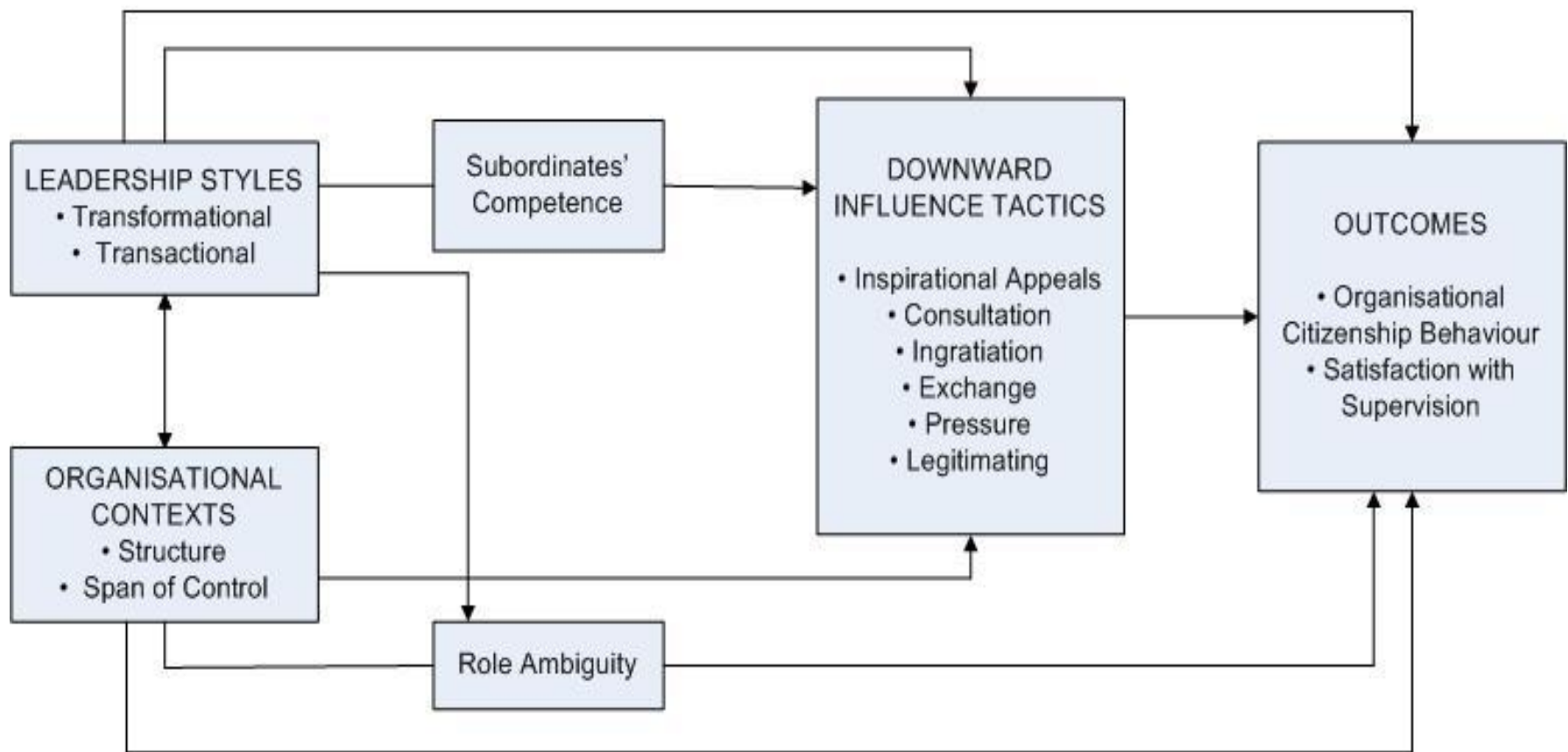
Figure 1.1 Proposed Model of Downward Influence Tactics and Interactions

1.4   Organisation of the Study

The thesis is organised into seven chapters. The first introduces influence tactics as the object of the study. The purpose and significance of the study, the research questions and the scope of study are highlighted. The second chapter presents the discussion of theoretical perspectives, followed by definitions of constructs and variables relevant to the study which are described with reference to past literature. Leadership, influence and other relevant concepts related to the study are explained in terms of their interactions. The discussions are organised according to the interactions and linkages of variables proposed in the conceptual framework. The third chapter on hypothesised relationships describes the diverging and converging research findings of the past that are pertinent to the various theoretical links of the model. This in turn explains how each hypothesis in this study was postulated, and the hypotheses then provide the guide for the subsequent empirical testing. The fourth chapter deals with the research design and methodology used in the study; it elaborates on sampling procedures, the research instruments and data analysis procedures. An empirical and conceptual grounding of previous works related to the measurement instruments used is given, and this is followed by a description of the research design such as target respondent characteristics, method of data collection, and the development, and testing of measurement instruments. Finally, the proposal for data analysis by the application of statistical methods is explained. The fifth chapter discusses the research findings and the results of the main statistical analyses employed in the empirical investigation of the model developed for this study. This section begins with a description of the sample characteristics, it proceeds to examine the reliability and validity of the scales employed, and finally it explains and analyses the research results in

relation to the hypotheses tested. The findings of other researchers are also discussed and compared with the present results. The sixth chapter discusses the results of hypotheses testing, and the final chapter summarises the major findings of the study and discusses possible managerial and academic implications of the research results. Additionally, limitations of the study are considered, and recommendations for further research in this area are proposed.