IMPACT OF CHARISMATIC LEADERSHIP AND JOB INVOLVEMENT ON CORPORATE IMAGE BUILDING

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This study looked at the relationships between charismatic leadership, job involvement, and corporate image building in the context of a service sector organization, using a sample of 70 employees of a multinational bank operating in India. Five factors of charismatic leadership—strategic vision and articulation (SVA), personal risk (PR), unconventional behavior (UB), sensitivity to member needs (SMN), and sensitivity to the environment (SE)—and two dimensions of image building (customer-focused and organization-focused) were studied. Results show that all three variables are significantly positively related to each other. Further, job involvement fully mediates the relationship between charismatic leadership and customer-focused image building. Regression analyses suggest that job involvement does not moderate the relationship between charismatic leadership and image building.

The increasingly competitive environment that organizations face today has brought the importance of corporate image building to the fore. An organization cannot afford to ignore the opinions that others have of it. Successful organizations take image building seriously. Employees of an organization are its most able soldiers, and it would therefore be worth studying the factors that would make them take part in corporate image building. Employees who are involved in the work they do are likely to consciously enhance organization's image. Job involvement is a part of the employee commitment process and it enhances employee productivity. Employees' job involvement is likely to enhance image-building efforts for the organization (Mandell, 1997) and hence increased business, more so for the services industry (Abbate & Osbuth, 1996). Hence, it merits considerable attention in the present context. According to Nelson (1993), job involvement could be enhanced by supervisors, since they are the closest to employees and are capable of exerting significant influence. Employees might also contribute to image building if they are inspired by their supervisors. Thus, image building could be affected by both job involvement of employees and leadership characteristics of supervisors. Charismatic leaders, through their personal example, enthusiasm, and confidence, inspire others to perform beyond expectations. We report here a study that looked at the relationship between supervisor's charismatic leadership, subordinate's job involvement, and the extent to

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which subordinates took part in corporate image building activities.

Theory and Hypotheses

Corporate Image Building

While an organization's identity describes what its members believe to be its character; an organization's image describes attributes members believe people outside the organization use to distinguish it. Organizational image is different from reputation; reputation describes the actual attributes outsiders ascribe to an organization, while image refers to what organizational insiders believe outsiders think is distinctive, central, and enduring about the organization (Dutton & Dukerich, 1991; Dutton, Dukerich, & Harquail, 1994). Corporate image could also refer to the impression that an organization makes to outsiders and insiders (Dutton et al., 1994).

Researchers interested in the processes of organizational impression management describe how various tactics for enhancing organizational image alter how outside parties view the organization and its actions (Dutton, et al., 1994). Impression management has been defined as any behavior that alters or maintains a person's image in the eyes of another and that has as its purpose the attainment of some valued goal (Becker & Martin, 1995). Such behavior is believed to further the purpose of controlling the impressions others form of the individual engaging in the behavior. Organizational impression management strategies could be classified along two separate dimensions as direct and indirect, and as assertive and defensive resulting in four categories (Mohamed, Gardner, & Paolillo, 1999). Researchers in marketing assert that corporate images matter to a firm's customers (Dutton et al., 1994). Arndt and Bigelow (2000) did a content analysis of hospitals' annual reports and found that organizations that differed on other dimensions uniformly made preventive use of defensive impression management in announcing structural change to important stakeholders.

Mandell (1997) presented some simple steps toward polishing a company's image: (a) Provide superb customer support, since keeping problem-laden customers happy is a powerful image builder; (b) Involve all employees in image building; (c) Convene occasional brainstorming sessions at which executives consider possible disaster scenarios and how to cope with them; (d) Divert a small amount of the money spent on advertising and public relations to hire intelligent receptionists and telephone operators; (e) Control egos of all top and highly visible executives.

It seems that in the present context when similar products or services are offered by more than one organization, customer service is an important variable. In such a situation, the kind of relationship the customers will want to have with the organization will be determined by the quality of service that they get (Zeithaml, Berry, & Parasuraman, 1996). Thus it becomes important to train the employees accordingly as they are the interface between the organization and the customers. Moreover, public knowledge that a person is affiliated with an organization creates expectations about how he or she is likely to behave and the types of attitudes he or she is likely to hold (Dutton et al., 1994).
There could however be a drawback of concentrating entirely on image building, as reputation would probably be more important for consumers than image. According to Caudron (1997), in today’s marketplace, with little distinction between prices, technologies, or product capabilities, a company’s reputation can be the overriding basis for a consumer’s purchasing decision. Moreover, it is not essential that image building would lead to a good reputation too as was demonstrated in the case of Apple computers. Notwithstanding the importance of reputation, efforts at image building could however only result in positive outcomes for an organization. Richardson and Bolesh (2002) argued that there is no magic formula for corporate image building; it requires just a combination of strategic and operational initiatives that maintain and reinforce a company’s good standing. The extent to which employees are involved in their job might affect the extent to which they are concerned about enhancing organization’s image.

**Job Involvement**

Job involvement has been defined as an individual’s psychological identification or commitment to his or her job (Kanungo, 1982). Job involvement means loving one’s job or being interested in the work associated with it (Pollock, 1997). People who like their jobs work more efficiently and more productively than those who do not like their jobs. Job involvement is the internalization of values about the goodness of work or the importance of work in the worth of the individual (Ramsey, Lassk, & Marshall, 1995). It may measure the ease with which a person can be further socialized by an organization. Various conceptualizations of job involvement (as suggested by different literature sources) could be grouped into four distinct categories: (a) work as a central life interest, (b) active participation in the job, (c) performance as central to self-esteem, and (d) performance consistent with self-concept (Ramsey et al., 1995).

Beeler, Hunton, and Wier (1997) differentiated between job satisfaction and job involvement. Job satisfaction is the extent to which employees enjoy working at their job, whereas job involvement reflects the degree of psychological commitment employees hold toward their job. Increased job satisfaction and enhanced job involvement are believed to be desired outcomes for both employees and organizations. The study conducted by them explored the extent to which state, federal, and public auditors engaged in participatory goal setting, and investigated the effect of such participation on job satisfaction and job involvement. Findings of their study indicated significant correlations between procedural justice and job satisfaction, procedural justice and job involvement, goal difficulty and job satisfaction, and goal difficulty and job involvement. Higher levels of perceived fairness in the goal-setting process appeared to enhance job satisfaction and job involvement.

The job employees do, helps them meet their intrinsic needs, such as satisfactorily performing a challenging job, which in turn increases their sense of competence. This enhances employees’ job involvement. In order to reduce the turnover propensity of employees, a manager’s goals should be to get employees to identify with and care about their jobs. The greater the success at this, the more the job becomes important to each employee’s self-image, which reflects the basic definition of job involvement (Martin & Hafer, 1995).
involvement is also positively related to organizational commitment, satisfaction, and productivity.

Salespersons’ level of job involvement has been demonstrated to affect both the ease with which they may be further socialized into a sales organization, as well as their feelings of connectedness to the selling environment and situation (Lassk, Marshall, Cravens, & Moncrief, 2001). Employees in the services industry have an important role to play in an organization’s image building efforts because they are mostly the only interface between the organization and the customer (Dutton et al., 1994). An increase in job involvement, and hence effectiveness of the employee to satisfy the customer, will therefore aid in image building of the organization. This leads to:

**Hypothesis 1.** Job involvement of employees in the services industry would be positively related to their image building efforts for the organization.

Nelson (1993) highlighted the importance of the supervisor in enhancing job involvement of employees, which he feels is necessary to make employees more productive for the organization. According to him, it is difficult to take employees who do not feel good about themselves or do not have any self-esteem about the work they do and suddenly turn them into willing and cooperative producers. The line supervisor, being the person closest to the employees and the one person who can exert the greatest impact (negative or positive) on them can engender a feeling of job involvement in the workers. If employees could be made to feel that what they contribute to the task at hand is important, this would lead to a feeling of pride and involvement in the products they help produce. Gamble, Culpepper, and Blubaugh (2002) obtained support for both the instrumental and extrinsic satisfaction models of employee ownership and suggested that management’s approach to implementing an employee stock ownership plan can impact employees’ job involvement and their attitudes about the plan and their jobs.

**Charismatic Leadership**

According to Conger (1999), charismatic leaders are seen as agents of innovative and radical change. The Conger and Kanungo (1998) behavioral model builds upon the idea that charismatic leadership is an attribution based on the followers’ perceptions of their leader’s behavior. According to this model, the leader first critically evaluates the existing situation or status quo and the inclinations, abilities, needs, and level of satisfaction experienced by followers; this leads to formulation and conveyance of goals. Charismatic leaders can be distinguished from others by the strategic visions they formulate and by the manner in which they articulate them. In addition, by presenting a very discrepant and idealized goal to followers, a charismatic leader provides a sense of challenge and a motivating force for change. Finally, in stage three, the leader builds trust in the goals and demonstrates how these goals can be achieved. This is achieved through personal example, risk taking, and unconventional behavior.

According to Shamir, House, and Arthur (1993), charismatic leaders tie the self-concepts of followers to the goals and collective experiences associated with their missions so that they become valued aspects of the followers’ self-
concept. Their theory hypothesizes that charismatic leadership transforms follower self-concepts and achieves its motivational outcomes through at least four mechanisms: (1) changing follower perceptions of the nature of work itself; (2) offering an appealing future vision; (3) developing a deep collective identity among followers; and (4) heightening both individual and collective self-efficacy. Shamir, Zajac, Breinin, and Popper (1998) found that a leader’s emphasis on unit’s collective identity (one of the three charismatic behaviors studied) was related to subordinates’ level of identification with the leader and trust in the leader, heightened motivation and willingness to sacrifice for the unit, identification with the unit, and attachment to the unit.

Charismatic leaders transform the needs, values, preferences, and aspirations of followers. House, Spangler, and Woycke (1991) described the new theories describing charismatic leadership as focusing on the emotional attachment of followers to the leader; the emotional and motivational arousal of followers; identification with the mission articulated by the leader; followers’ self-esteem, trust and confidence in the leader; values that are of major importance to followers; and followers’ intrinsic motivation. Charisma refers to the ability of a leader to exercise diffuse and intense influence over the beliefs, values, behavior and performance of others through his or her own behavior, beliefs, and personal example. The charismatic relationship consists of specific types of follower responses. These include performance beyond expectations; changes in the fundamental values and beliefs of the followers; devotion, loyalty, and reverence toward the leader; a sense of excitement and enthusiasm; and a willingness on the part of subordinates to sacrifice their own personal interest for the sake of a collective goal (Bass, 1985; House et al., 1991). However, the meta-analysis conducted by DeGroot, Kiker, and Cross (2000) indicated a smaller relationship between charismatic leadership and subordinate performance when subordinate performance is measured at the individual level than when it is measured at the group level. Charismatic leaders are most likely to have an unusually high need for influence or power, because without such a need, they are unlikely to have developed the necessary persuasive skills to influence others and they are unlikely to obtain satisfaction from the leadership role.

Based on the classical Weberian model of charisma, Beyer and Browning (1999) defined charisma as containing five elements: (a) a person with extraordinary gifts and qualities; (b) a social crisis or situation of desperation; (c) a radical vision or set of ideas promising a solution to the crisis; (d) a set of followers who are attracted to the gifted person and come to believe in his or her exceptional powers and radical vision; and (e) the validation of the person’s extraordinary gifts and the radical vision by repeated successes in dealing with the perceived crisis. According to them, charismatic leadership involves more than a set of extraordinary characteristics of a person—it involves a social process that is the product of the complex interactions of all these elements.

Unless institutionalized, charisma is most likely to fade away, because it is essentially an unstable force because of the highly emotional, non-rational basis of the followers’ attraction to the leader and to the radical vision. This process of institutionalization is called routinization of charisma. Five key factors are largely responsible for the successful institutionalization
of the charisma: (1) the development of an administrative apparatus separate from the charismatic leader that puts into practice the leader’s mission; (2) the incorporation of the leader’s mission into oral and written traditions; (3) the transfer of charisma through rites and ceremonies to other members of the organization; (4) a continued identification by organizational members with the original mission; and (5) the selection of a successor who resembles the charismatic leader and is committed to the founder’s mission (Beyer & Browning, 1999).

Charismatic leadership is most likely to be effective in conditions of crises, in organic and decentralized rather than mechanistic and bureaucratic organizations, and if value systems allow the emergence of personal power. Other contextual factors conducive to the emergence and effectiveness of charismatic leadership include early and late stages of organizational life cycle, ambiguous performance goals, low analyzability of technology, complex and challenging tasks, clan mode of governance, adaptive culture, and consistency of organizational goals with dominant social values (Shamir & Howell, 1999).

Conger, Kanungo, and Menon (2000) found that charismatic leader behavior directly generates in followers a feeling of reverence, a sense of group collective identity, and perceptions of group task performance. To the extent that the leader’s goals and values are congruent with the goals and values of the organization, charismatic leadership provides a strong basis for members’ commitment to such goals. Thus, charismatic leadership is a strong force for or against members’ commitment to organizational goals. Both job involvement and charismatic leadership are likely to be related to organizational commitment. Jacobsen and House (2001) found support for their six-phase model of charismatic leadership process, in which the second step consisted of followers being aroused to activity because of the vision articulated by the leader. Cremer and Kippenberg (2002) found that charisma enhanced cooperation, and that the interactive effect of leader charisma and procedural fairness on cooperation was mediated by their interactive effect on the sense of group belongingness. Hence, we had:

Hypothesis 2. Charismatic leadership would be positively related to follower’s job involvement.

Image building requires innovation and possible restructuring, and charismatic leaders, being agents of innovative and radical change are more likely to bring about efforts in that direction. Moreover, according to House et al. (1991), charismatic leaders seem to be most effective in crises where extraordinary effort is required by the followers and charismatic leadership brings about enthusiasm and performance beyond expectations. Image building is innovative and it could require such effort and performance. Charismatic behavior of a manager is likely to increase subordinates’ sense of task efficacy or task achievement. This could be extended to a subordinate moving towards actions beyond what is required by the job like image building. Jacobsen and House (2001) found that charismatic leader’s personal sacrifices and role modeling inspire an elite of the followers to emulate the leader by committing themselves to the leader’s mission. Hence:

Hypothesis 3. Charismatic leadership would be positively related to follower’s corporate image building efforts.
Impact of Charismatic Leadership

When a charismatic leader influences or inspires a follower (employee) to engage in image building efforts, this effect would be partly achieved by enhancing follower’s job involvement. Job involvement would mean greater psychological commitment and identification with the organization’s work and its goals. This would result in followers undertaking enhanced image building efforts not just because of inspiration drawn from the charismatic leader, but also because of their own belief in the purpose stemming from their job involvement. Hence, we hypothesized:

Hypothesis 4. Job involvement would partially mediate the relationship between charismatic leadership and corporate image building.

Method

Sample

The sample for this study comprised 70 employees working at different levels in a multinational bank operating in India. These employees were all in the eastern region’s operations of the bank in India. The respondents surveyed were in the age range of 22 to 38 years, with 56 of them falling between 24 and 29 years. Of the 70 employees, 37 were females and 33 were males. Respondents were not asked to give any form of identification. All responses were thus anonymous, and this was made clear to every respondent. The questionnaires measured the respondents’ job involvement, charismatic leadership of their leaders, and the respondents’ efforts towards organizational image building. Of these 70 respondents, 51 were officers or senior executives and 19 were senior managers. The education level was at least graduation for all of them and post graduation for 15 of them. Most of the respondents had spent at least a year in the organization, at least seven months in their current job, and at least six months under their current leader or superior.

Measures

Charismatic leadership. Charismatic leadership was measured using the Conger and Kanungo scale consisting of 20 items (Conger & Kanungo, 1998) capturing five dimensions. Respondents were asked to indicate their agreement about the leader being charismatic on a six-point scale (1=Strongly disagree; 2=Disagree; 3=Mildly disagree; 4=Mildly agree; 5=Agree; 6=Strongly agree). The first dimension is strategic vision and articulation (SVA), which comprises seven items. These items describe the leader’s ability to devise an inspirational vision and to be an effective communicator. Personal risk (PR) and unconventional behavior (UB) are two other dimensions, which aim at demonstrating the degree to which a leader is seen to be assuming personal risk and engaging in unconventional behavior, which in turn reveals extraordinary commitment and uniqueness. Personal risk and unconventional behavior both comprise three items each. The last two dimensions—sensitivity to member needs (SMN) and sensitivity to the environment (SE)—seek to capture a leader’s ability to see opportunities and constraints in the environment, in members’ abilities and needs, and in challenges to the status quo. While sensitivity to environment comprises four items, sensitivity to member needs comprises three items.

Job involvement. Kanungo’s (1982) scale comprising ten items was used to measure job involvement. Respondents were asked to
indicate their degree of agreement with behaviors associated with job involvement on a six-point scale (1= Strongly disagree; 2=Disagree; 3=Mildly disagree; 4=Mildly agree; 5=Agree; 6=Strongly agree). This is a single-dimensional scale, which measures respondents' degree of involvement with their job.

**Image building.** The Wayne and Ferris (1990) scale on impression management, modified by Wayne and Liden (1995) was used to measure impression management. We used a modified version of the scale to measure image building efforts by employees. The modified scale is attached as part of the appendix. This scale comprises two dimensions each measured using five items. The respondents were asked to rate the frequency of image building behaviors on a seven-point scale (1=Never; 2=Very rarely; 3=Rarely; 4=Sometimes; 5=Often; 6=Very often; 7=Always). The two dimensions measured using this scale are customer-focused (five items) and organization-focused (five items) image building.

While the former measures the customer friendly behaviors exhibited by an employee, the latter measures the organizational image presented to the customer by way of desired actions.

**Results**

Table 1 presents the means, standard deviations, and correlations between all variables in the study. Job involvement was significantly positively related to both dimensions of image building—customer-focused and organization-focused, thus supporting Hypothesis 1. All five dimensions of charismatic leadership—SVA, PR, UB, SMN, and SE—were significantly positively related to job involvement. Thus, Hypothesis 2 was supported. Customer-focused image building was significantly positively related to all dimensions of charismatic leadership except UB. Organization-focused image building was significantly positively related to all dimensions of charismatic leadership except SVA. Hence, Hypothesis 3 obtained partial support.

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<td>Strategic Vision and Articulation</td>
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<td>Personal Risk</td>
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<td>Sensitivity to Environment</td>
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<td>Sensitivity to Member Needs</td>
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<td>Unconventional Behavior</td>
<td>3.38</td>
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<td>Job Involvement</td>
<td>4.26</td>
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<tr>
<td>Customer-focused Image building</td>
<td>4.00</td>
<td>0.97</td>
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<td>.26</td>
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<tr>
<td>Organization-focused Image building</td>
<td>5.91</td>
<td>0.78</td>
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* Cronbach alpha is in parentheses along diagonal
† = p < 0.10, * = p < 0.05, ** = p < 0.01, *** = p < 0.001
Impact of Charismatic Leadership

In addition, a partial correlation analysis was carried out between the five dimensions of charismatic leadership and the two image building variables while controlling for job involvement. The results are given in Table 2. It revealed that customer-focused image building was no longer significantly related to the four dimensions of charismatic leadership other than UB, and was now significantly negatively related to UB. Thus, job involvement fully mediated the relationship between charismatic leadership and customer-focused image building, though we had only hypothesized partial mediation. Organization-focused image building in the same analysis was still significantly positively related to three dimensions of charismatic leadership—PR, SE, and SMN. Thus, our Hypothesis 4 was supported only in the case of customer-focused image building.

To test if there was any interaction between charismatic leadership and job involvement, regression analyses were carried out forming ten regression equations, five each for the two dependent variables—customer-focused and organization-focused image building. The independent variables in each equation comprised one of the five dimensions of charismatic leadership, job involvement, and the product of the charismatic leadership dimension with job involvement. The regression analysis revealed only little evidence for an interaction effect of job involvement and charismatic leadership on image building. The product terms were significant ($p < .05$) in the regression models for customer-focused image building on PR (Model $F=13.49$, beta=1.75), and customer-focused image building on UB (Model $F=15.66$, beta $=1.78$). In case of organization-focused image building, significant ($p < .05$) interactions were seen for SVA (Model $F=4.51$, beta=2.05) and SE (Model $F=9.66$, beta=3.56).

Table 2

Partial Correlations between Charismatic Leadership and Image building Controlling for Job Involvement

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<td>2. Personal Risk</td>
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<td>3. Sensitivity to Environment</td>
<td>***.79</td>
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<td>4. Sensitivity to Member Needs</td>
<td>***.57</td>
<td>***.52</td>
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<td>5. Unconventional Behavior</td>
<td>t .22</td>
<td>***.56</td>
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<td>6. Customer-focused Image building</td>
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<td>7. Organization-focused Image building</td>
<td>.08</td>
<td>***.41</td>
<td>** .32</td>
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$t = p < 0.10. * = p < 0.05. ** = p < 0.01. *** = p < 0.001$
Discussion

Results of the study show that charismatic leadership is positively related to both job involvement and corporate image building. Job involvement is also positively related to image building. Further, job involvement fully mediates the relationship between charismatic leadership and customer-focused image building, but there is no such mediation in the case of organization-focused image building.

As image building becomes increasingly important especially for the services industry where intangibles are the only differentiators, this study indicates that managers need to focus on how they could get employees involved with their job by being charismatic leaders to them. If the manager is able to understand and address the true needs of the employees and display other attributes of charisma, it would contribute towards enhanced efforts on the employees' part to build and manage a better image for the organization. In addition, a manager being a charismatic leader could promote greater involvement of the employee with the job. This could be because of personal example set by the manager, which is a part of charismatic leadership, and on account of the manager being the one who interacts most and hence can influence an employee's feelings about his or her job. This could motivate employees to follow the manager's example and feel that their job is a central part of their existence. Managers also by virtue of being charismatic leaders could present a certain enhanced image of the employees' job, which would increase employees' job involvement. Job involvement would lead to efforts on the employees' part to go beyond the requirements of the job and engage in extra-role behaviors, which could also mean enhanced image building efforts for the organization.

However, the important thing to be borne in mind by managers is that charismatic leadership by itself may not be sufficient to directly and immediately bring about enhanced image building efforts from the employees. This study indicates the possibility of charismatic leadership leading to image building efforts through job involvement. This indicates that managers, by being charismatic leaders need to bring about job involvement in the employees, which in turn would lead to enhanced efforts towards image building by the employees. This would be true more in the case of customer-focused image building than organization-focused image building. Thus, for an employee to be motivated to be very responsive and friendly to a customer, it would be essential for the manager to work towards bringing about job involvement by being a charismatic leader for his or her employees.

Limitations and Suggestions for Future Research

This study was restricted only to a banking organization and hence limited in its applicability. In order to extend the scope of the study and enhance the possibility of generalized results, this study needs to be carried out not only for more organizations within the services sector but also in other sectors like manufacturing.

The other limitation in this study was the use of a modified scale for image building drawn from a scale on impression management. This modified scale might not be comprehensive enough to cover all dimensions of image building or might not be able to capture all relevant
dimensions. A specific scale for image building needs to be developed which would capture all relevant dimensions of image building according to the organization or the sector being studied as the relevance of image building might vary from sector to sector. The sample size of the study was also quite small, and it might not be sufficient to make any definite conclusions with regard to the hypotheses made.

Conclusion

The increasingly competitive environment makes it essential for managers today to emphasize on intangibles in their offerings. Organizational image and the degree of responsiveness towards customers would be a key element in such a situation. These could be achieved if employees are deeply involved and satisfied with the job they are doing, which would inspire them to display more positive behaviors than expected as part of the job role. This in turn would come about by the influence of a charismatic leader. The above could be concluded from the study, which addresses the relationships between charismatic leadership, job involvement, and image building. All three are significantly positively related to each other. In addition, the study indicates that job involvement mediates the relationship between charismatic leadership and image building, especially for customer-focused image building. Further research on organizations from diverse sectors and using a more refined scale for image building, would not only provide more support but also enhance our understanding of the influence of charismatic leaders on image building efforts and the role of job involvement in such a relationship.

Appendix

Questionnaire Items Used for Corporate Image Building

Customer-Focused

Do personal favors for your customers
Take an interest in your customers’ personal life
Offer to do something for your customer that you were not required to, that is, you did it as a personal favor for him/her
Compliment your customer on his or her dress or appearance
Praise your customers on their accomplishments

Organization-Focused

Try to act as an employee of a “model” organization in front of your customers
Present your organization to customers as being polite
Let your customers know that you try to do a good job in your work
Work hard when you know that the results will be seen by the customers
Present your organization to customers as being friendly
Impact of Charismatic Leadership

Sources


Impact of Charismatic Leadership


