TRANSFORMATIVE LEADERS, TRUST, AND RELATIONSHIPS LINKING UP TO COMMITTED ORGANIZATIONS

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Abstract

This paper aims to explore the elements of transformative business servant leadership for improving the attributes of professional service providers for transformation under COVID-19. Through this paper, the authors identified determinant factors related to committed organizations with happy transformative servant business leadership, proposing a model of the relationship between the factors. This serves to enhance the implementation of happy transformative servant leadership in organizations in the post-pandemic era, with a greater chance of building trust and relationships with more committed employees. The research was conducted to interpret factors potentially related to committed organizations with happy transformative servant business leadership. Content analysis was performed on related literature to count the frequency of occurrence of words and phrases in relation to effective transformative leadership and relationship with trust in the organization. Thereafter main categories and concepts were identified before a theory was developed and a graphical model was generated based on the findings. Through NVivo qualitative analysis via text search on identified keywords, the factors — Effective Transformative Leadership and Relationship with Trust in Organization — were cited the most frequently in selected literature. The key factors for happy transformative servant business leadership are seldom studied for improving the organizational culture for management and employee relationships under post-COVID-19. With these findings, committed organizations shall re-think the ways of enhancing trust and relationship-building for happy transformative servant business leaders.

Keywords: Sustainable Development, Servant Leadership, Transformation, Trust, Relationship, Organizational Culture

1. INTRODUCTION

A sustainable development mindset with servant leadership has been mentioned in past studies for transformations. Under COVID-19, there is a need for new ways of providing professional services, for example, learning and teaching in educational and training services with transformative servant leadership attributes for transformations. It is time to explore attitudes, skills, and values needed for a happy transformative servant leader to re-think the key elements of organizational culture with
the types of leaders needed for employee engagement and sustainable professional services. For example, digital art business professional services may be a future area for the retail sector. Other related areas may be using digital art and metaverse way of thinking for enhancing public speaking skills with participants online and offline, for promoting events and projects via fun-to-learn and practical-to-build platforms with real-time workforce management skills, contact point service delivery, and analytical quality management mindset.

An organization always focuses on getting success day by day. And employees are the major resources of it. Manpower is now no longer just taken as resources, but the capital or assets of the company. Therefore, it is only possible to gain success if it has its employees engaged in the company. Employee satisfaction has a significant impact on employee performance and keeping them in their position. Therefore, employee satisfaction is important to any organization, especially in the services industry, where the whole deliverable is the service performed by the employees.

Employee engagement is so important that the next logical question is to explore the drivers of employee engagement proposed that leadership has the greatest potential to influence followers' feelings of psychological safety by providing a supportive environment in which one feels safe to fully engage in a task. Luthans and Peterson (2002) concluded that "the most profitable work units of companies have people doing what they do best, with people they like, and with a strong sense of psychological ownership" (p. 376). Findings from their research extended the theory about a manager's role in creating a supportive psychological climate and paralleled early theories of engagement by suggesting that employees must have a supportive environment, job resources and support necessary to complete their work. On the contrary, research also found that many employees leave their jobs because they are unhappy with their boss.

Leaders are the individuals in the organization who set the tone and culture. An effective leader is able to influence his or her followers to reach the goals of the organization. Various leadership theories have evolved to define the characteristics, traits, and styles of various leaders, and leadership styles initially developed the theory of transformational leadership. Transformational leadership emphasizes satisfying basic needs and meeting higher desires through inspiring followers to provide newer solutions and create a better workplace, uncovered four dimensions of transformational leadership. They are idealized influence, individualized consideration, intellectual stimulation, and inspirational motivation.

Socially responsible practice and sustainable developments have been regarded as instrumental in maintaining stakeholder relationships and driving organizational performance. It has been well-explored by academics that when values represented by socially responsible practices find congruence with the values of individual employees, positive organizational attitudes are generated as a result (O'Reilly et al., 1991; Chatman, 1989; Kristof, 1996). However, the favorable conditions, such as transformative servant leadership and organizational culture to the implementation of sustainable development have been less explored and have been identified as a research gap by this paper. As such, the research question of this paper is as follows:

*RQ: Does transformative servant business leadership style link up with organizational culture?*

The rest of the paper is structured as follows. Section 2 reviews the relevant literature on sustainable development, transformative servant leadership, organizational culture, and employee engagement. Section 3 presents the research methodology and analysis. Section 4 provides the research results. Section 5 discusses the results. Section 6 concludes the study with implications for future research directions.

2. LITERATURE REVIEW

2.1. Sustainable development

In line with the United Nations (UN) Decade of Education for Sustainable Development (DESD) 2005–2014 on sustainability, many research papers have been written on sustainable development in the higher education sector. Different institutions have their own interpretations of sustainable development. In general, sustainable development is related to the economic, social, and environmental impacts of global growth, promoting responsible decision-making to allocate the resources necessary to meet the present and future needs of society. This connects to how management defines and interprets sustainability when setting and implementing its short- and long-term strategic goals with the total involvement of academic and administrative staff.

Buying into the concept of sustainable development is the first and the most significant step in implementing sustainability-related actions in an institution, as the perception of staff on sustainable development relates directly to their understanding of and exposure to sustainability ideals.

According to the definition of the World Commission on Environment and Development (WCED, 1992), “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Basic economic sustainability requires that the current activity of businesses be supported in the short term and that new products, services, processes, and people are supported in the long term. In the global initiatives of the UN DESD 2005–2015, the DESD's primary goal is for all people to develop the values, skills, attitudes, and knowledge commensurate with the principles and practices of sustainable development. This kind of proactive thinking has to be integrated into all aspects of education and training for people in all nations at different ages to develop economic, social, environmental, and cultural awareness and to seek solutions for these problems. Hence, education for sustainable development (ESD) is relevant to all nations and all higher education institutions. Management in higher education institutions and professional service providers need to keep practicing the rationale of ESD beyond 2015 by integrating it into the institution's operational level in setting strategic goals and performance indicators, and school/program levels in re-visiting the curriculum for the benefit of learners and the community.
2.2. Trend of corporate social responsibility and sustainable development

Corporate social responsibility (CSR) has garnered much attention from both academics and businesses for decades. CSR was defined as companies integrating social and environmental concerns in their business operations and their interaction with their stakeholders voluntarily by the European Commission early in 2001 (European Commission, 2001). Over the 10 years of CSR development, the European Commission further elaborated in 2011, that CSR facilitates the creation of shared values between various stakeholder groups, as well as the organizations and their communities (European Commission, 2011). Further, the concept of CSR has evolved into committing to a long-term attitude that is value-adding for both the firm itself and its shareholders and stakeholders from the initial proposition of volunteering to operate in a socially responsible way. Under this premise, CSR is now being seen as a business strategy encompassing a diverse range of responsible practices that organizations implement, to develop as well as maintain relationships with stakeholders and the community, giving rise to the idea that CSR can be instrumental in the management of relationships between stakeholders as well as sustainable development (Waddock, 2004). As such, sustainable development in a socially responsible culture is increasingly seen as “a strategic priority to integrate social and environmental goals into business activities (Baumgartner, 2014).

With regards to CSR from an instrumental perspective in generating positive outcomes in relationship management such as increased employee commitment and loyalty at work, person-organization fit (PO fit) is suggested to be an influential underlying mechanism. In the process of which a positive PO fit is being established between employees and their organizations, employees align their people’s values and purposes to those of their organizations, generating positive employees’ organizational attitudes and behaviors such as organization identification and affective commitment (Hoffman & Woehr, 2006). This implies the crucial facilitating factor of value congruence that, when employees see their values are in alignment with the values represented by the CSR actions that their companies have undertaken, they would perceive that they share the same value as their companies and as a consequence, find their companies a more attractive place to work. Further, this would also increase employees’ motivations and commitment at work, ultimately generating a strong sense of belonging and loyalty to their companies (O’Reilly et al., 1991; Chatman, 1989; Kristof, 1996). Under this context, it can be concluded that employees are more likely to demonstrate positive organizational behaviors such as increased organizational identification, creative involvement, and other organizational citizenship behaviors (Aguinis & Glavas, 2012) through CSR implementation under the value congruence condition and perspective.

2.3. Organizational culture, commitment of employees

Employees with high commitment are known to be more inclined to put in extra effort at work, thus, increasing individual and ultimately organizational performance (Krafcik, 2018). They are also more likely to take their organizations’ goals as their own and become more motivated and loyal to their organizations as a result. Further in line with this consideration, in a socially responsible organization where CSR is supported by both the organization and the employees, employees are more likely to be motivated to take up more social responsibilities and actions that contribute to higher organizational competitiveness, as a result of positive organization behaviors CSR generates (Gupta, 2017; Prutina, 2016).

Organizations foster a socially conscious image by engaging in socially responsible activities that are more attractive to employees with high justice views, as they identify their views and values with those of the organizations and as a result, put more effort into work to deliver fair performance for their organizations (Saks, 2006). An organization’s socially conscious image is also likely to enhance the firm’s reputation and prestige, consequently increasing employees’ sense of belonging to their organizations (Peterson, 2004). Echoing the social identification theory (Tajfel, 1979), employees under these circumstances perceive their companies’ positive traits as mirroring their self-concept, thereby reinforcing their identification with their companies, and ultimately enhancing their commitment and loyalty to their companies (Mory, et al., 2016).

Organizations with committed employees are not only thought to increase business performance but also internally, improve professional connections and collaborative efforts in the place of work, as employees sharing socially responsible values tend to foster more interpersonal connections and build relationships of trust with their colleagues. As interprofessional collaboration (IPC) is becoming increasingly important for firms to increase their business performance in a competitive environment, CSR-oriented organizational culture is therefore being considered to be crucial in building a quality work environment that will increase efficiency, productivity, and general performance of the employees.

2.4. Transformative servant leadership

In the case when an organization engages in organizational change with sustainability considerations, it is usually because of the demand of one or more groups of stakeholders (Bertels & Fraser, 2010). This implies that for firms to successfully transform, or enhance their, socially responsible organizational culture, the firms must promote collaborative effort and maintain communication through transformation servant leadership, between the relevant stakeholders in the process.

A top-down approach in which CSR initiatives are formulated at the top level of management is supported by scholars such as Trevino and Nelson (2007). In this approach, top management develops the framework for social responsibility to realize
sustainability goals, with the CSR-oriented mission conveyed from the top level to the lower level, as well as across different groups of stakeholders, so that stakeholders, such as the employees, understand and embrace the CSR values and business intentions and align their actions and behavior accordingly (Ganescu & Gangone, 2017). In this perspective, leadership must therefore consider and address stakeholders’ values and beliefs, give support to stakeholders, and involve them in the decision-making process where appropriate, before integrating the shared values and beliefs into the formulation of CSR frameworks and strategies, to achieve mutual benefits to the organization and the stakeholders through the CSR initiatives it wishes to implement.

Further to this line of consideration, it is also essential to have a supportive culture top from the top of the senior management level, with leadership holding altruistic values that there is more to business than economic interests alone. This value must be embedded within the corporate culture, and be promoted and shared across the organization to motivate and engage stakeholders, which as discussed in previous sections, are crucial for the success of CSR implementation, in particular with CSR-generated employee outcomes of increased commitment and engagement from employees in the process (Chong, 2009).

3. METHODOLOGY AND ANALYSIS: CONTENT ANALYSIS

Communication is to send textual messages — verbal and non-verbal — for coordinating, integrating, controlling, and persuading purposes. Hence, textual messages are tools for persuading people’s minds to accept ideas. Organizational behavior is to understand, predict, and control others’ behavior. Management is to manage resources within an organization for achieving organizational goals. These three principles — business communication, organization behavior, and business management — bear an interrelated relationship. Textual messages are data for conducting content analysis during the process of grounded theory which helps us to induce a concept for generalization and future prediction. From the following quotation, we can realize that content analysis is a technique that enables researchers to study human behavior in an indirect way. It is an analysis of written content drawn from a certain kind of communication paper, like textbooks, essays, and articles from newspapers. By analyzing these written works, the researcher can:

• understand the behavior of people and organizational patterns;
• infer attitudes, values, and cultural patterns in different countries or organizations;
• gain ideas of how organizations are perceived;
• see the trend of certain practices;
• differentiate practices among certain groups of people.

“Content analysis as a methodology is often used in conjunction with other methods, in particular historical and ethnographical research. It can be used in any context in which the researcher desires a means of systematizing and (often) quantifying information that is not previously organized to suit the researcher’s purpose” (Wallen & Fraenkel, 2013, p. 409).

Content analysis is a systematic and objective analysis of selected text characteristics. This includes counting the number and frequency of words, finding out the characteristics of themes and characters, building relationships among items and paragraphs, and finally, establishing meaningful concepts. It is not simply a quantitative research method but also a qualitative one as the purpose of the writing is also reflected through the analysis.

4. RESEARCH RESULTS

In this research, the authors counted the frequency of occurrence of words and phrases related to committed organizational culture for happy transformative business servant leadership from recently published literature. There are two levels of content analysis — describing fundamental inherent characteristics of messages and applying characteristics to related areas. The former one is objective as collected data are facts while the latter one is subjective as it is derived from researchers’ points of view and personal life experience.

In this research, the authors counted the frequency of occurrence of words and phrases from related literature to demonstrate the key elements related to effective transformative leadership and relationship with trust in the organization, instead of distributing a survey to collect data for regression analysis results, correlation, ranked mean, etc. The reason is that the survey results may provide a holistic idea of the preferences of respondents without detailed information from previous studies for reliable analysis.

After describing the characteristics of content analysis of the above, its advantages can be summarized as follows:

• no people are involved;
• no experiments are required;
• cost is minimal;
• texts found within a certain period of time in the past can reflect social phenomena.

However, researchers should also realize that content analysis may have limitations in the availability of texts. Moreover, they may be subjective when interpreting the selected texts. As a result, they cannot demonstrate the cause-and-effect relationship within selected texts explicitly.

When interpreting or making inferences from documents received, researchers should follow the ideas of Babbie and Mouton (2001). That is to:

• trace the person or authority composing the documents;
• think about the reasons behind of having the existence of the documents;
• find out the ways of acquiring the information contained in the documents;
• investigate the magnitude of biases in the documents;
• identify the main categories and concepts brought up by the writer;
• internalize the theories that the documents have demonstrated.
The research was conducted to interpret factors potentially related to committed organizations with happy transformative servant business leadership. Fifteen articles published from 2021 to 2022 were found. By thoroughly diving into these articles, numerous relatable factors are identified to the topic, including Effective Transformative Leadership, Optimistic in Future Relationship, Relationship with Trust in Organization, Emotional Engagement with Employees, Balance in Mental and Material Well-being, Serve with Common Goals, Serve with Happiness, Task Completion with Commitment, and Creativity in Problems Solved.

To critically identify their relationship to the topic by using NVivo, a text search was performed for the mentioned keywords. The search result showed that some of the factors such as Effective Transformative Leadership and Relationship with Trust in Organization were cited the most frequently with 416 and 407 times correspondingly, while Creativity in Problems Solved was cited less frequently in comparison (Table 1).

### Table 1. Findings of the keywords search

<table>
<thead>
<tr>
<th>Factors</th>
<th>Sources</th>
<th>References</th>
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<tbody>
<tr>
<td>Effective Transformative Leadership</td>
<td>12</td>
<td>416</td>
</tr>
<tr>
<td>Relationship with Trust in Organization</td>
<td>15</td>
<td>407</td>
</tr>
<tr>
<td>Optimistic in Future Relationship</td>
<td>15</td>
<td>323</td>
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<tr>
<td>Emotional Engagement with Employees</td>
<td>14</td>
<td>175</td>
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<tr>
<td>Serve with Common Goals</td>
<td>14</td>
<td>146</td>
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<tr>
<td>Balance in Mental and Material Well-being</td>
<td>14</td>
<td>128</td>
</tr>
<tr>
<td>Serve with Happiness</td>
<td>5</td>
<td>68</td>
</tr>
<tr>
<td>Task Completion with Commitment</td>
<td>12</td>
<td>67</td>
</tr>
<tr>
<td>Creativity in Problems Solved</td>
<td>14</td>
<td>62</td>
</tr>
</tbody>
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5. DISCUSSION OF RESULTS

Further inspecting the relationship among the factors, it was apparent that Effective Transformative Leadership, Relationship with Trust in Organization, and Optimistic in Future Relationship contribute to the topic of committed organizations with happy transformative servant business leadership. Based on such findings, a graphical model was generated with the data (Figure 1).

**Figure 1. Model on the factors**

The result of this research contributes to a more holistic understanding of the key determinant factors to committed organizations with happy transformative servant business leadership, that Effective Transformative Leadership, Relationship with Trust in Organization, and Optimistic in Future Relationship, are critical in fostering committed organization with happy transformative servant business leadership.

Organizations can therefore create more favorable conditions with these considerations and implement CSR and socially responsible practices more effectively for enhanced loyalty, more positive organizational behaviors, and higher organization performance.

6. CONCLUSION

Through this research, the key factors for happy transformative servant business leadership are identified. Organizations and business leaders seeking to improve business performance and employee engagement should consider enhancing effective transformative leadership, trust in the organization, and optimism in future relationships, to foster a corporate culture that is most effective in the implementation of CSR and responsible practices in generating positive employee attitudes.

Innovative educational and training programs such as fun-to-learn and practical-to-build platforms, for example, could be transformative initiatives that organizations implement to elicit optimism and positive engagements. In addition, business leaders should also foster trust with an analytical quality management mindset, with individualized consideration and inspirational motivation, providing employees with a psychologically supportive environment and relevant resources so that employees can engage themselves in their tasks fully.

The researchers recognized that content analysis used in this research may have limitations in the availability of texts. In addition, subjective interpretation of the selected texts may also be a limitation. Future research could expand on this study by increasing the number of published studies for content analysis and conducting a focus group study in conjunction with the analysis to establish cause-and-effect relationships and extend the resulting model.
REFERENCES


