

Effect of Leadership Style of CEO at Small and Medium-sized Enterprises on the Organizational Effectiveness

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중소기업 CEO의 리더십 유형이 조직유효성에 미치는 영향

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Abstract This study analyzes the effect of leadership styles (transformational leadership, transactional leadership, and servant leadership) of CEOs at small and medium-sized enterprises on the organizational effectiveness of the employees (organizational commitment and organizational citizenship behavior). A survey was conducted on 573 employees of domestic small and medium-sized enterprises in the electric, electronic, and IT industries, and the data was used to perform statistical analysis. As the result, charisma of transformational leadership, individual consideration, emotional healing of servant leadership, wisdom, and stewardship were shown to have positive effect on the organizational commitment. Furthermore, charisma of transformational leadership, exceptional management of transactional leadership, wisdom of servant leadership, and stewardship were shown to have positive effect on organizational citizenship behavior.

요약 본 연구는 중소기업 CEO의 리더십 유형(변혁적 리더십, 거래적 리더십, 서번트 리더십)이 종업원의 조직유효성(조직몰입, 조직시민행동)에 미치는 영향을 알아보기 위해 국내 중소기업 전기, 전자, IT업체 종사자를 대상(573명)으로 설문조사를 실시하였고, 이를 바탕으로 통계분석을 실시하였다. 분석결과, 변혁적 리더십의 카리스마, 개별적 배려, 서번트 리더십의 감정적 치유, 지혜, 청지기 정신은 조직몰입에 정(+)의 영향을 미치는 것으로 나타났다. 그리고 변혁적 리더십의 카리스마, 거래적 리더십의 예외적 관리, 서번트 리더십의 지혜, 청지기 정신은 조직시민행동에 정(+)의 영향을 미치는 것으로 나타났다. 이와 같은 분석결과를 바탕으로 CEO는 종업원의 조직몰입과 조직시민행동 향상을 위해 적절한 의사소통과 애로사항, 문제 등에 필요한 요구사항들을 적극 검토하고, 이를 CEO 리더십 역량 강화에 포함하여 시행해야 한다. 또한 종업원이 자신과 함께 일하고 있다는 자긍심을 가질 수 있도록 가치관이나 신념 등을 강조하고, 장애 비전을 제시해 주며, 최종적으로 CEO와 종업원이 같은 공동목표를 갖는 공동체라는 것을 인식시켜 줄 필요성을 시사한다.

Keywords : CEO Leadership, Transformational Leadership, Transactional Leadership, Servant Leadership, Organizational Commitment, Organizational Citizenship Behavior

1. Introduction

The leadership is a process of social influence where one person receives support and help from the

organization members in order to achieve the goal of the organization. Through this, a leader is able to directly make decisions for introducing new ideas into the organization, and the organization can produce

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performances. In the 21st century, the business management activities of the business organizations have been drastically changing[1], and the uncertainty has been expanding along with the unpredictable new economic environment, which is requiring changes in the leadership paradigm[2].

The parts and whole of a business organization have inevitable relationship, and through the individual organization member's activeness and participations, the organization can overcome the changes in order to achieve a common goal. It is most important to focus the effort on enhancing the organizational effectiveness. Since the year 2000, many researches are being conducted regarding the positive effects of various leadership styles of CEO on organizational effectiveness of the organization members[3,4,5,6]. An absolute cooperation between the leader, who is coordinating and operating the organization, and the organization members, is very important in order to effectively achieve the common goal of an organization. Therefore, the study of the relationship between organization members' commitment and citizenship behavior is needed[7]. For achieving the organization's goal or performances, a leadership that can maximally bring out the cooperation of the organization members is needed, and the CEO leadership is considered as the most important variable of the outcome[8].

Among the various leadership styles of CEO, there are transformational leadership, transactional leadership, and servant leadership. These have been verified by previous studies to effectively enhance the organization members' sense of purpose and their organizational commitment[9,10,11]. However, there have been insufficient studies on how the CEO leadership styles can lead to organizational citizenship behavior, where the organization members autonomously perform various support activities outside of their officially assigned work and without certain reward, for the advancement of the organization. Furthermore, the studies on the causal

relationship between CEO leadership styles and organizational effectiveness were mainly on public enterprises[12,6], hotels[13], and sports centers[3,4]; and there have been insufficient studies on the small and medium-sized enterprises.

Therefore, the purpose of this study can be summarized as follows. First, the positive effect of CEO leadership styles (transformational leadership, transactional leadership, and servant leadership) were empirically examined, on the organizational commitment of the organization members in small and medium-sized businesses in the fields of electric, electronics, and IT. Second, the leadership styles (transformational leadership, transactional leadership, and servant leadership) of CEO at small and medium-sized enterprises in the fields of electric, electronics, and IT were empirically examined for their significant effect on organizational citizenship behavior of the organization members.

2. Theoretical Background

2.1 CEO Leadership

There are controversies on the CEO's influence on the performances of a business organization[14,15,16]; however, in terms of determining strategies and directions which directly affects the advancement and survival of the business organization and taking responsibility in making critical decisions for the fate of an organization, CEO leadership largely influences on the organization performance[17]. This is because a CEO of a business organization can manage crisis by viewing the whole picture from a strategical perspective[18].

In the three styles of CEO leadership, as discussed previously in the Introduction, first, the theory of transformational leadership has started from the study by Burns[18]. The transformational leadership takes charge of the process of an organization's major transformations; and the transformations include not

only the organization members' changes in attitudes and basic premises, but it also includes the changes in the organization's goal or strategies. Particularly, it has influences different from the traditional leaderships, such as transactional leadership on subordinates. Transformational leadership emphasizes symbolic, visionary, and emotionally motivating activities on the subordinates, and takes interest in ideological and value-oriented activities and intellectual stimulations. Consequently, the subordinates will commit to the organization and devote for the organization's goal[19].

Secondly, transactional leadership refers to the traditional leaderships, which are contrary to the transformational leadership[20]. According to this theory of traditional leadership, transactions and exchanges between a leader and the subordinates are emphasized, where the activities, rewards, and incentives occur between a leader and the subordinates, in order to motivate desirable behaviors of the subordinates[21]. Therefore, transactional leadership can be considered as the process of transacting and exchanging rewards that the leader provides for the desirable behavior of the subordinate.

Thirdly, servant leadership is conflicting to the traditional leadership. In the traditional leadership, a leader has an exclusive authority and responsibility, and the subordinates are required to obey. As a result, the subordinates become more adept in carrying out the assigned tasks than developing creativity and diversity, which is disadvantageous for producing great outcomes in the complex environment that requires creativity and flexibility. On the other hand, servant leadership provides opportunities and respect for the subordinates, and the leader encourages the organization members to grow and develop to create an authentic community. Therefore, servant leadership motivates growth and development by respecting the subordinates and providing them with opportunities to express their creativity, and it leads the department or team to become an authentic community[22,23,24].

2.2 Organizational Effectiveness

The organizational effectiveness can be categorized into organizational commitment and organizational citizenship behavior. First, the organizational commitment can be considered as the comprehensive attachment or loyalty of the organization members as they perform their tasks. The organization member with a strong organizational commitment would internalize the organization's values, and they would actively participate in the activities. Therefore, organizational commitment consists of the strong agreement and trust in the organization's goal and values, the effort to dedicate for the organization, and the strong desire to exist as an organization member[25]; or, it can be categorized into the concepts of affective commitment, continuance commitment, and normative commitment[26].

Finally, the organizational citizenship behavior emphasizes that the most important behavior of the organization members, in terms of organization efficiency, is creative and autonomous behavior which is currently one of the most important elements[27]. Generally, the organizational citizenship behavior is a voluntary behavior that is not directly or specifically recognized by the organization's official reward system, and it can be defined as an individual behavior contributing positively to the operation of an organization[28]. It can be further identified as voluntarily helping the colleagues, suggesting new ideas for the development of the organization, voluntarily performing task that was not assigned to oneself, sharing the difficulties one's colleagues are facing, and not wasting time while carrying out the assigned task[29].

2.3 Previous Studies

According to transformational leadership, a leader can gain trust by showing interest in the requests of the followers, having ability of carrying out the visions, and willing to sacrifice oneself for the organization. It was shown that these can contribute in enhancing the

organizational commitment[30], and the transformational leader would empower the subordinate, raise the status, and greatly influence on the motivation and organizational commitment. Furthermore, it was shown that the more transformational the leader is, the stronger the organizational commitment could be maintained[31]. The two factors of intellectual stimulation and individual consideration can form trust among the organization members, which can create internal motivation finally leading to organizational citizenship behavior[32].

The conditional compensation, which is a construct of transactional leadership, has a positive effect on the organization members' performances[19]. In the study on hotel employees, it was shown that transactional leadership has a positive effect on the organizational commitment[18].

In the transactional leadership of the hotel, the conditional compensation was shown to have a significant effect on the three factors of conscientiousness, altruism, and civic virtue of the organizational citizenship behavior[34]; and the conditional compensation was shown to have a significantly positive effect on the four factors of altruism, civic virtue, courtesy, and sportsmanship[19].

The emotional healing, which is among the sub-factors of servant leadership, was shown to have a positive effect on the affective commitment, continuance commitment, and normative commitment. Furthermore, the following was shown with the significantly positive effects: wisdom on affective commitment and continuance commitment; persuasiveness on normative commitment; and organizational stewardship on affective commitment[11]. The behavioral characteristics of servant leadership, such as recognition, service, and empowering, were shown to have a significant correlation with helping, participation, initiation, and self-development of the organizational citizenship behavior[35].

3. Research Methods

3.1 Research Models and Hypotheses

As it was discussed above, based on theoretical background and previous studies on each variable, the independent variables were constructed with the three leadership styles of CEO which are transformational leadership, transactional leadership, and servant leadership. For the dependent variables, the two factors of organizational commitment and organizational citizenship behavior were included in the organizational effectiveness. Therefore, the research model of this study is as shown in Fig. 1.

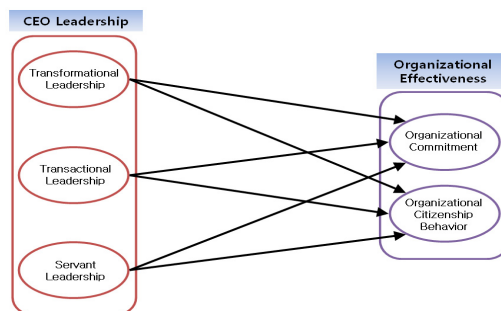


Fig. 1 Research model

[Hypothesis 1] The transformational leadership of CEO will have a positive effect on the organizational commitment.

[Hypothesis 2] The transactional leadership of CEO will have a positive effect on the organizational commitment.

[Hypothesis 3] The servant leadership of CEO will have a positive effect on the organizational commitment.

[Hypothesis 4] The transformational leadership of CEO will have a positive effect on the organizational citizenship behavior.

[Hypothesis 5] The transactional leadership of CEO will have a positive effect on the organizational citizenship behavior.

[Hypothesis 6] The servant leadership of CEO will

have a positive effect on the organizational citizenship behavior.

3.2 Measurement Methods for Study

Concepts

The transformational leadership was based on MLQ(Multifactor Leadership Questionnaire)-5X[18], and the following 13 items were used, which were tested for reliability and validity in the study by Minyoung Gong: 3 items on charisma, 4 items on inspirational motivation, 3 items on intellectual stimulation, and 3 items on individual consideration[36].

The transactional leadership was based on MLQ-5X[18], and the following 9 items were used by referring to the study by Sangoh Nah, in which their reliability and validity were tested: 4 items on conditional compensation and 5 items on management by exception[34].

The servant leadership was based on SLQ(Servant Leadership Questionnaire)[13], and the following 21 items were used, which were tested for reliability and validity in the study by Jinhyuck Kim: 2 items on altruistic calling, 4 items on emotional healing, 5 items on wisdom, 5 items on persuasiveness, and 5 items on organizational stewardship[37].

The organizational commitment was based on the measurement tool for organizational commitment[35], which was modified according to the purpose of this study; and 5 items were used, which were tested for reliability and validity in the study by Jinhyun Bae[38].

The organizational citizenship behavior was based on the measurement tool constructed and defined in the study by Podsakoff[30]. The 5 items, which were tested for reliability and validity in the study by Eunjoo Eum, were used after modifying according to the purpose of this study[11].

Therefore, the survey measurement items of the variables belonging to each factor are as shown in Table 1.

Table 1. Questionnaire Measuring Items for Variables

	Variables	Previous Studies
Transformational Leadership	Charisma	[1], [18]
	Inspirational Motivation	
	Intellectual Stimulation	
Transactional Leadership	Individual Consideration	[18], [34]
	Conditional Compensation	
Servant Leadership	Exceptional Management	[13], [37]
	Altruistic Calling	
	Emotional Healing	
	Wisdom	
	Persuasiveness	
	Organizational Stewardship	
	Organizational Commitment	[35], [38]
	Organizational Citizenship Behavior	[11], [37]

3.3 Data Collection and Analysis

The survey in this study was conducted for 75 days, from July 1st to September 14th of 2013, in Seoul and Gyeonggi. The data were collected from the employees of small and medium-sized enterprises in the fields of electric, electronics, and IT, in the form of self-responded questionnaires (valid samples of 573). It was conducted on L Company and S Company in electronics, along with their partners and associated companies. The demographic characteristics were as follows. There were 365 males and 208 females, and 260 were in their 30s, which was the greatest in portion. There were 344 participants who were married, which was greater than the number of singles. The number of participant with college degrees was 311, which was the greatest in portion. For the work experience, there were 223 with 1-3 years of experience, and 117 with 4-6 years which was the majority.

4. Analysis Result

4.1 Reliability Analysis and Validity Test

In this study, the factor analysis for independent variables and dependent variables was performed to test construct validity. In addition, Cronbach's alpha coefficient was found to evaluate the reliability of the

measurement tool. The result of factor analysis and reliability analysis are shown in Table 2 and Table 3. KMO for all variables was close to 1, and App- was shown to be significant with < 0.05 . Therefore, the collected data and measurement items were shown to be appropriate for factor analysis. Cumulative variance explanatory power was shown to be 58.4% at the least and 71.2% at the greatest, and the representation of variables through factor analysis was secured.

Table 2. Factor Analysis Result for Variables

Variables	KMO	App.- X^2	Cumulative variance explanatory power
Transformational Leadership	.926	3658.98	71.2%
Transactional Leadership	.828	1684.80	58.9%
Servant Leadership	.969	8839.38	73.7%
Organizational Commitment	.863	1443.94	58.4%
Organizational Citizenship Behavior	.932	2968.27	43.2%

*Factor extraction method (principal components analysis), Rotation method (Varimax)

*Significance probability for all App.- is .000

In the reliability analysis, the load factor value for each measured item was shown to be > 0.5 in all items, and the eigenvalue was shown to be > 1.0 . This was evaluated to show internal consistency, which secures the reliability of the measured items.

Table 3. Reliability Analysis Result for Variables

Variables	Eigenvalue	Alpha Coefficient	
Transformational Leadership	Charisma	2.122	.791
	Inspirational Motivation	2.744	.828
	Intellectual Stimulation	2.195	.770
	Individual Consideration	2.192	.821
Transactional Leadership	Conditional Compensation	2.899	.865
	Exceptional Management	2.405	.682
Servant Leadership	Altruistic Calling	1.877	.809
	Emotional Healing	3.531	.900
	Wisdom	3.813	.885
	Persuasiveness	2.741	.904
	Organizational Stewardship	3.507	.886
Organizational Commitment	3.504	.852	
Organizational Citizenship Behavior	2.731	.791	

4.2 Confirmatory Factor Analysis

In this study, Confirmatory Factor Analysis (CFA) was conducted on the construct by using AMOS 16.0 in order to test convergent validity, and the results are as shown in Table 4. The goodness of fit index (GFI) for the measurement model was shown to be good, as the following: $\chi^2=2464.623$ ($p=.000$, $df=1299$), $GFI=0.860$, $AGFI=0.840$, $CFI=0.938$, $NFI=0.879$, $IFI=0.939$, $TLI=0.932$, $RMR=0.038$, and $RMSEA=0.040$. Therefore, the model in this study was determined to be fit; the load factor was $\lambda > 0.50$, and all t-values (t value = non-standardized coefficient / standard error) were analyzed to be significant with the value > 1.965 .

4.3 Hypothesis Testing Result

To test the hypothesis in this study, structural equation was used for the confirmation of standardized coefficients. The result of structural equation modeling analysis between the research units is as shown in Table 5. First, the fitness of research model was shown to be good, as the following: $\chi^2=2464.623$ ($p=.000$, $df=1299$), $GFI=0.860$, $AGFI=0.840$, $CFI=0.938$, $NFI=0.879$, $IFI=0.939$, $TLI=0.932$, $RMR=0.038$, $RMSEA=0.040$. Furthermore, the hypothesis testing result for the structural model was as follows.

First, as the result of hypothesis testing between transformational leadership and organizational commitment, the path coefficient of charisma was shown to be .165 (t-value =1.709, $p<.10$), and the path coefficient of individual consideration was shown to be .323 (t-value =2.803, $p<.01$), which were significant. However, the inspirational motivation and intellectual stimulation did not show significant effect.

Second, as the result of hypothesis testing between transactional leadership and organizational commitment, the two factors of conditional compensation and exceptional management did not show a statistically significant effect. Third, as the result of hypothesis testing between servant leadership and organizational commitment, the path coefficient of

Table 4. Confirmatory Factor Analysis Result

Variables		Standardized Factor Loadings	S.E.	C.R.	Construct Reliability	AVE	
A01	↔	Charisma	0.689	Fix	-	.852	.657
A02	↔		0.778	0.073	16.118		
A03	↔		0.763	0.067	15.869		
A04	↔	Inspirational Motivation	0.634	Fix	-	.865	.617
A05	↔		0.739	0.075	14.469		
A06	↔		0.789	0.082	15.166		
A07	↔		0.787	0.08	15.143		
A08	↔	Intellectual Stimulation	0.716	Fix	-	.818	.601
A09	↔		0.689	0.071	15.33		
A10	↔		0.787	0.066	17.396		
A11	↔	Individual Consideration	0.752	Fix	-	.874	.635
A12	↔		0.768	0.053	18.068		
A13	↔		0.810	0.061	19.063		
B01	↔	Conditional Compensation	0.785	Fix	-	.875	.637
B02	↔		0.850	0.052	21.736		
B03	↔		0.760	0.053	19.053		
B04	↔		0.749	0.052	18.707		
B05	↔	Exceptional Management	0.644	Fix	-	.841	.518
B06	↔		0.529	0.090	11.635		
B07	↔		0.629	0.136	8.434		
B08	↔		0.562	0.079	11.469		
B09	↔		0.751	0.079	10.577		
C01	↔	Altruistic Calling	0.783	Fix	-	.848	.736
C02	↔		0.869	0.060	19.509		
C03	↔	Emotional Healing	0.804	Fix	-	.905	.705
C04	↔		0.837	0.043	22.933		
C05	↔		0.842	0.044	23.128		
C06	↔		0.849	0.044	23.378		
C07	↔	Wisdom	0.751	Fix	-	.909	.666
C08	↔		0.768	0.049	18.799		
C09	↔		0.798	0.051	19.609		
C10	↔		0.794	0.051	19.497		
C11	↔		0.791	0.053	19.418		
C12	↔	Persuasiveness	0.706	Fix	-	.922	.703
C13	↔		0.821	0.069	18.938		
C14	↔		0.865	0.069	19.935		
C15	↔		0.832	0.068	19.203		
C16	↔		0.815	0.066	18.811		
C17	↔	Organizational Stewardship	0.802	Fix	-	.911	.672
C18	↔		0.780	0.046	20.59		
C19	↔		0.793	0.047	21.039		
C20	↔		0.732	0.048	18.974		
C21	↔		0.791	0.046	20.987		
D01	↔	Organizational Commitment	0.820	Fix	-	.872	.539
D02	↔		0.795	0.046	21.457		
D03	↔		0.712	0.048	18.52		
D04	↔		0.670	0.054	17.157		
D05	↔		0.762	0.046	20.254		
E01	↔	Organizational Citizenship Behavior	0.658	Fix	-	.859	.552
E02	↔		0.707	0.078	14.124		
E03	↔		0.644	0.075	13.095		
E04	↔		0.561	0.072	11.642		
E05	↔		0.714	0.080	14.235		

Table 5. Result of Hypothesis Testing for Structural Model

Variables and Path			Standardized coefficients	SE	CR	p	Accept/Reject
Transformational Leadership	Charisma	⇒	0.165	0.116	1.709	0.087	Accepted
	Inspirational Motivation	⇒	-0.010	0.137	-0.092	0.927	Rejected
	Intellectual Stimulation	⇒	-0.130	0.168	-0.969	0.333	Rejected
	Individual Consideration	⇒	0.323	0.131	2.803	0.005	Accepted
Transactional Leadership	Conditional Compensation	⇒	-0.032	0.076	-0.449	0.653	Rejected
	Exceptional Management	⇒	-0.007	0.057	-0.170	0.865	Rejected
Servant Leadership	Altruistic Calling	⇒	0.012	0.076	0.178	0.858	Rejected
	Emotional Healing	⇒	0.218	0.096	2.093	0.036	Accepted
	Wisdom	⇒	0.239	0.140	1.803	0.071	Accepted
	Persuasiveness	⇒	-0.088	0.216	-0.515	0.607	Rejected
Transformational Leadership	Organizational Stewardship	⇒	0.228	0.099	2.418	0.016	Accepted
	Charisma	⇒	0.358	0.102	2.959	0.003	Accepted
	Inspirational Motivation	⇒	-0.054	0.118	-0.423	0.672	Rejected
	Intellectual Stimulation	⇒	0.029	0.140	0.184	0.854	Rejected
Transactional Leadership	Individual Consideration	⇒	0.111	0.107	0.817	0.414	Rejected
	Conditional Compensation	⇒	-0.161	0.065	-1.854	0.064	Rejected
Transactional Leadership	Exceptional Management	⇒	0.122	0.049	2.315	0.021	Accepted
	Altruistic Calling	⇒	0.087	0.064	1.034	0.301	Rejected
Servant Leadership	Emotional Healing	⇒	-0.075	0.081	-0.602	0.547	Rejected
	Wisdom	⇒	0.413	0.120	2.539	0.011	Accepted
	Persuasiveness	⇒	-0.188	0.183	-0.901	0.368	Rejected
	Organizational Stewardship	⇒	0.250	0.084	2.178	0.029	Accepted

emotional healing was .218(t -value=2.093, $p < .05$), and the path coefficient of wisdom was .239 (t -value=1.803, $p < .10$), which were shown to be significant. The organizational stewardship was .228(t -value=2.418, $p < .05$), which was shown to be significant. However, altruistic calling and persuasiveness did not show a significant effect. Fourth, as the result of hypothesis testing between transformational leadership and organizational citizenship behavior, the path coefficient for charisma was .358(t -value=2.959, $p < .01$), which was significant. However, inspirational motivation, intellectual stimulation, and individual consideration did not show a significant effect. Fifth, between the transactional leadership and organizational citizenship behavior, the path coefficient of conditional compensation was -.161(t -value=-1.854, $p < .10$) and the exceptional management was .122(t -value=2.315, $p < .05$), which were shown to be significant. Sixth, between the servant leadership and organizational citizenship behavior, the path coefficient of wisdom was .413(t -value=2.539, $p < .05$) and the organizational

stewardship was .250(t -value=2.178, $p < .05$), which were shown to be significant. However, the altruistic calling, emotional healing, and persuasiveness did not shown a significant effect.

5. Conclusion

5.1 Result and Summary

This study was conducted to find the effect of leadership styles (transformational leadership, transactional leadership, and servant leadership) of CEO at small and medium-sized enterprises in the fields of electric, electronics, and IT on the organizational effectiveness (organizational commitment and organizational citizenship behavior). The results are summarized as follows.

First, the charisma and individual consideration of the transformational leadership showed significantly positive effect on the organizational commitment, and the inspirational motivation and intellectual stimulation did not show significant effect. The elements of

transformational leadership can create positive emotions through organization's goal achievement or citizenship behavior, which are one of the organization members' activities, to effect on the organizational commitment. Especially, the behaviors of CEO, such as leading organization members and paying more attention to individuals, can be interpreted to be important in organizational commitment.

Second, the conditional compensation and exceptional management of the transactional leadership did not show a significant effect. This result shows that the elements of transactional leadership may and may not have a positively significant effect on the organizational commitment, depending on the employee's organizational environment. The elements of employee's work satisfaction, such as job description, work conditions, disposition of their peers, and promotion acts, do not have a considerable effect on organizational commitment, a component of transactional leadership.

Third, the emotional healing, wisdom, and organizational stewardship of the servant leadership were shown to have a significantly positive effect on the organizational commitment, and the altruistic calling and persuasiveness did not show a significant effect. In order for the servant leadership to have significantly positive effect on organizational commitment, it will need emotional healing, wisdom, and organizational stewardship. Furthermore, the leader should gain trust of the organization members in order to enhance the organizational commitment.

Fourth, the charisma of transformational leadership was shown to have a significantly positive effect on organizational citizenship behavior; and the inspirational motivation, intellectual stimulation, and individual consideration did not show a significant effect. Therefore, if the transformational leadership can inspire charisma towards subordinates, which is an element boosting up the organizational effectiveness, and consistently strive to enhance organizational commitment and job satisfaction of organizational

effectiveness, it will produce positive effect on enhancing the organizational citizenship behavior.

Fifth, the conditional compensation of the transactional leadership was statistically shown to have a significantly negative effect, and the exceptional management was shown to have a significantly positive effect on organizational citizenship behavior. Such result may indicate that reward-oriented system, in which the reward is given either based on the set standard or at an ambiguous situation where the performance cannot be measured, should be considered with prudence.

Sixth, the wisdom and organizational stewardship of servant leadership were shown to have a significantly positive effect on the organizational citizenship behavior; and altruistic calling, emotional healing, and persuasiveness did not show a significant effect. For organizational members to work toward their common goal the servant leadership should take a role in providing environment that supports their physical and mental conditions, which satisfies their emotional needs; this will in turn motivate the organizational citizenship behavior.

5.2 Implications for Research

This study is an empirical research of analysis on the effect of leadership styles of CEO at small and medium-sized enterprises on the organizational commitment and organizational citizenship behavior. The previous studies on CEO leadership have been mainly on public companies, hotels, and sports centers, in which the causal relationship between CEO leadership styles and organizational effectiveness were examined. In this study, the appropriate leadership style of CEO was suggested for enhancing organizational commitment and organizational citizenship behavior of the organizational effectiveness among the employees of small and medium-sized enterprises in the fields of electric, electronics, and IT. Furthermore, in the current business environment where building competitive advantage is critical, in terms of products and sales,

with various requests of employees, the deepening of enterprise competitions, and drastic changes in the markets, this study may be practically utilized by informing about desirable CEO leadership for positively effecting on organizational commitment and organizational citizenship behavior; this may in turn positively influence on the advancement of enterprises. For enhancing organizational commitment and organizational citizenship behavior, a CEO should communicate with employees and actively attend to issues or requests, which should empower the CEO leadership. Furthermore, values and principles should be consistently emphasized for the employees to have pride in their work, as well as providing with visions, which consequently guide them to have strong belief that CEO and employees are all parts of the organization with the common goal. Instead of demanding performances from the employees, the CEO leadership would plan and execute ways to enhance organizational commitment and organizational citizenship behavior in order to inspire creativity and productivity of the employees, thereby advancing the organization as a whole.

5.3 Limitations and Directions for Future Research

There are many significant variables other than CEO leadership, such as promotions of enterprises, support of organization, human interaction with organization leaders, and supporting activities, which may influence on organizational commitment and organizational citizenship behavior that can also produce outcomes. Despite of these many variables, this study only considered CEO leadership effecting on organizational effectiveness (organizational commitment and organizational citizenship behavior), which can be a limitation of this study. In the future study, variables in the performances of enterprises with organizational characteristics, other than the organizational effectiveness regarding CEO leadership styles used in this study, or elements of enterprise support and

organizational leadership should be included.

Furthermore, there is a limitation of sample in this study, because this research was conducted on electric, electronic, and IT small and medium-sized enterprises. Therefore, the result of this study may not be generalized. In future study, data should be collected from more diverse industries to be included in the sample, and differences between industries may be examined.

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