

Not Only Me but My-self: How Collective Identity Moderates the Effects of Transformational Leadership and Public Value on Work Behavior

Abstract

The role of identity in the effects of transformational leadership and an organization's impact in society is crucial yet not well researched. Based on the self-concept theory of transformational leadership (Shamir et al. 1993), this article investigates the role of collective identities within the self-concept, namely organizational and societal identity, as potential moderators of transformational leadership and public value in their effects on extra-role and in-role performance by using cross-sectional data from a sample of 1454 respondents. The results support the hypotheses that organizational identity moderates the effects of transformational leadership and that societal identity moderates the effects of public value. In conclusion, leader can create a competitive advantage when their organizations "give back" and create value in society if the followers' identities are properly considered. The implications of these results are discussed.

Keywords:

Transformational leadership; public value; identity; work behavior.

Introduction

Identity and identification are root constructs in organizational behavior research (Albert et al. 2000, p. 13). They are framed by social dynamics in the same manner as identities locate the self in society (Jones and Hynie 2017). Each identity acts as a different pair of lenses through which we look at our surrounding world, focus our attention, and categorize our experiences. Every individual incorporates multiple, sometimes conflicting identities within a personal, relational or collective frame, and every part of this self-concept can be expressed differently across contexts and settings. We most consciously experience (temporary) shifts in our salient identity on a collective level after crisis when we feel required to stay together, e.g. after natural (earthquake) or social disasters (rampage), or on a personal level, e.g. after the death of a close relative or after promotion. Suddenly, our values and needs change, and things that bothered us to our core (like paper work) become irrelevant.

How individuals perceive and place themselves towards their work and the work context within their organization plays a crucial role for interpretation schemata, the motivational mechanisms that result, and the effectiveness in which they interact with their environment (Albert et al. 2000, p. 13; Rosso et al. 2010, p. 99). In other words, depending on which salient identity and lens is activated, the same work and work context unfolds different impacts upon work motivation and work behavior. These dynamics and the role of identity in the direct leadership processes of stimulating effective and efficient work behavior; and the importance of the perceived social impact one's organization has is the topic of this work. It is thus based in the very center of transformational leadership research within the organizational behavior domain as it reveals new insights on how to empower followers, make them achieving, and influence the organization's performance. Especially in ever more complex and dynamic environments, leaders must build a strong core of what the organization stands for to reside within the heads and hearts of its members (Albert et al. 2000, p. 13). To

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empower followers, make them achieving, and influence the organization's performance, leaders need to be aware of followers' identity and self (Harung 1996).

The role of the self and identity in work behavior is labeled by Kanfer et al. (2017, p. 348) as "[...] a promising new direction for future research." Whilst scholars exhaustively studied identity aspects of the self as mediators for transformational leadership effects, a lack of knowledge remains for theoretically-driven moderation influences within the self-concept-based mechanisms of transformational leadership (Kark and Shamir 2013, p. 78; Shamir et al. 1993) and within the psychological public value framework by Meynhardt (2009) as a societal value creation perspective. But Shamir et al. remain very vague on those terms as they do not hold an explicit processual model of this relationship nor do they deliver a clear concept of the intertwined relationship between transformational leadership and identity. On one side, they expect leadership to stimulate (and even change) the followers' identity, on the other they pose existing identities as moderators of the effects of transformational leadership (e.g., Shamir 1991a, p. 416; Shamir et al. 1993, p. 588). Whilst several studies have investigated the mediational influences of identity (e.g., Bono and Judge 2003; Hobman et al. 2011; Kark and Shamir 2013; Kark et al. 2003), the interaction of transformational leadership with identity has remained in the shadows. I shed light upon this by focusing on identities as moderators (Lord et al. 2017, p. 441; Shamir et al. 1993, p. 588).

Despite the prominence of, and effort put into, transformational leadership research and its effects on various facets of work behavior, such as organizational citizenship behavior (OCB) and in-role performance examined herein, the underlying influencing processes and the processual effects remain obscured to a large extent (Humphrey 2012; Kark et al. 2003, p. 246; van Knippenberg and Sitkin 2013; Yukl 1999). Collective identities, which link the individual to an organization or society, are promising in explaining the effects of transformational leadership (Kark and Shamir 2013, p. 82). Additionally, scholars have paid

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too little attention to the conditions under which an organization's social value creation effectively addresses followers' needs, values, and behavior (Farooq et al. 2016, p. 956). This refers to the ever more intensively studied concepts of corporate social responsibility, corporate citizenship, or public value. For example, Cooper et al. (2017, p. 1299) asked to identify pathways of competitive advantages that result from an organization's positive impact in society. And Kanfer et al. (2017, p. 343) explicitly asks for the consideration of social and collective states in work behavior research. Conversely, societal value creation perspectives such as public value (but also corporate social responsibility) miss the necessary foundation in human nature (Alford 2016, p. 683; Meynhardt and Gomez 2016). Clearly, public value theory *and* leadership research lacks a means to deal with follower identities. Only recently have some studies begun to show the importance of followers' characteristics as moderators for the effects of transformational leadership, e.g. for positive affectivity (Gilmore et al. 2013).

Values and needs are important addresses upon which transformational leadership and public value to unfold their effects on work behavior. Taking the perspective that values and needs are changing in line with the follower's salient identity and drawing on the self-concept based theory of transformational leadership (Shamir et al. 1993) and the psychological public value theory of Meynhardt (2009), my central argument is that identity, whether focused upon the organization and/or on society, moderates the impact of transformational leadership and public value on work behavior. More specifically, I state that the effects of an organization's value creation in society (public value) on extra-role and in-role work performance is increased by the extent to which the individual identifies with and shares values and needs that are directed to and become relevant through society. Likewise, the effects of transformational leadership on extra-role and in-role behavior are hypothesized to be

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increased by the extent to which the individual identifies with, and shares, values and needs that are directed to and become relevant through their respective organization.

This article contributes to filling this gap between follower identity and transformational leadership research by empirically investigating organizational identity and societal identity as conditioning factors. As a result, transformational leadership theories and theoretical approaches to social impact measurement are bolstered by a foundation in human nature that will hopefully stimulate new empirical and epistemological momentum. In turn, managers and leaders will become better prepared to drive their workforce through gaining a greater understanding of how their followers make sense of leadership and the impact of their organization in the broader environment, which is crucial in the organizational behavior domain (Epitropaki and Martin 2005, p. 585). I, therefore, look at the embeddedness of sense-making within the self-concept (identity) and interactions in broader social systems (public value) as requested by Rosso et al. (2010, p. 100).

The article is structured as follows: I start by describing the conceptual scope of transformational leadership and its effects on followers with an emphasis on its connection to public value. After the public value framework by Meynhardt (2009) is elucidated, I deduct hypotheses from self-concept-based theory (Shamir et al. 1993) with a specific consideration of organizational and societal identity.

Background

Transformational Leadership and its Effects on Followers

Transformational leadership was first introduced in a political context in the late 1970s by Burns (1978) and picked up and brought into thinking on organizational behavior by Bass (1985) seven years later. Since then it has carried huge influence in leadership research which endures until today (Dumdum et al. 2013; Judge and Piccolo 2004). Contrary to transactional

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leaders, who focus on exchanges in return for the subordinate's effort in form of performance rewards, mutual support, and bilateral disclosure, while continuously operating within the existing system and its constraints, transformational leaders seek new ways of working and look for opportunities in risky situations. This implies a shaping of the direction and purpose of the organization and organizational units, instead of a reaction to it (Avolio and Bass 1988; Bass 1985; Bycio et al. 1995). Transformational leadership is largely based upon affecting followers' identity, needs, values, beliefs, attitudes, and perceptions (Carey 1992; Dvir et al. 2002; Hoffman et al. 2011; Kovjanic et al. 2013; Lord et al. 2017; Podsakoff et al. 1996).

A crucial amount of empirical studies report positive relationships between transformational leadership and extra-role performance (Bono and Judge 2003; Gilmore et al. 2013; Podsakoff et al. 1996; Podsakoff et al. 1990) and in-role performance (Chi and Pan 2012; Hannah et al. 2016). This is supported by several meta-analyses (Dumdum et al. 2013; Judge and Piccolo 2004; Lowe et al. 1996). Interestingly, despite the crucial amount of studies on transformational leadership, to a certain extent critiques of the whole concept remain similar over time. This applies to the underlying mechanisms of transformational leadership effects and how these are contingent upon moderating influences (van Knippenberg and Sitkin 2013, p. 1; Yukl 1999, p. 286). Shamir et al. (1993) deliver a self-concept-based approach to understanding transformational leadership which also touches upon the moderation influences of the individual's self within the motivational mechanisms of transformational leadership.

Public Value and its Effects on Followers

Public value captures the impact or purpose of organizations in society with measurable substance (Horner and Hutton 2011). The idea originated from a public management perspective on the value-added of government and public organizations in general (Moore 1995). 14 years later, Meynhardt (2009) decrypted the terms "public", "value" and "public

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value” in a psychological framework of public value, which soon became one of the main theories in the public value domain (Bryson et al. 2014). Contrary to other social impact concepts like corporate social responsibility, Meynhardt (2009) conceptualizes public value in a non-prescriptive, systemic fashion with an emphasis on how organizations, whether public or private, penetrate the life worlds of society’s members as a result of evaluations in the relationship between the individual, the organization, and society. Public value arises out of two interconnected pillars in the relationship between the individual and society: Values and needs.

Public value is constructed of “[...] values characterizing the relationship between an individual and “society,” defining the quality of this relationship” (Meynhardt 2009, p. 206) and “[...] how basic needs of individuals, groups and the society as a whole are influenced in relationships involving the public” (Meynhardt 2009, p. 212). Several important aspects can be found in those quotes. First, individuals and society form a relationship. This relationship is subjectively evaluated by individuals and constituted by values within the individual and his or her perceived, indispensable operational fiction of society, which the individual needs to function within its complex, intangible environment. Those values are desirable and fuel psychological forces within the evaluating subject. As the relationship can vary in its gestalt so can the values derived, e.g. when individual identities change. If there is low societal identity the individual’s relationship to society is weak and much more unlikely to fulfill his or her needs. Second, public value is created (or destroyed) if this relationship and its values are affected, for example when an organization enables new forms of communication but at the same time misuses the information and contradicts privacy values. Public value is then value *for* the public, but it also can be *from* the public, when it draws on the shared values, experiences, and life worlds of the public. Third, the values, forming this relationship, derive from individual needs. Thus, public value creation is related to needs founded in the

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individual. Meynhardt (2009) draws on the cognitive-experiential self-theory of Epstein (1998, 2003) and posits four basic need dimensions, which exist equally but in varying patterns among individuals. These transform into interrelated, yet non-substitutable values: The need to maintain a coherent conceptual system (utilitarian-instrumental values), the need to maintain a favorable pleasure-pain balance (hedonistic-aesthetical values), the need for relatedness (political-social values), and the need to maintain and enhance self-esteem (moral-ethical values; Epstein 1998, 103, 109f). The relationship of needs and values is a one-way route – self-esteem is an essential part of moral-ethical valuation but not every complex moral-ethical issue can be traced back to self-esteem effects alone.

The evaluations against those values and needs take place between a valuing subject (e.g., follower) and a valued (or evaluated) object (e.g., his or her own organization) “[...] as comparison of a perceived “actual state” with a real or hypothetical, speculative or even illusionary “optimum”” (Meynhardt 2009, p. 200). An individual’s evaluation of the value-added depends upon how well the experiences satisfy these needs and values in the triad with a social entity and a society that is consciously or unconsciously formed together. These subjective experiences transform into emotional-motivational states, which force behavior. Meynhardt (2009, p. 214) cautiously argues further, that “[...] public value becomes more relevant for an individual if it is relevant for self-concept and identity [...]” I argue, that the evaluation between the valuing individual and the valued object is framed by the values and needs that come along with different identities of the valuing subject. In other words, public value comes "into being" within an individual’s salient identity. Identities can change the relevance of and/or the focus within the experience. More specifically, a greater extent of collective identity should result in greater emotional-motivational states of public value creation derived from higher relevance, focus, and value-fit within the evaluation on issues that concern the collective. Hence, an experience unfolds emotional-motivational potential

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and guides behavior, if it creates or destroys public value relevant to an individual's salient identity.

Open Questions

Transformational leadership and public value are interrelated (Meynhardt and Neumann 2017), yet miss an examination of the important role of human nature on their effects. I examine this gap by specifically regarding the role of identities in the self-concept for the effects of transformational leadership and public value. The focus of this paper is the investigation of how different salient identities moderate the effects of transformational leadership and public value. Specifically, transformational leadership and public value address individual values and needs, whereas organizational and societal identity change those values and needs. I state that the effects of an organization's value creation in society (public value) on extra-role and in-role work performance is increased by the extent to which the individual identifies with and shares values and needs that are directed to and become relevant through society. Conversely, the effects of transformational leadership on extra-role and in-role behavior are hypothesized to be increased by the extent to which the individual identifies with and shares values and needs that are directed to and become relevant through their respective organization (Fig. 1). I examine this in light of the self-concept based theory (Shamir 1991a; Shamir et al. 1993).

Insert Fig. 1 about here

Theory

A Self-Concept-Based Theory of Transformational Leadership

Shamir et al. (1993) built a theory on the effects of transformational leadership that centers on the followers' self to explain long-term, general work motivation and work behavior in the sense of the continuation of acts and behavior patterns over time and space. The basic idea of transformational leadership and the self-concept-based theory is a collectively oriented understanding of work behavior in both leaders and followers (Shamir 1991a, p. 407). In their concept, transformational leader behaviors affect followers' self-concepts, which leads to motivational processes and positive work outcomes, in form of higher commitment, OCB, and experienced meaningfulness. According to the theory, motivational processes are the result of a conscious or unconscious reflection of work and leadership behavior against the (personal, relational, or collective) identity of an individual and the inherent values that come with them. They stem from self-reflective sense-making that leads to an incorporation of identities and values in the past, which coexist within the individual and vary in their salience from time to time and context to context.

Shamir (1991a) and Shamir et al. (1993) describe three distinct motivational mechanisms that depend on the salient identity and values of the individual and their fit with work and leadership behavior: a) self-consistency, b) self-enhancement (self-esteem, self-worth), and c) self-expression. Self-consistency (a) refers to the correspondence between the self-concept components (identities and values) at a given time, the congruence with one's experiences at work and own behavior at a given time, and the continuity over time. The degree of consistency is a function of the relevance and importance of identities based upon their similarities and differences with related, complementary, or counter-identities in relation to the demands and opportunities of a present or projected future social situation (Burke and Reitzes 1981, p. 85). People also strive to maintain and/or enhance their self-worth and self-

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esteem (b) (see also Shamir 1991a, p. 412). Self-esteem incorporates the sense of competence, ability, power, and actual achievement to cope with and control one's environment. Self-worth is grounded in values and norms of conduct and is based upon a feeling of virtue and moral worth. Self-expression (c) refers to the tendency for individuals to not only be goal-oriented and lead, but also want to incorporate their self, their identities, and their values with the emotions and attitudes that comes with them: "We "do" things because of what we "are," because by doing them we establish and affirm an identity for ourselves" (Shamir et al. 1993, p. 580).

Collective Identities

Identity theories form an important foundation for the theoretical concept of the self-concept-based theory (Shamir et al. 1993, p. 580; Shamir 1991a). Identities are part of the individual's self, which evolves in the individual because of his or her relations to other individuals and social entities and expresses the interrelatedness between the individual and its social and cultural environment:

"The self is a dynamic cultural creation; individuals' self-views, emotions, and motivations take shape and form within a framework provided by cultural values, ideals, structures, and practices." (Cross and Madson 1997, p. 6).

Identities can be defined "[...] as a sense, felt by individuals within themselves, and as an experience of continuity, oriented toward a self-chosen and positively anticipated future [...]" (Penuel and Wertsch 1995, p. 83). Lord et al. (2017, p. 441) labeled identity as a "[...] higher level organizing structure [...]" that shapes work behavior. With identity as an individual's inherent social structure, arisen and maintained through social experiences, it serves to give orientation, to organize experience, and to enable social conduct (Burke and Reitzes 1981, p. 84). An individual incorporates several identities on a personal, relational, or collective level, with each level having a distinct focus and source for motivation (Brewer and Gardner

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1996). Identities are often present in a “fluid form”, i.e. they cannot be articulated unequivocally and consciously (Shamir et al. 1993, p. 588). Identities change, in fact, slowly (Burke 2006, p. 91), which is why I see them as moderators instead of mediators of transformational leadership and public value effects, because mediators assume to change with their independent variable. Identities align and shape the individual’s motivation to formulate plans and achieve levels of performance that are reinforcing, supporting, and confirming this self-perspective (Burke and Reitzes 1981, p. 84). Conversely, engaging in different behavior reinforces, supports, and confirms other or even new aspects of the self. Individuals monitor this relationship and derive meaning from this two-way process (Burke and Reitzes 1981, p. 90; Kahn 1990, p. 706). On the individual level, identities set needs and values (Eberly et al. 2017, p. 713; Shamir 1991a, p. 413), carry goals, values, and norms (Kanfer et al. 2017, p. 348; Sluss and Ashforth 2008, p. 809), and determine how and what one values, thinks, feels or behaves (Albert et al. 2000, p. 14; Eberly et al. 2017, p. 713). This “lens” determines how experiences are interpreted and if and which kind of behavior results from it. Usually, a discrepancy is associated with a distressed feeling, which the behavior is directed to reduce (Burke 2006, p. 82), whereas a small or decreasing discrepancy contributes to a good feeling.

This paper focuses on collective identities because of their relative persistence and relevance for long-term behavior. These can be influenced by relations with specific persons or humanized characters (cf. anthropomorphization, Sluss and Ashforth 2008). Ashforth et al. (2001) as well as Sluss and Ashforth (2008, p. 811) argue that personal and relational identities are structurally nested within collective identities, thus supporting the notion that collective identities need not suppress personal or relational identity levels. Collective identities locate the individual in socially recognizable categories such as nations, organizations, and occupations, enabling people to derive meaning from being linked to social collectives (Ashforth and Mael 1989; Shamir et al. 1993, p. 580). In other words, collective

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identities have the characteristic of being reflexive and plastic, indicative of it being both subject and object (Mead et al. 2015, p. 136). Hence, it is simultaneously the result and organizing system of social interactions, and is, whether referring to an organization, team, or person, required for effective interactions with others and work behavior over the long run (Albert et al. 2000, p. 13). Collective identities allow for effective and efficient communication and collaboration that steers towards future anticipations grounded in common expectations (Burke 2006, p. 82). It is through this sharing of identity that individual motives become social values, and social values become individual motives (Foote 1951, p. 20 as cited in Shamir 1991a).

Each individual incorporates multiple identities which form a hierarchical structure of salience in specific contexts (Ashforth et al. 2001; Shamir et al. 1993). Salience is defined as the probability that an existent identity will be invoked and is a function of the identity's subjective importance and situational relevance (Ashforth et al. 2001, p. 32). The subjective importance is judged by an identity's centrality to the individual's global or context-independent self (internally derived), whereas an identity's relevance is triggered by its appropriateness to a given context (externally stimulated; Ashforth et al. 2001) and its accessibility for the particular individual (Aron et al. 2004, p. 120; Turner et al. 1987). This is all relative to the other identities held by the individual (Shamir 1991a, p. 413). Thus, the identity system consists at the same time of transient, situation-specific, flexible, and more stable, time-serving parts (Humphrey 2012, p. 253). The flexibility of the salience hierarchy includes the factor that individuals "move" between their identities which again changes their underlying needs, values, goals, and so on. Movements in the salience of identities may occur as the situation changes (the call of the hospital within a meeting) or if other aspects of the self become accessible (thinking about social issues).

A higher collective identity means increased salience of associated collective needs, values, goals and so on in the individual's self-concept (Shamir et al. 1993, p. 586),

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incorporating those characteristics of the perceived collective into the self-concept (Hobman et al. 2011; Tajfel and Turner 1979), and with that, the drawing of a sense of meaningfulness and satisfaction out of that connection (Albert et al. 2000, p. 14; Eberly et al. 2017, p. 715). This in turn results in a greater probability that a person will actively seek out opportunities to perform in terms of that identity (Shamir et al. 1993, p. 580), and act on behalf of that collective (Albert et al. 2000, p. 14; Eberly et al. 2017, p. 715; Sluss and Ashforth 2008, p. 812). Accounting for the behavioral implications of the salience in collective selves and the associated change in needs, values, goals and so on is important for leaders when aligning the individuals' selves with their task and company goals (Kanfer et al. 2017, p. 348).

Organizational Identity

Organizational identity is one possible collective self. It is the perception of being one with or belonging to an organization. This can refer to the organization as a whole and/or some specific subparts of it (department, work group, etc.; Ashforth and Mael 1989). It includes the internalization of organizational values and needs that become an important dimension of one's self due to the membership in and strong association with that organization (Turker 2009, p. 190). Beliefs about the organization become self-referential and self-defining so that the individual and the organization converge (Pratt 1998, p. 173), which makes organizational identity a key representative of the follower-organization relationship (Epitropaki 2013, p. 66). By integrating the organizational needs, values, goals and so on into the individual's self-concept, individuals will actively seek out opportunities to perform in terms of that identity, be more motivated to show behavior that is directed towards organizational goals, will derive more satisfaction out of this behavior, will make decisions consistent with organizational objectives, and will cognitively place themselves in the shoes of the organization – resulting in different interpretation schemes (Epitropaki 2013, p. 65; Sluss and Ashforth 2008, p. 811). The psychological context, so to speak, becomes framed by the organization (Conroy et al. 2016, p. 1072). This encourages individuals to interpret

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experiences from the organization's point of view, to share the organization's values, and act on behalf of the organization (Ashforth et al. 2001, p. 37). Scholars have intensively studied organizational identity as a direct antecedent or mediator for performance, OCB, and turnover (Epitropaki and Martin 2005, p. 570; Kark et al. 2003; Kark and Shamir 2013). As stated above, I argue for moderator influences of organizational identity changing reference frame within the individual making him or her more or less susceptible to transformational leadership.

Societal Identity

Societal identity provides a valuable juxtaposition because it may complement or conflict with organizational identity. It should be referred to as the perception of being one with or belonging to society at large or any aggregated subpart of it (nation, region). Just as organizational identity includes the internalization of organizational needs and values, societal identity comes with the internalization of societal needs, values, goals and so forth. The society becomes an important part of the self and thus, also reflects the follower-society relationship. Individuals with a high societal identity will more actively seek opportunities that are framed by society, are more motivated to show behavior that is aimed to bring benefits for that society, will derive more satisfaction out of such behavior, will more strongly include societal considerations in weighing decisions, and will cognitively place themselves in the perspective of society. The psychological context becomes dominantly framed by the perceived society. This shifts the individual from being concerned about their own individual benefits to having a concern with their contribution to a collective (Shamir et al. 1993, p. 584) - with the societal welfare becoming the basic underlying motivation of individuals (Brewer and Gardner 1996).

Hypotheses

Interrelation of transformational leadership and public value

Transformational leaders foster business unit performance and organizational effectiveness (Bass and Avolio 1994; Baum et al. 1998; Howell and Avolio 1993) and profoundly affect whole social systems (van Knippenberg and Sitkin 2013, p. 3). By being more transformational, leaders offer the reference to a higher order purpose, transcend short-term goals and address higher order intrinsic needs (Grant 2012; Judge and Piccolo 2004). Followers can perceive this purpose through public value creation. Transformational visions and value appeals can be public value-free or public value-laden. If leaders ground their vision in a concern for collective well-being they might be able to relate it to public value and reach positive effects on followers by addressing the individual needs within the triad of the individual, the organization, and society. Like Meynhardt and Neumann (2017) I argue that public value serves as a rationale that transformational leaders must account for in order to increase the self-consistency between followers' values and actions with the vision articulated. This will raise the followers' self-esteem and self-worth as a result of the follower's contribution to the social goals and the possibility to express their needs and values. I thus arrive at the first hypotheses:

Hypothesis 1: Public value mediates the relationship of transformational leadership on OCB.

Hypothesis 2: Public value mediates the relationship of transformational leadership on in-role performance.

Transformational leadership and organizational identity

Until now, many studies have argued that transformational leadership directly influences the salient identity within the individual, to increase their organizational identity (Epitropaki and Martin 2005; Jung et al. 2009, p. 598) which in turn evolves into positive outcomes like

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organizational citizenship behavior and reduced turnover through in-group, out-group dynamics as explained by social identity theory. These studies are limited as they focus only on organizational identity whereas every individual simultaneously unites several, sometimes conflicting, identities within their self. These multiple identities derive from years of experiences and sense-making with their peers, family, and general social surrounding. It would be presumptuous to state that transformational leadership turns these established systems on their heads. Rather, it seems plausible that each follower has several identities that *interact* with the transformational leadership behavior. To influence these established identity systems, transformational leaders *listen* to needs, values, and aspirations of followers and then carry the capacity to respond to these in appropriate ways (Howell and Avolio 1992, p. 46, emphasis mine).

In the theoretical propositions and research suggestions section of (Shamir 1991a, p. 416) primary work, Shamir proposes interactional (moderating) effects “[...] in the sense of conceiving job motivation to be a function of the interaction between the person’s self-concept, the attributes of the job and the context in which it is performed.” Once followers identify themselves with the organization or society and share their needs, values, goals and so forth they become subject to social and psychological forces that are likely to increase their effort (Shamir et al. 1993, p. 582). As individuals are motivated by a) self-consistency, b) self-enhancement (self-esteem, self-worth) and c) self-expression, followers a) seek experiences and direct their behaviors so that they are congruent with the identity over time, b) build competencies, abilities, and power to achieve related goals as well as incorporate related norms and values and c) actively shape their environment according to their feelings, attitudes, and expectations.

Transformational leadership is more likely to be effective when the organizational task is closely related to dominant needs and values to which followers are exposed to from within

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themselves (Shamir et al. 1993, p. 588). Transformational leaders articulate a vision that places the organization in a bright foreseeable future, communicate goals that guide towards a united effort, act as a role model for expected behavior, and encourage and support the follower's development – all directed towards the organization's success and the individual's contribution to that success. If the followers identify with the organization and its values, transformational leaders are supposed to have it “easier” to reach positive effects: Higher organizational identity leads to higher intrinsic valence of the effort for the organization and the organizational goals in the vision articulated, higher sensitivity to charismatic leaders and their suggested values, a greater belief in expected accomplishments as well as a better future, higher affinity to personal development as well as innovative approaches, and a higher personal commitment. An increased organizational identity should lead to a higher willingness to make personal sacrifices and put in extra effort among followers for the sake of the organization, its vision, members, and goals. In other words, followers should be more “prone” to such leadership aspects, the more they “care” (identify with) the organization, share their needs and values with it, and see the leadership as self-consistent, self-enhancing, and as a possibility for self-expression.

Hypothesis 3: Organizational identity moderates the effect of transformational leadership on OCB.

Hypothesis 4: Organizational identity moderates the effect of transformational leadership on in-role performance.

Public value and societal identity

Meynhardt (2009) sees central means of public value creation in individual needs being satisfied. He assumes that the individual, as well as vicarious social or collective, perspectives of the person enter the evaluation of the relationship to an object, so that individual need satisfaction is coupled within a societal sphere. Thus, he conjectures a person's social, mental,

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or identity-related embeddedness. This assumption, however, is more complex than it initially seems, and its investigation has implications for any public value theory based upon the subjective evaluations of individuals and collectives. To deepen this individual-centered approach to public value seems to be a promising means by which to identify processes and structures that are also relevant in collective stakeholder or ‘public’ perspectives on public value. Gaining a better understanding of human nature helps all forms of organizations to predict and pre-empt emerging attitudes and expectations toward their public value creation (Kelly and Muers 2002, p. 7). As Moore and Benington (2011, p. 273) plead:

“[...] [T]he challenge in calling a public into existence is to do so in a way that can allow that public to think and act as a collective entity that recognizes the diversity of its individual constituents, but strives to build within each individual in the group a kind of empathy, and a sense of the whole interdependent system as well as its separate constituent parts.” (Moore and Benington 2011, p. 273)

In this way, individuals unite different perspectives within themselves by means of weighing and negotiating expectations and decisions. So, they can value concepts because they personally benefit from them *and* for reasons that go beyond themselves - to a concern about a collective (Alford and Hughes 2008, p. 3). With this process of valuation, identities connect to Meynhardt’s (2009) taxonomy and offer an opportunity to clarify basic prerequisites for public value evaluation. In line with Meynhardt (2009, p. 214), this paper argues that the effects of public value are even more attenuated, the higher the individual shares needs and values with a perceived society. High societal identity should increase the self-consistency between followers’ values and actions with the public value, self-expression regarding the social impact, and raised self-esteem and self-worth via contribution to social goals (see also Farooq et al. 2016, p. 958; and Epitropaki and Martin 2005, p. 571). According to the self-concept based theory (Shamir et al. 1993), an increased societal identity will lead to

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a high willingness among followers to make personal sacrifices and invest extra effort for the sake of society, its members, and the organization's contribution to society. It follows that followers with high societal identity perform on a task or job situation in a manner which is consistent with this societal self-image, find a high public value work self-enhancing, and use these opportunities to express themselves (Shamir 1991a, pp. 410–411).

Hypothesis 5: Societal identity moderates the effect of public value on OCB.

Hypothesis 6: Societal identity moderates the effect of public value on in-role performance.

Method

Data and Sample

From the beginning of May 2017 until the end of June 2017, data was collected from 2227 randomly chosen respondents throughout the German-speaking part of Switzerland via online-surveys. The initial sample is representative for the German-speaking part of Switzerland regarding age, education, and residence. Only those in employment under a direct supervisor were selected to complete the survey. After an introduction, each respondent was asked to evaluate the specific organization he or she was working in, and the respective direct supervisor. In the case of various employers, respondents were asked to focus on the organization he or she was primary employed in. To ensure data quality, a quantitative ($n = 6$) and qualitative ($n = 5$) pretest was conducted. No changes have been necessary.

Questionnaires and single source approaches may bias the results, especially in research on transformational leadership (Meier and O'Toole 2013; Podsakoff et al. 2003; van Knippenberg and Sitkin 2013, p. 29; Williams and McGonagle 2016). Single source bias could not be avoided in our research design, as all hypotheses explicitly refer to subjective

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perceptions. However, to ensure data quality and minimize response and single source bias we guaranteed anonymity, randomized the items per scale, introduced each new topic with a short, written transition, and allowed respondents to decline answering each item in case they did not know the answer or misunderstood the question (Podsakoff et al. 2003). Also, the data was screened for unilateral, extreme response patterns before analyses were conducted.

The final data set contains 1454 respondents with complete data. From the initial data set 770 respondents were dropped because they did not answer one or more questions. Afterwards, a total of three respondents with extreme values on one of the scales were excluded. The sample consisted of 673 (46.3%) female respondents with a mean age of 43.48 (SD: 11.49) years. 979 (67.3%) respondents were in full-time work and 589 (40.5%) in a leadership position.

Measures

Transformational leadership was measured using the short scale by Carless et al. (2000), which has good convergent validity to the MLQ (Avolio et al. 1995) and the leadership practices inventory (referring to the 1990's version of Kouzes and Posner 2003) as well as discriminant validity, and is appropriate in studying transformational leadership as a single factor. The scale comprises seven items with each item representing one of the following dimensions: Vision, staff development, supportive leadership, empowerment, innovative thinking, leading by example and charisma. All items were rated on a five-point Likert scale ranging from 1 ("Rarely or never") to 5 ("Very frequently, if not always"). A sample item is: "Communicates a clear and positive vision of the future" (vision). Cronbach's α was .94.

The **public value** of an organization was measured by four items of Meynhardt's (2009) concept which has already been used in other studies (e.g. Meynhardt and Neumann 2017;

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Meynhardt et al. 2015). Participants were asked to rate the organization that he or she is primary working for: “Do you agree or disagree with the following statement? The particular organization I am working for ...”. Each item represents one specific dimension of public value: “...behaves decently” (moral-ethical dimension); “...does good work in its core business” (instrumental-utilitarian); “...contributes to social cohesion in its societal environment” (political-social); and “... contributes to quality of life in its societal environment” (hedonistic-aesthetical). In our study, respondents were asked to rate a concrete object, their respective organization, along a clearly formulated item. This was assigned biuniquely to one specific dimension of public value, which is the reason why single-item measures for each dimension are appropriate (Bergkvist and Rossiter 2007; Loo 2002; Nagy 2002; Rossiter 2002; Wanous et al. 1997). The general factor structure of the public value concept was validated in a study by Meynhardt and Bartholomes (2011). Items were evaluated on a six-point Likert scale ranging from 1 (“disagree”) to 6 (“agree”). The four items on the broader dimension of public value were aggregated with equal weights. The resultant Cronbach’s α was .87.

Organizational identity was measured using Doosje et al.’s (1995) four item measure on a seven-point Likert scale ranging from 1 (“not at all”) to 7 (“extremely”) with reference to the own organization, e.g. “I identify myself with other members of my organization”. All items resulted in a Cronbach’s α of .91.

Societal identity was equally measured using Doosje et al.’s (1995) four item measure on a seven-point Likert scale ranging from 1 (“not at all”) to 7 (“extremely”) with reference to the own nation, e.g. “I identify myself with Switzerland”. As Meynhardt (2009) points out, referring to nation is a feasible approach to a concept of society. All items resulted in a Cronbach’s α of .89.

Extra-role behavior was assessed using Staufenbiel's and Hartz's (2000) adaptation of Organ's (1988) full range of organizational citizenship behavior concept, which was translated and validated for the German-speaking context. According to Organ (1988: 4) organizational citizenship behaviors are "[...] behavior[s] of a discretionary nature that are not part of employees' formal requirements, but nevertheless promote the effective functioning of the organization." Staufenbiel's and Hartz's (2000) scale encompasses four dimensions, each measured with four items on a seven-point Likert scale, from 1 ("not at all") to 7 ("fully agree"): Civic virtue, altruism, conscientiousness, and sportsmanship. *Civic virtue* ($\alpha = .74$) refers to the behavior of an individual that indicates that he or she responsibly participates in, is involved in, or is concerned about the life of the organization. *Altruism* ($\alpha = .72$) encompasses voluntary behavior that is directed to help others with work-related or organizationally relevant problems. *Conscientiousness* ($\alpha = .58$) characterizes a dutiful and faithful working behavior beyond the scope of normal requirements of the organization, in terms of attendance obeying rules, taking breaks and so on. *Sportsmanship* ($\alpha = .73$) refers to the willingness to withstand temporary hassles and frustration without any complaints and be open to changes in the organization. One item on each dimension of sportsmanship and conscientiousness needed to be deleted to increase the scale reliability. The four items on the broader dimension of organizational citizenship behavior ($\alpha = .76$) were aggregated with equal weights.

In-role behavior was investigated using Staufenbiel's and Hartz's (2000) German translation of Williams' and Anderson's (1991) conceptualization. The scale encompasses four items on a seven-point Likert scale ranging from 1 ("not at all") to 7 ("extremely"), e.g. "I adequately complete assigned duties". One item needed to be excluded to increase scale reliability. The final item set resulted in a Cronbach's α of .74. In order to compensate for

issues in the normal distribution assumption (Kolmogorov-Smirnov-test), which form a prerequisite for linear regression modelling, the variable in-role behavior was squared.

Analysis Procedure

Two approaches to control for common method bias were undertaken. Firstly, Harman's Single Factor test, with all 36 items, was applied in the following steps: (a) Exploratory factor analysis (EFA) using unrotated principal component analysis; (b) EFA principal component analysis using varimax rotation; (c) EFA principal component analysis using varimax rotation and limited factor extraction to one; (d) confirmatory factor analysis with one general factor. If the EFA reveals only one factor (a, b), or if one factor accounts for the majority of the covariance among the variables (c), or if the confirmatory factor analysis model provides a good fit (d) a substantial amount of common method bias is present. Both unrotated and rotated EFA (a, b) revealed nine factors with an eigenvalue greater than one, rather than one factor. Limiting the factor extraction to only one factor (c), this factor accounts for 25.04% of the overall variance while the nine factor solution accounts for 67.95%. Thus, no single general factor is apparent. Moreover, the confirmatory factor analysis showed that the single factor model did not fit the data well, $\chi^2(591, n = 1454) = 13873.494, p = .000, GFI = .506; AGFI = .443; CFI = .494; TLI = .461; RMSEA = .124$. While the results of these analyses do not eliminate the possibility of common method variance, they do suggest that common method variance is not of great concern here and is thus unlikely to confound the interpretation of results. However, the Harman's single factor test does nothing to statistically control for method effects in the actual analysis.

Secondly, a common method factor (CMF) was integrated into our structural equation modelling to report bias-adjusted results. Controlling for systematic measurement error eliminates alternative explanations for the observed relationship that is grounded in the form of measurement, the item content, scale type, response format, response biases, and the

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general context (Podsakoff et al. 2003, p. 879). The suggestions of Podsakoff et al. (2003) to integrate a CMF and test for the resulting model fit were followed. As we assume the CMF to equally influence the variables, a fully constrained model with CMF loadings fixed on zero was compared to a partially constrained model with equal loadings across all items. The partially constrained model revealed a more comparable fit (χ^2 (1040, $n = 1454$) = 2960.845, $p = .000$, GFI = .922; AGFI = .910; CFI = .951; TLI = .945; RMSEA = .033) than the fully constrained model (χ^2 (1141, $n = 1454$) = 2996.086, $p = .000$, GFI = .922; AGFI = .909; CFI = .950; TLI = .944; RMSEA = .033). Thus, the data was imputed to get common method bias adjusted data. A direct effect and second stage moderated mediation model with separate moderators for the direct effect path (organizational identity) and the indirect path (societal identity) was applied with the moderated causal step approach by Muller et al. (2005).

Results

Means, standard deviations, scale reliabilities, and correlations can be derived from Table 1. Hierarchical multiple linear regression models were used to test the hypotheses. Following the recommendations by Aiken et al. (1991) the independent variables were standardized, the interaction terms were created, and the dependent variables OCB and in-role performance were predicted. The standardized control variables were entered in the first step, followed by the direct effect path variables (transformational leadership and organizational identity as the moderator) in step two, and the mediation path variables (public value and societal identity as the moderator) in step three. The results of this analysis can be derived from Table 3 and Table 4 as well as from Fig. 2 and Fig. 3.

Insert Table 1 about here

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The relationship of transformational leadership to the mediator public value with inserted control variables (Table 2) was found to be positive and significant ($b = 0.38$, $t(1448) = 19.91$, $p < .001$), fulfilling the precondition for a mediation. Following the thoughts of Muller et al. (2005) and Edwards and Lambert (2007), a mediation exists if the integration of public value and the public value with societal identity as predictor changes either the regression coefficient of the independent variable transformational leadership or its interaction with the direct effect path moderator organizational identity.

Insert Table 2 about here

Looking at the stepwise regression model for OCB in Table 3 and Fig. 2, after inserting public value and the interaction term of public value and societal identity the effect of transformational leadership becomes insignificant and the interaction term with organizational identity is slightly reduced. Therefore, public value and the interaction with societal identity mediates the effect of transformational leadership on OCB, supporting Hypothesis 1. Further, the conditional indirect of transformational leadership on OCB through public value are significant (and negative) for low to medium levels of societal identity and across all levels of organizational identity, bringing additional support for Hypothesis 1.

Insert Table 3 about here

Insert Fig. 2 about here

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Looking at the stepwise regression model for in-role performance in Table 4 and Fig. 3, after insertion of public value and the interaction term of public value and societal identity, the effect of transformational leadership becomes slightly more negative and the interaction term with organizational identity is reduced. Therefore, public value and the interaction with societal identity mediates the effect of transformational leadership on in-role performance, supporting Hypothesis 2. Further, the conditional indirect of transformational leadership on in-role performance through public value are positive and significant for medium to high levels of societal identity and across all levels of organizational identity, bringing additional support for Hypothesis 2.

Insert Table 4 about here

Insert Fig. 3 about here

Another objective of this study was to investigate the interaction of transformational leadership with organizational identity in explaining OCB (Hypothesis 3) and in-role performance (Hypothesis 4). Table 3 indicates a statistically significant interaction between transformational leadership and organizational identity in predicting OCB, supporting Hypothesis 3. Table 4 further shows a significant interaction between transformational leadership and organizational identity in predicting in-role performance, which supports Hypothesis 4.

The next objective of this study was to investigate the interaction of public value with societal identity in explaining OCB (Hypothesis 5) and in-role behavior (Hypothesis 6). Table

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3 indicates a statistically significant interaction between public value and societal identity in predicting OCB. This supports Hypothesis 3. Table 4 shows a significant interaction between public value and societal identity in predicting in-role performance, which supports Hypothesis 4.

To interpret the interactions, I plotted the simple slopes at one standard deviation below the mean, and one standard deviation above the mean for the variables in hypotheses 3 and 4. I applied the same procedure for transformational leadership and organizational identity in hypotheses 5 and 6.

Fig. 4 displays the interactional effect of transformational leadership and organizational identity on OCB. The simple slope test was applied to investigate the effects of public value on in-role performance at different levels of organizational identity. When organizational identity was low, the relationship between transformational leadership and OCB was negative and statistically significant ($b = -.05$, $t(1443) = -3.72$, $p < .001$). When organizational identity was high, the relationship of transformational leadership to OCB is positive but insignificant ($b = .02$, $t(1443) = 1.40$, $p = .16$). The higher the organizational identity, the weaker the negative impact of transformational leadership on OCB.

Insert Fig. 4 about here

Fig. 5 displays the interactional effect of transformational leadership and organizational identity on in-role performance. Again, the simple slope test was applied to investigate the effects of transformational leadership on in-role performance at different levels of organizational identity. When organizational identity was low, the relationship between transformational leadership and in-role performance was negative and statistically significant

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($b = -.53$, $t(1443) = -8.32$, $p < .001$). When organizational identity was high, the negative relationship of transformational leadership to in-role performance decreases but stays significant ($b = -.16$, $t(1443) = 2.92$, $p < .05$). To examine whether this decrease was significant, the 95% confidence intervals around the slopes at both levels of organizational identity was examined. The confidence interval for organizational identity below the mean [-.65, -.40] and above the mean [-.31, -.02] did not overlap, indicating that organizational identity weakens the negative effects of transformational leadership on in-role performance.

Insert Fig. 5 about here

As displayed in Fig. 6 the negative effect of public value on OCB is slightly reduced when societal identity is high. To test this interpretation for significance, a simple slope test for the effects of public value was applied, which predicted OCB at different levels of societal identity – again above and below the mean. When societal identity was low, the relationship between public value and OCB was negative and statistically significant ($b = -.07$, $t(1443) = -3.86$, $p < .001$). In contrast, when societal identity was high, there is no relationship of public value to OCB ($b = -.03$, $t(1443) = -1.53$, $p = .13$). These results show that societal identity weakened the negative effects of public value on OCB.

Insert Fig. 6 about here

Fig. 7 displays the interactional effect of public value and societal identity on in-role performance. The simple slope test was again applied to investigate the effects of public value on in-role performance at different levels of societal identity. When societal identity was low,

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the relationship between public value and in-role performance was positive and statistically significant ($b = .17, t(1443) = 2.06, p < .05$). When societal identity was high, the relationship of public value to in-role performance increases ($b = .32, t(1443) = 3.77, p < .001$). These results show that societal identity strengthens the positive effects of public value on in-role performance.

Insert Fig. 7 about here

Discussion

This study provides evidence that the effects of transformational leadership and an organization's value creation in society on the followers' extra-role and in-role performance is respectively moderated by their organizational and societal identity. In other words, the effects of transformational leadership and public value are conditional rather than universal. Societal identity weakens the negative effects of public value on OCB and strengthens its positive effects on in-role performance. Organizational identity weakens the negative effects of transformational leadership on OCB and in-role performance. These moderations towards a more positive impact of public value and transformational leadership on extra-role and in-role performance are as hypothesized. The negative effects of public value and transformational leadership on OCB (at low organizational identity) and in-role performance are interesting and contradictory to other results (Dumdum et al. 2013; Judge and Piccolo 2004; Lowe et al. 1996; Meynhardt and Neumann 2017).

Theoretical Contribution and Practical Implications

This research advances the knowledge about the motivational processes of transformational leadership and its conditioning on the followers' self. Building on a rather abandoned

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perspective in Shamir et al.'s (1993) theory, the primary contribution lies in introducing identities as important moderators of the impact of transformational leadership on follower extra-role and in-role performance. Although evidence has consecutively showed that transformational leadership fosters followers' work behavior and organizational identity, little knowledge existed to what extent transformational leadership and organizational identity interplay. In identifying organizational identity as an important stimulant of transformational leadership effects I depart from classical approaches that view organizational identity as an outcome and transformational leadership as its source. This highlights the potential for rethinking and bolstering the behaviors of transformational leaders. In traditional understanding, transformational leaders use visionary appeals, role modelling and so forth to transform the individual's self from an individual-centered to a collective perspective with concern for the organization and society (Shamir 1991b, p. 91). My research suggests that transformational leadership, in order to become effective, needs to connect with and build on the self-structure and its gestalt. First, leaders must be aware of the follower's identity. Second, leaders should adapt to the self-concepts of their followers – as dependent on the effects they want to achieve. If leaders want to boost followers' extra effort, public value can be used as an intrinsic motivator if the followers see a low impact in society but closely identify with it. Leaders may even purposefully communicate a low public value creation of their organization to boost intrinsic motivation if societal identity is high. If leaders desire to maximize in-role performance, they should articulate the organization's high public value creation and foster the follower's societal identity. Leadership actions can raise the salience of certain identities and values in the person's self-concept or create new social categories, and link collective goals and the required behaviors (Shamir 1991a, p. 420; Shamir et al. 1993, p. 582):

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“This is because the meanings of organizations, jobs, products, clients and behaviours for workers reflect social judgements and social values that originate, at least in part, outside the organizational system. Managers can influence these meanings through their role as leaders whose primary function is the creation of shared meanings through their own actions as role models and their use of language, symbols and rituals.” (Shamir 1991a, p. 420)

In light of this study’s result, transformational leaders are better off when building “psychological bridges” that connect the individual’s identity levels to organizational *and* societal identity (in accordance with Sluss and Ashforth 2008, p. 807). Given the importance of identity for leadership effects and the relevance of an organization’s value creation, organizations may increase their productivity by developing leaders' coaching and mentoring skills (Sluss and Ashforth 2008, p. 819). Leaders need to better understand that each level of the self has a distinct focus and source for motivation (Brewer and Gardner 1996). As such, my work helps to make a step forward in understanding the underlying processes of transformational leadership (Humphrey 2012; van Knippenberg and Sitkin 2013; Yukl 1999). The negative results shown by transformational leadership support the idea that its direct effects can be contra-productive and may induce role conflicts and distractions (Podsakoff et al. 1990; Rafferty and Griffin 2004; Shamir et al. 1998). However, it cannot be concluded that transformational leadership is dysfunctional, as it may instead have its positive effects in the shaping indirect influences such as public value, organizational, and societal identity.

The dominant social category within the organizational behavior domain for explaining work behavior was organization, disregarding the societal continuum (Conroy et al. 2016, p. 1075; Humphrey 2012, p. 248). In a second contribution, I investigated the interaction of followers’ identity with the organizational impact in society. Public value has already been identified as an important mediator of transformational leadership effects (Meynhardt and

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Neumann 2017) and connects to recent research that identifies the social characteristics of jobs as important substitutes and enhancers of transformational leadership and work performance (Grant 2012, p. 471). As my research now shows, the positive effect may even be increased when followers are enabled to experience a closer connection between themselves and society. At the core of this is the empowerment feeling facilitated by experiencing the impact of one's work in a society one identifies with. This goes back to the fundamental ideas of Drucker and Maciariello (2008). In identifying societal identity as an enhancer of the effects of public value, the empirical findings represent a new branch of understanding an organization's purpose and impact in society. As such, this research adds to our current understanding of the impact of organizational social value creation concepts like public value, corporate social responsibility, prosocial impact (Grant 2012, p. 471) and related ideas by pushing a self-concept-based understanding of their effects. I invite others to think about a self-concept-based approach to organizational value creation in society. This call is also directed to public value theory more specifically, which is missing a strong grounding in human nature (Alford 2016, p. 683; Meynhardt and Gomez 2016). The term "public" in public value is contested: It is difficult to find a unitary public to deliver value to (Alford 2009); and "the public" is not an actor, and is therefore unable to express coherent needs (Beck Jørgensen and Rutgers 2015, p. 9; Muterera et al. 2015, p. 6; van Eijck and Lindemann 2016, p. 49). Alford and Hughes (2008, p. 3) stated that individuals value public value creation "[...] for reasons that go beyond their individual self-interest." This study opens new perspectives in the discussion on defining "public value" and a "public" with an explicit grounding *in* the self-concept. Taking these results seriously, a "public" could be understood as the conglomerate of shared identities within society. The number of available "publics" would then equal the number of distinct identities within that society. Not for nothing did Moore choose the title "Calling publics into existence" (Moore and Fung 2012) and labeled "[...] the collectively defined values of a "public" called into existence [...]" as the

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appropriate arbiter of public value (Moore 2014, p. 465), which could be understood as both raising and manifesting a shared (societal) identity. Applying self-concept-based ideas helps to overcome deficiencies on how values exist, evolve, change and direct behavior at the individual micro- and collective macro-level (Meynhardt 2009, p. 214). Creating a common identity compensates for diverging need and value patterns - additionally, and more importantly, in wider society. Then (and only then) are we able to formulate clear expectations of an organization's contribution to society which is aligned with its current and past challenges. "Public value" would then be the fulfillment of present *and* future projections of that identity.

Limitations and Future Research

The study presented is studded with limitations that open branches of new research. One inconsistency concerns the negative effects of public value on OCB. This is in opposition to the findings of other studies. These showed a positive relationship between public value or related constructs and work behavior (Grant 2012; Meynhardt and Neumann 2017). As the effect of public value on OCB was only negative and significant for those with low societal identity one may argue that an organization's higher public value creation can give the impression that there is no need for followers to engage in extra-efforts as the organization is already doing good in society. Followers with low societal identity may be even less motivated to engage while their concern for society is already being over-satisfied. These followers would rather concentrate on their day-to-day "normal" (in-role) work as their organization already serves society. The effect is exacerbated in followers with high societal identity. Although it was tested for multicollinearity, from a statistical viewpoint this may be the result of the high intercorrelation between public value and organizational identity. Post-hoc analysis revealed a positive association that strengthened with higher societal identity after organizational identity was removed from the equation. As the supplementary results

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indicate, public value may have meaningful interactions with societal *and* organizational identity. In an interesting way, this shows that public value concerns the self-concept in the triad of the individual, the organization, and society. This issue begs for a stronger examination on the longitudinal relationship and the effects on work behavior.

Transformational leadership revealed negative associations with OCB and in-role performance when organizational identity was low. This was weakened as organizational identity increased. In general, meta-analyses report positive associations between transformational leadership and advantageous work behaviors (Dumdum et al. 2013; Judge and Piccolo 2004; Lowe et al. 1996). However, other studies have also reported negative effects of transformational leadership and concluded that it distracts followers from their work (Meynhardt and Neumann 2017; Podsakoff et al. 1990; Rafferty and Griffin 2004). This statement can be viewed as supported by the strong negative associations to in-role performance. However, a short scale of transformational leadership was used, this only allowed the integration of transformational leadership as a general factor. It is necessary to carry out a detailed survey in order to draw conclusions on the individual dimensions of transformational leadership (van Knippenberg and Sitkin 2013). This said, van Knippenberg and Sitkin (2013, p. 30) note “[t]here is no coherent conceptual statement of a moderation model” for each of the transformational leadership dimensions.

Another limitation of this study is the provision of little insight into the duration of the interactive performance effect, in combination with the explicit focus upon the life world within the individual which was most valid to answer the research questions on psychological processes (Farooq et al. 2016, p. 979). Since identities, their salience, and strength can change over time it will be critical to test whether this affects the motivational processes within the individual. For example, future research can consider conflicting, complementing, or prior identities as change agents in this process (Burke and Reitzes 1981, p. 86). At the same time,

future studies should integrate other sources for similar variables, e.g. supervisor or family member ratings, and different methods that allow for a longitudinal investigation, e.g. diary studies.

Conclusion

This work contributes to the self-concept-based understanding of transformational leadership and public value effects that have previously disregarded identity as a moderator in empirical research. By explicitly targeting identities as conditioning factors of transformational leadership and public value effects, leaders can contribute to the betterment of society by creating a positive impact *and* increasing well-being of those who live in society and the organization. As a result, this study extends both the self-concept-based theory of transformational leadership as well as public value theory via the addition of identity as a moderator of their respective motivational mechanisms.

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Appendix

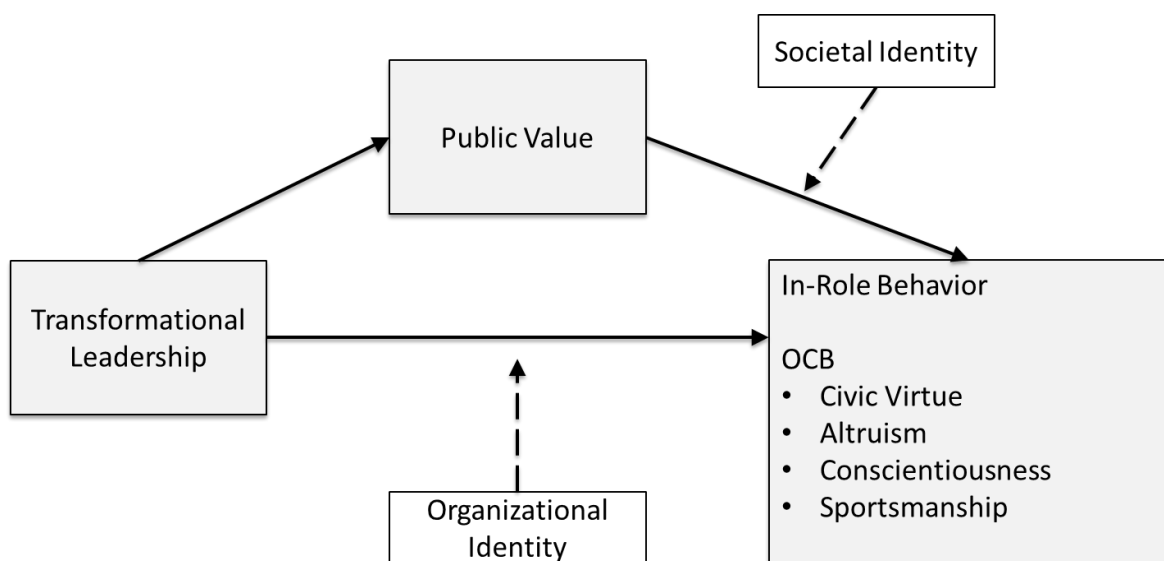


Fig. 1 Model Overview

Table 1 Descriptives, Reliabilities, and Correlations

	Mean	SD	1	2	3	4	5	6
1 Transformational Leadership	3.70	0.90	.94					
2 Public Value	4.95	0.96	.46***	.87				
3 Organizational Identity	5.37	1.18	.48***	.77***	.91			
4 Societal Identity	5.97	1.05	.04†	.16***	.36***	.89		
5 Organizational Citizenship Behavior	5.74	0.61	.15***	.30***	.46***	.21***	.76	
6 In-Role Performance	6.25	0.72	-.06*	.20***	.22***	.16***	.61***	.74

Note: Mean and standard deviations reported for the initial data before imputing for CMF; correlations are reported for the final data after imputing for CMF; reliability coefficients are displayed in the diagonal; *** $p < .001$; ** $p < .01$; * $p < .05$; † $p < .10$.

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Table 2 Regression Transformational Leadership on Public Value

Variables	Public Value			
	<i>b</i>	β	<i>s.e.</i>	<i>t</i>
Constant	1.14		0.02	59.90 ***
Age	0.09	.11	0.02	4.55 ***
Working Hours	-0.02	-0.02	0.02	-1.07
Transformational Leadership	0.38	0.46	0.02	19.91 ***
<i>R</i> ²	.22 ***			
<i>F(df)</i>	137.33 (3, 1448)			

Note: *** $p < .001$; ** $p < .01$; * $p < .05$; † $p < .10$.

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Table 3 Stepwise Regression – OCB

Variables	Step 1				Step 2				Step 3			
	<i>b</i>	β	<i>s.e.</i>	<i>t</i>	<i>b</i>	β	<i>s.e.</i>	<i>t</i>	<i>b</i>	β	<i>s.e.</i>	<i>t</i>
Constant	1.96		0.01	173.71 ***	1.94		0.01	179.41 ***	1.94		0.01	179.61 ***
Age	0.12	0.27	0.01	10.82 ***	0.10	0.21	0.01	9.38 ***	0.10	0.21	0.01	9.46 ***
Working Hours	0.01	0.02	0.01	0.93	0.01	0.02	0.01	0.83	0.01	0.01	0.01	0.58
Transformational Leadership					-0.02	-0.05	0.01	-1.76 †	-0.01	-0.03	0.01	-1.24
Public Value									-0.05	-0.11	0.02	-3.06 **
Organizational Identity					0.22	0.50	0.01	18.61 ***	0.26	0.58	0.02	14.47 ***
Societal Identity									0.01	0.01	0.01	0.59
Transformational Leadership X Organizational Identity					0.04	0.11	0.01	4.66 ***	0.04	0.10	0.01	4.19 ***
Public Value X Societal Identity									0.02	0.06	0.01	2.46 *
R^2 (<i>adj.</i>)	0.07				0.27				0.28			
ΔR^2	0.07 ***				0.20 ***				0.01 **			
$F(df)$	58.58 (2, 1449)				110.22 (5, 1446)				71.51 (8, 1443)			

Note: *** $p < .001$; ** $p < .01$; * $p < .05$; † $p < .10$.

Identity Moderates the Effects of Transformational Leadership and Public Value

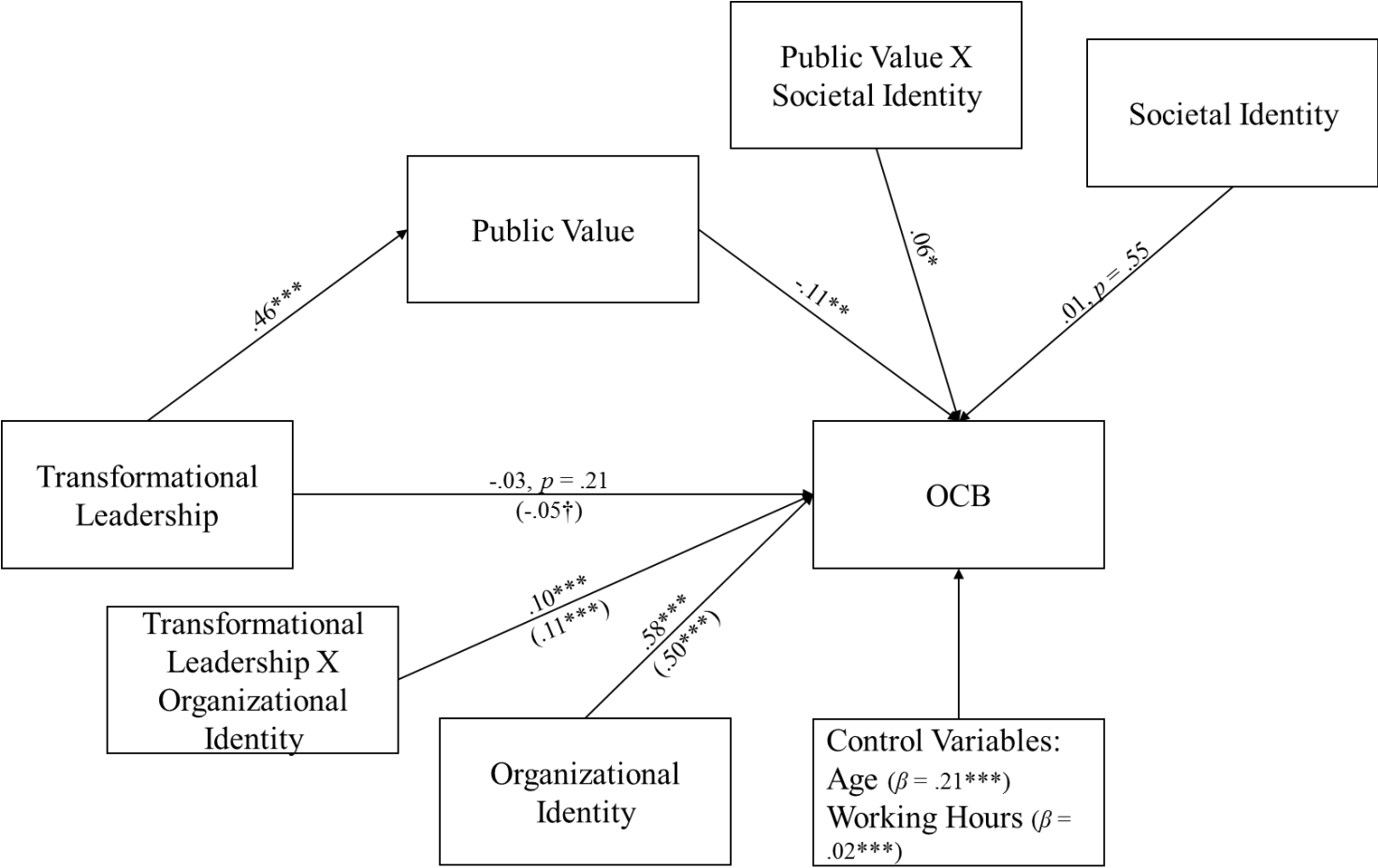


Fig. 2 Path Diagram – OCB

Note: Standardized coefficients for OCB with public value as the mediator (coefficients above the arrows) and without (coefficients in brackets below the arrow); *** $p < .001$; ** $p < .01$; * $p < .05$; † $p < .10$.

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Table 4 Stepwise Regression – In-Role Performance squared

Variables	Step 1				Step 2				Step 3			
	<i>b</i>	β	<i>s.e.</i>	<i>t</i>	<i>b</i>	β	<i>s.e.</i>	<i>t</i>	<i>b</i>	β	<i>s.e.</i>	<i>t</i>
Constant	5.14		0.05	106.07 ***	5.04		0.05	106.67 ***	5.04		0.05	100.86 ***
Age	0.27	0.14	0.05	5.48 ***	0.17	0.09	0.05	3.68 ***	0.17	0.09	0.05	3.62 ***
Working Hours	-0.04	-0.02	0.05	-0.79	-0.05	-0.02	0.05	-0.99	-0.04	-0.02	0.05	-0.80
Transformational Leadership					-0.34	-0.18	0.05	-6.31 ***	-0.35	-0.19	0.05	-6.35 ***
Public Value									0.24	0.13	0.07	3.31 ***
Organizational Identity					0.65	0.35	0.06	11.61 ***	0.41	0.22	0.08	5.02 ***
Societal Identity									0.15	0.08	0.05	2.85 **
Transformational Leadership X Organizational Identity					0.20	0.13	0.04	4.92 ***	0.18	0.12	0.04	4.54 ***
Public Value X Societal Identity									0.07	0.05	0.04	1.79 †
R^2 (<i>adj.</i>)	0.02				0.11				0.12			
ΔR^2	0.02 ***				0.09 ***				0.01 ***			
$F(df)$	15.55 (2, 1449)				35.26 (5, 1446)				24.60 (8, 1443)			

Note: *** $p < .001$; ** $p < .01$; * $p < .05$; † $p < .10$.

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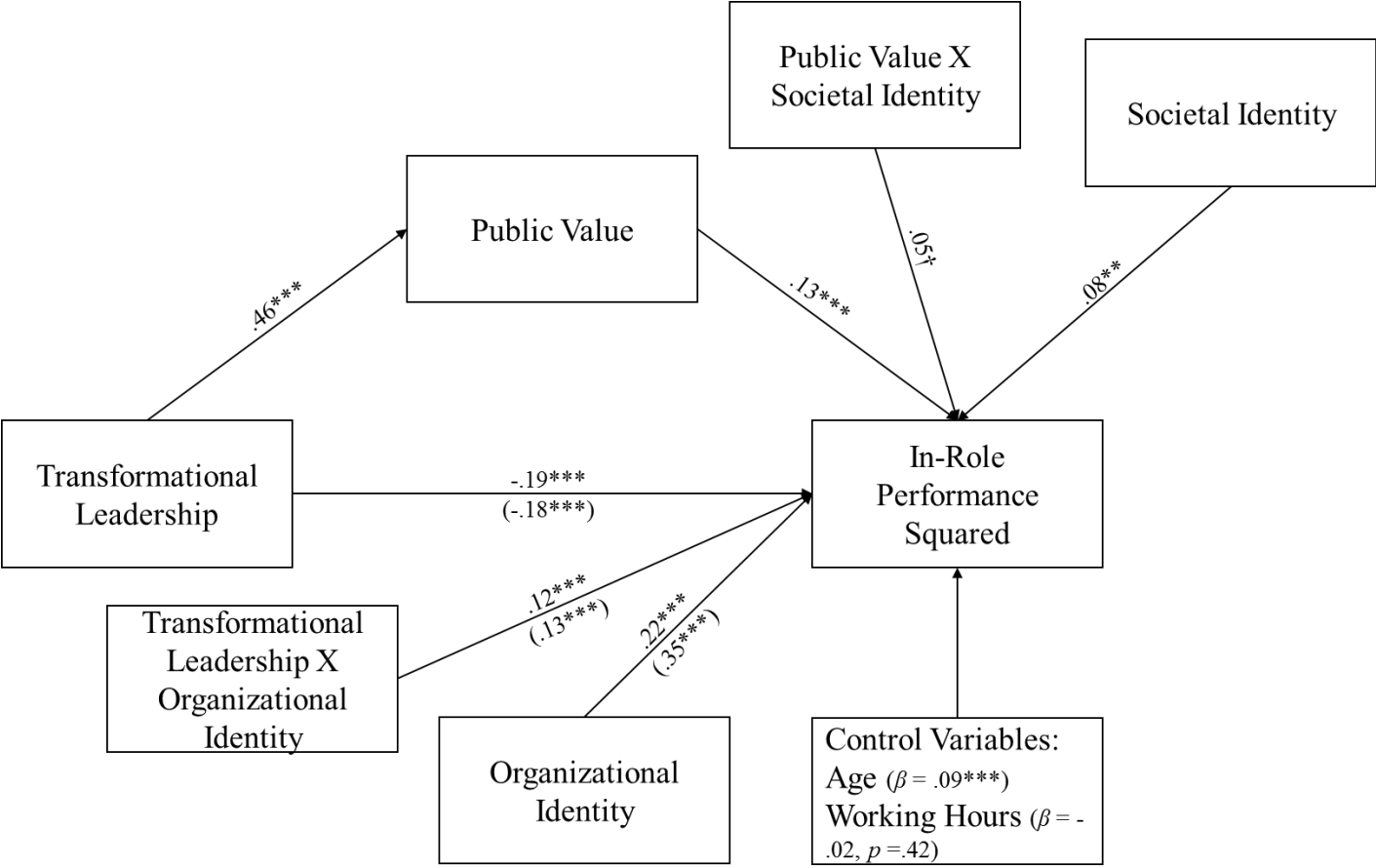


Fig. 3 Path Diagram – In-Role Performance Squared

Note: Standardized coefficients for in-role performance squared with public value as the mediator (coefficients above the arrows) and without (coefficients in brackets below the arrow), *** $p < .001$; ** $p < .01$; * $p < .05$; † $p < .10$.

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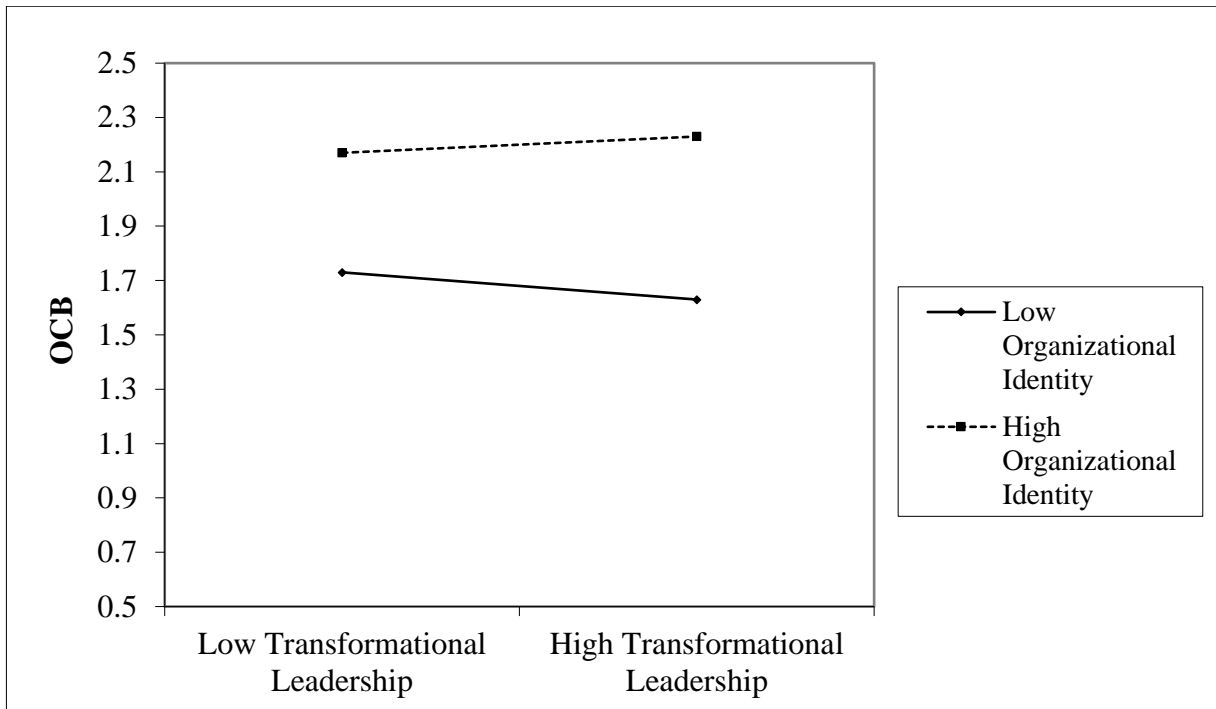


Fig. 4 Simple Slopes for OCB and Transformational Leadership

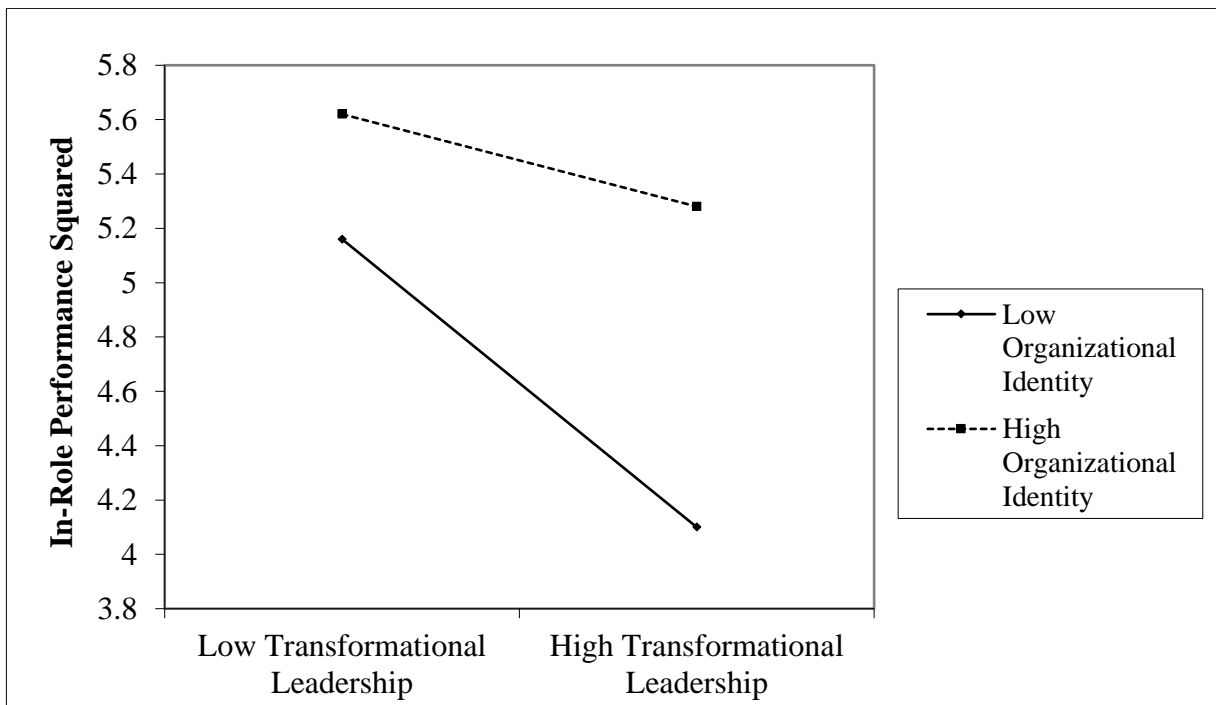


Fig. 5 Simple Slopes for In-Role Performance (Squared) and Transformational Leadership

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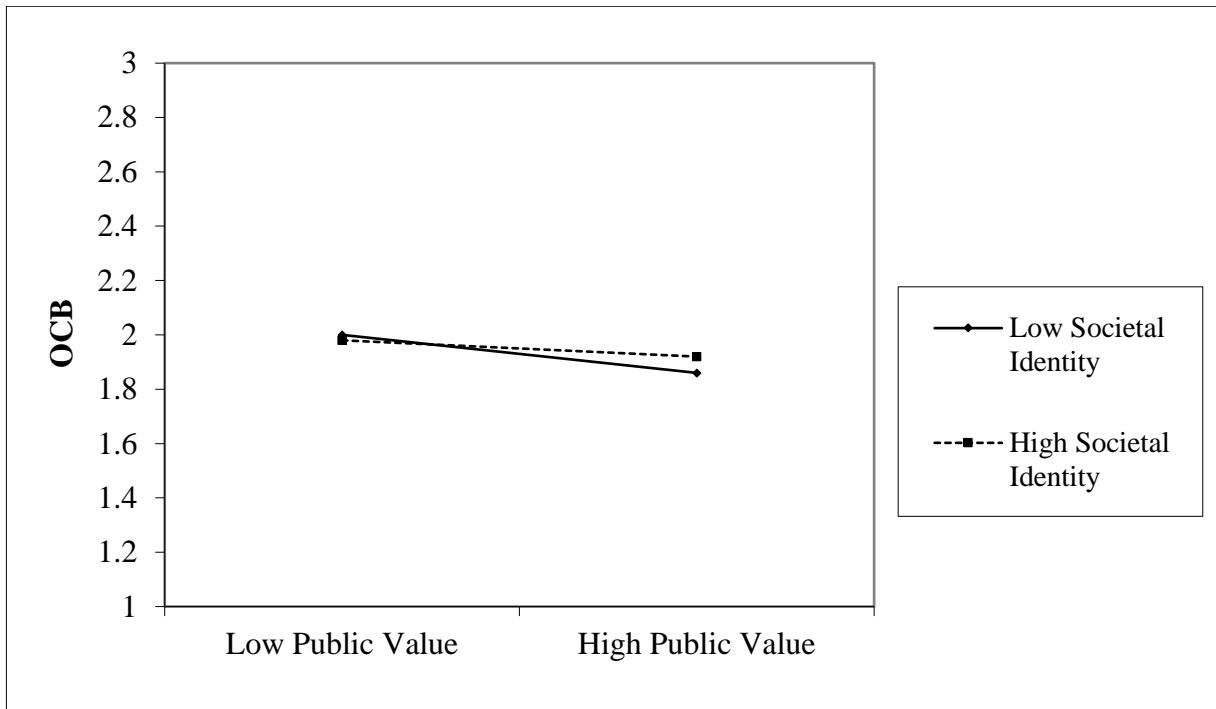


Fig. 6 Simple Slopes for OCB and Public Value

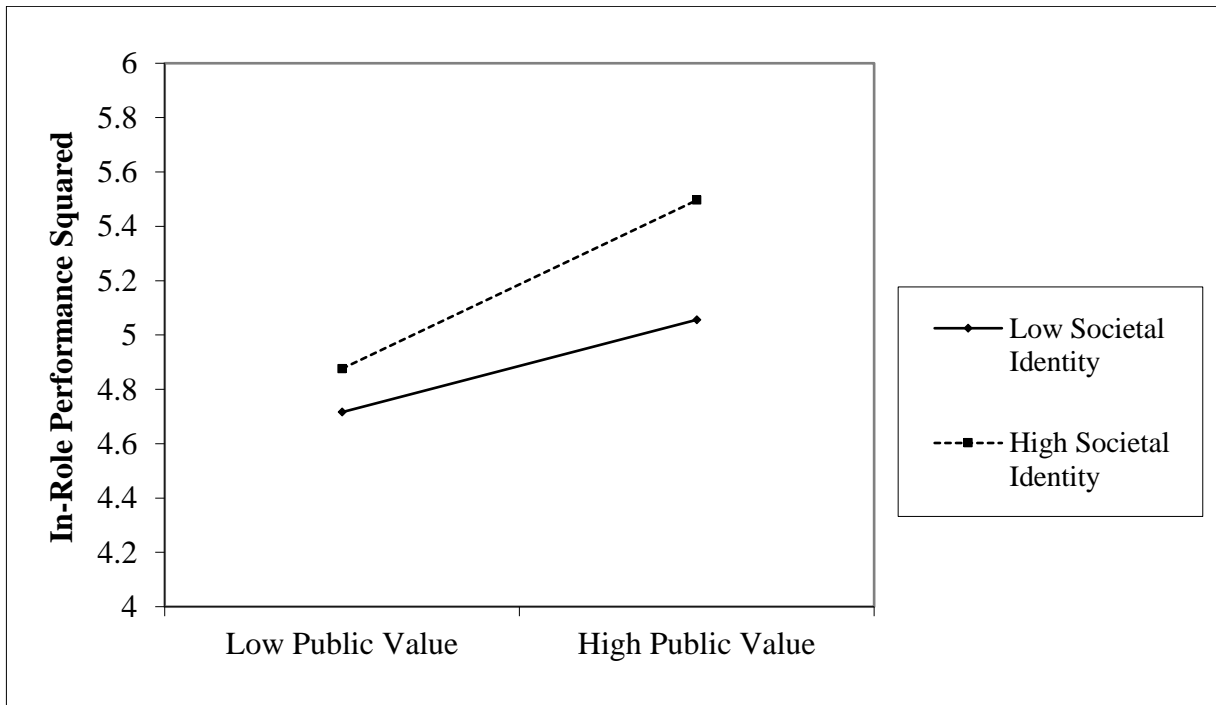


Fig. 7 Simple Slopes for In-Role Performance (Squared) and Public Value