

Leader Self-Sacrifice and Leadership Effectiveness: A Key to Organizational Identification and Interpersonal Helping?

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This study aims to focus on the effect of leader self-sacrifice and leadership effectiveness on organizational identification and interpersonal helping. Data were collected by using a structured questionnaire from 50 employees of Small Medium Enterprises in furniture industries in Surakarta, Indonesia. The hypothesized model relationships were tested by using Partial Least Square (PLS). PLS Analysis indicates that leader self-sacrifice was positively related to organizational identification. The result also shows that leadership effectiveness was positively related to organizational identification. We also found that organizational identification mediated the relationship between leader self-sacrifice and interpersonal helping. However, the findings of the paper hold that entrepreneurial orientation has no significant relationship with organizational identification. Furthermore, trust did not mediate the relationship between leader self-sacrifice and interpersonal helping. This study contributes to a better understanding of the influence of leader self-sacrifice and leadership effectiveness on the development of organizational identification and interpersonal helping among employees.

Keywords: Leader self-sacrifice, leadership effectiveness, organizational identification, interpersonal helping

Field of Research : Management

1. Introduction

Indonesia faced a serious crisis in 1998 that made the Rupiah currency depreciated dramatically and the GDP declined by 13% (Wengel & Rodriguez, 2006). Small and Medium Enterprises (SMEs) showed survival much better than Large Enterprises under the crisis. From time to time after the crisis, SMEs play an important role in the Indonesian Economy. SMEs account for approximately 57% of the Indonesian GDP and employ over 99 million people (Bellefleur, et.al, 2012). This important role of SMEs needs supports from the government. Likewise, improvements must be made to business policy. There are three reasons why Indonesian Government must assist SMEs: (1) SMEs create productive workers; (2) SMEs can improve their productivity and efficiency through small scale investment in technology; and (3) SMEs can be more flexible compared to big industries because their smaller size enables them to adjust to the ever changing economic conditions (Bellefleur, et.al, 2012).

Furniture industry is one of Indonesia SMEs that shows fast growing. Indonesia is known as the producer of high quality wooden furniture. During 2003-2010, furniture export increased, but in 2009 the export decreased due to global financial crisis. It is predicted that furniture export will reach \$ 5 billion over the next 5 years. Currently, SMEs expand

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their business to global market through exhibition and opening outlets, especially in Asian countries such as China, Korea, and India (ASMINDO, 2010). The government has set an export target of US\$ 3 billion for furniture at 2014 and expects an increase in export values to US\$ 5 billion over the next five years (Jakarta Post, 2014).

Surakarta is one of the popular cities with rapid growth in furniture industry. Most of SMEs in Surakarta have already exported their furniture products to global market. According to ASMINDO (Indonesian Furniture Industry and Handycraft Association), there are 216 exporters in Surakarta. Total employees in furniture manufacturing is around 42,000 people. Thus, this industry is labor intensive in the production process.

SMEs survival in the market has attracted the interest of the globe. In order to maintain employees in a rapid changing environment, the owners have to find the way how to build employees identification with the organization. Organizational identification results from identification with the attitudes, values or goals of the organization; that is, some of the attributes, motives or characteristics are accepted by the individual and become incorporated into the cognitive response set of the individual. The degree, to which an individual identifies with an organization, can vary, as can the reason for this attachment and manifestations of it (O'Reilly & Chatman, 1986). In other words, employee's identification reflects the degree to which the individual internalizes or adopts characteristics or perspective of the organization. This is important for SMEs because employees with high identification will lead to SMEs performance as a whole.

It is important for entrepreneur as an owner and leader in SME, to motivate employees to achieve company goals through cooperation among employees (Chemers, 2001; Hogan et al., 1994). This is not easy to do because it depends on employees' interpersonal relation. Mixed-motive interaction, including social dilemmas and bargaining encounters, poses a conflict between securing immediate personal benefits through competition and pursuing long-term benefits for the self and others through cooperation with other people (Sheldon & Fishbach, 2011). Furthermore, a greater or lesser interdependent between organizations and their members are often confronted with decisions that involve a conflict between one's own interest and the interest of the organizations as a whole (De Cremer & Knippenberg, 2003). In this case, leaders are an important source for group members. Leaders may engender cooperation by monitoring group members' behavior, giving guidance and feedback about group members' behavior, and when necessary, enforcing cooperation by sanctions for uncooperative behavior or rewards for cooperative behavior (De Cremer & Knippenberg, 2003).

Besides encouraging cooperation among employees, leaders in SMEs need to push interpersonal helping behavior. Interpersonal helping focuses on helping coworkers in their jobs when such help is needed (Podsakoff, et.al, 2000). Thus, helping behavior involves voluntarily helping others with, or preventing the occurrence of, works related problems. This kind of behavior will make goals easier to achieve.

Another aspect that needs to take into account is the entrepreneurs as founders and leaders. How they run the business determines SMEs success. Entrepreneurial behavior becomes essential to survive in a world increasingly driven by accelerating change. Lumpkin & Dess (1996) in an effort to focus on an important component of entrepreneurship identified the "entrepreneurial orientation (EO)" concept. According to Lumpkin & Dess (1996), an EO involves the intentions and actions of key players functioning in a dynamic generative process aimed at a new-venture creation. The key

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dimension that characterizes an EO includes a propensity to act autonomously, a willingness to innovate and take risk, and a tendency to be aggressive toward competitors and proactive relative to marketplace opportunities.

Having an extraordinary influence on employees in terms of affect and motivation for a leader has been recognized as an important focus. A type of leader behavior relevant to this issue is leader self-sacrifice. Self sacrifice refers to a person's willingness to suffer the loss of types of things to maintain personal beliefs and values (De Cremer&van Knippenberg, 2005). In turn, self-sacrificing leader will be more effective and to be able to push subordinates to a higher performance level than non self-sacrificing leader (van Knippenberg& van Knippenberg, 2005). Self-sacrificing leaders, compared with non-sacrificing leaders are better able to motivate group members to cooperate with collective (De Cremer & van Knippenberg, 2005).

One of the key points that play a role in explaining the psychology of self-sacrificing leadership is trust in the leader. From the perspective of the employees, the extent to which the leader can be trusted to have the group's and the group's member best interest at heart should be a key concern in their attitude toward the leader (De Cremer & van Knippenberg, 2005). Previous studies found that trust mediated the relationship between transformational leadership and follower organizational citizenship behavior (Podsakoff, et.al, 1990), a form of cooperation (Organ, 1988).

This study focuses on an aspect of leader behavior as a way of promoting interpersonal helping: leader self-sacrifice on behalf of the group. It emphasizes the role of leader self-sacrifice and leadership effectiveness in the relationship between organizational identification, trust and interpersonal helping. Specifically, this study adresses five questions : (1) Does leader self-sacrifice have a positive relationship with employee's Organizational Identification?, (2) Does leadership effectiveness have a positive relationship with employee's Organizational Identification?, (3) Is there a positive relationship between entrepreneurial orientation and employee's Organizational Identification?, (4) Does organizational identification mediate the relationship between leader self-sacrifice and interpersonal helping?, (5) Does trust mediate the relationship between leader self-sacrifice and interpersonal helping?In other words, this paper tries to develop a comprehensive model about the leader behavior and its effects on organizational identification, trust and interpersonal helping among employees, which has not been conducted in the previous studies, yet (Schlosser &Todorovic, 2006; De Cremer & van Knippenberg, 2005).

The structure of this paper is divided into eight sections. First, the introduction, describes the phenomenon of the study, explains the previous studies related to the topic, and states the spesific purposes of the study. Second, the literature review, explores the relevant theoritical and empirical studies, and proposes the hypotheses. Third, the methodology, states the design of the study, measurements of the constructs and data analysis. Forth, the findings, reveals the results based on data analysis. Fifth, the discussion, emphasizes how the findings in line with or contrary to previous studies. Sixth, the practical implications, illustrates contributions of this study for organization, especially SMEs. Seventh, the limitations and directions for future research, explains the strengths and limitations, and suggests avenues for future research. In the final section, the conclusion, concludes the overall findings of this study.

2. Literature Review

2.1 Leader Self-Sacrifice, Leadership Effectiveness and Organizational Identification

By virtue of the authority of their position, leaders have considerable freedom to decide how they will run their organizations, thus can be expected to play a major role in influencing the culture of an organization (Taormina, 2008). Leadership can be viewed as the center of the organization, as strength of personality or character, and as a way to influence others to reach a common goal. Having an extraordinary influence on followers in terms of affect and motivation has been recognized as an important focus for the leaders (De Cremer, 2006). The strong personality of the leaders drives the organization and determines the organization's success or failure through their commitment and investment. One leader behavior relevant to this issue is the leader's self-sacrifice.

Self-sacrificed is defined as a total/partial abandonment, or permanent/temporary postponement of personal interest, privilege or welfare in the division of labor, distribution of rewards, and/or exercise of power (Choi & Mai-Dalton, 1998). The concept of self-sacrifice indicates that the leader is willing to engage in personally risky behavior to serve the goals and missions of the group or the organization. De Cremer & van Knippenberg (2002) demonstrated that self-sacrificial leaders motivate their followers by making clear that the collective and its associated goals and visions are worthy of dedication.

Self-sacrifice leadership has produced additional responses from followers beyond cooperative efforts (Matteson & Irving, 2006). Followers of self-sacrificial leaders were more committed to their organization (De Cremer, et.al, 2004), and performed at a higher level (van Knippenberg & van Knippenberg, 2005). Self-sacrifice has been identified as one of the core aspects of charismatic leadership (Conger & Canungo, 1987). Self-sacrificing leaders, compared with self-benefiting or non-sacrificing leaders, are better able to motivate group members to cooperate with the collective (De Cremer & van Knippenberg, 2005). But, how psychological processes of the leaders determine the effectiveness of leader self-sacrifice in encouraging follower cooperation, is still unaddressed in empirical research (Hunt, 1999).

A charismatic leadership style has been identified as important in effective leadership and features of attributes have often been found in entrepreneurial leaders, such as risk-taking and enthusiasm (Schlosser & Todorovic, 2006). By sharing self-confidence and a vision and purpose, charismatic leaders articulate how followers can meet expected goals (Bass, 1990). Schlosser & Todorovic (2006) concluded that individuals follow charismatic leaders to enhance their self-esteem and self-efficacy and to fulfill higher-order needs. The authors also explained that an entrepreneurial leader can build unique organizational capabilities by cultivating positive employee perceptions. In this way, employees who believe that the entrepreneur is effective and self-sacrifice will identify the employer's objective.

Hypothesis 1: Leader self-sacrifice has a positive relationship with employee's Organizational Identification.

Hypothesis 2: Leadership effectiveness has a positive relationship with employee's Organizational Identification

2.2 Entrepreneurial Orientation and Organizational Identification

Shane & Venkataraman (2000) have defined the field of entrepreneurship as the scholarly examination of how, by whom and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited. Entrepreneurship research covers the study of sources of opportunities, the process of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discovers, evaluates, and exploits them. Fairuz, et.al (2010) concluded that entrepreneurship has stressed the importance of a new entry for business innovation, undertaking somewhat risky venture, and coming up with proactive innovation.

The strategy of entrepreneurial firm is reflected in "entrepreneurial orientation" (EO). Lumpkin & Dess (1996) identified the dimensions of EO construct. They argued that EO consists of process, structures, and/or behaviors that can be described as aggressive, innovative, proactive, risk taking, or autonomy seeking. According to Lyon, et.al (2000), the competitive aggressiveness dimensions of EO can be defined as the tendency of firms to assume a combative posture towards rivals and to employ a high level of competitive intensity in attempts to surpass rivals. Innovativeness refers to attempts to embrace creativity, experimentation, novelty, technological leadership, and so forth, in both products and process. Pro-activeness relates to forward-looking, first mover advantage-seeking efforts to shape the environment by introducing new products or processes ahead of the competition. Risk taking consists of activities such as borrowing heavily, committing a high percentage of resources to projects with uncertain outcomes, and entering unknown markets. Autonomy refers to actions undertaken by individuals or teams intended to establish a new business concept, idea or vision. Consequently, a firm with EO will take calculated risk, demonstrate pro-activeness and innovation, as well as take aggressive or assertive actions toward competitors (Schlosser & Todorovic, 2006). Previous studies have emphasized EO at the firm level; considered human processes and relationship to be important firm capabilities (Lei, Hitt & Bettis, 1996; Dobni & Luffman, 2000). There has been little discussion of individual level factors that affect entrepreneurial orientation within an individual firm environment ((Schlosser & Todorovic, 2006).

EO characteristics can bring potential problems for the firm, such as employee retention. Employee retention is potentially more important to the success of smaller ventures where there are fewer employees and greater expectation of autonomy and versatility (Schlosser & Todorovic, 2006). Generally, EO characteristics create an environment where employee commitment is a key to success. Long hours with no guarantee of success and potentially delayed financial gratification require employee faith in the entrepreneur and their fledgling business (Schlosser & Todorovic, 2006). This situation will lead to employee identification.

Identification with organization is defined as the perceived oneness with an organization and the experience of the organization's successes and failures as one's own (Mael & Asforth, 1992). To build employee identification is very important for entrepreneurs because it predicts employee attitudes and behaviors such as pro-social work behavior, interpersonal trust, and cooperative behavior (Schlosser & Todorovic, 2006). In an entrepreneurially oriented company, employees also remain with the firm for intrinsic, self-motivated reasons related to the challenge of working.

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Hypothesis 3: Entrepreneurial orientation has a positive relationship with employee's Organizational Identification.

2.3 Leader Self-Sacrifice, Organizational Identification and Interpersonal Helping

Self-sacrificial leaders are ethical and often forgo personal interests and highlight that the mission and purpose of the group are paramount (Choi & Mai-Dalton, 1998). They often engage in personally risky behaviors to benefit the collective (De Cremer, et.al, 2009). From the follower's perspective, Choi & Mai-Dalton (1998) argued that followers feel a sense of indebtedness to reciprocate the favorable treatment they received, as such suggesting that a socially shared goal becomes present that the group's interest should be protected and maintained. De Cremer, et.al (2009) reasoned the positive impact of leader's self-sacrifice on the motivation of followers to display pro-social behavior, such as interpersonal helping, should be most likely to emerge when leader behavior speaks to the regulatory concerns of the followers.

A study by De Cremer & Van Knippenberg (2002) has shown that a self-sacrificing leader promoted cooperation, specifically interpersonal helping, because it enhanced feelings of collective identification. Furthermore, De Cremer & Van Knippenberg (2005) have found that the relationship of leader self-sacrifice with follower interpersonal helping is mediated by organizational identification. According to these authors, the finding that organizational identification mediated the effect of self-sacrifice on interpersonal helping thus is a step forward in uncovering the process through which leader behavior affects group member cooperation.

Hypothesis 4: Organizational identification mediates the relationship between leader self-sacrifice and interpersonal helping

2.4 Leader Self-Sacrifice, Trust and Interpersonal Helping

Self-sacrificial leaders have a strong sense of duty to ensure their obligation to the group is satisfying and that ultimately their goals for the group are achieved (De Cremer, et.al, 2009). They tend to be concerned with the followers' need in order to ensure goals achievement. Because of their efforts to focus on follower needs, employees generally trust self-sacrificial leaders to have their best interest at heart (De Cremer & van Knippenberg, 2005). In such situation, self-sacrificial leaders act as a role model to their followers.

Self-sacrificial leader will act for the best interest of their group by being dutiful and responsible. A study by De Cremer & van Knippenberg (2005) has shown that self-sacrificial leaders promote interpersonal helping. Interpersonal helping (also labeled helping behavior, altruism, courtesy) has been identified as a crucial form of organizational citizenship behavior. Helping involves employees voluntarily helping others on work related to problems or preventing the occurrence of such problems (Podsakoff, et.al, 2000).

Besides encouraging interpersonal helping among employees, self-sacrificial leader need to take trust into consideration. Trust is an important factor that exists between leaders and followers. Trust correlates positively with various outcomes, such as organizational citizenship behaviors (Jung & Avolio, 2000). Schoorman, et.al (2007) defined trust as a willingness to depend on another party, as well as an expectation that the other party will

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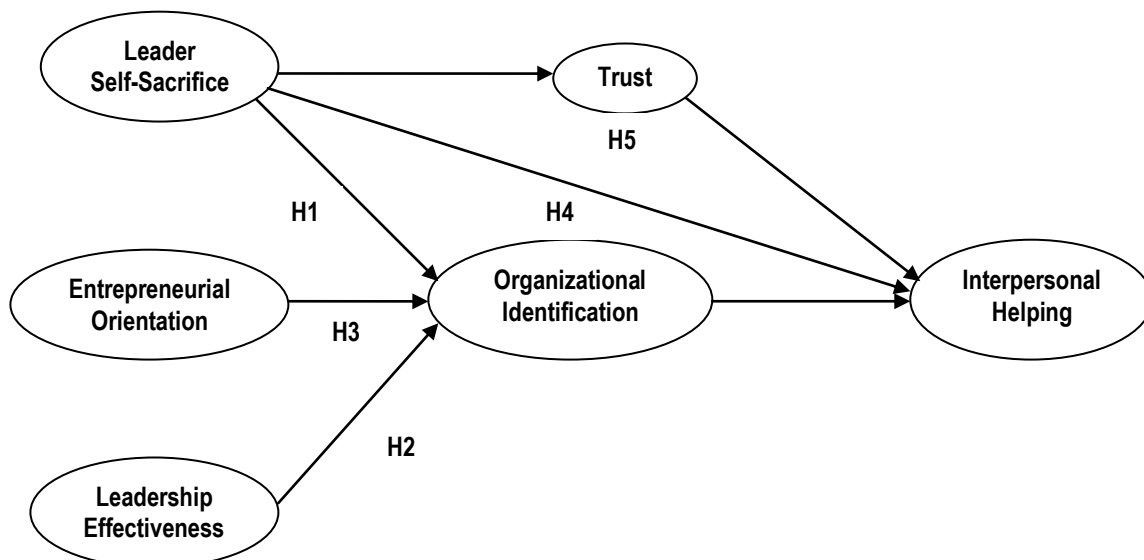
reciprocate if one cooperates. Perceived ability or competence is essential to trust in organizational leader-follower relationships because followers are unlikely to develop trust in their leader unless they believe the leader is capable of fulfilling the leadership role (Bartram & Casimir, 2007). Furthermore, the authors noted that followers need to trust the leader in order to feel positively about the leader and to exert extra effort to perform effectively. If followers believe the leader is not concerned about their welfare, lacks integrity, or is incompetent, they will be unlikely to trust the leader and they will not be motivated to have a complete cooperation with the leader. However, researches in trust and leader self-sacrifice have provided little information about the relationship among variables. According to De Cremer & van Knippenberg (2005), trust had not been related to leader self-sacrifice. The finding that trust and organizational identification mediated the effect of self-sacrifice on cooperation thus is a step forward in uncovering the process through which leader behavior affects group member cooperation (De Cremer & van Knippenberg, 2005).

From the perspective of followers, the extent to which the leader can be trusted to have the group's and the group members' best interest at heart should be the key concern in their attitude towards the leader (De Cremer & van Knippenberg, 2005). A study by Podsakoff, et.al (1990) found that trust mediated the relationship between transformational leadership and organizational citizenship behavior. Although Podsakoff, et.al did not focus on self-sacrificial leader, their study clearly suggested that trust may play a role in translating leader behavior into follower action (Pillai & Mendle, 1998).

Hypothesis 5: Trust mediates the relationship between leader self-sacrifice and interpersonal helping

Conceptual model in this study was described as follow:

Figure 1: Conceptual Model



3. Methodology

3.1 Participants and Design

This study was conducted in furniture industry in Surakarta, Indonesia. This was a cross sectional study which analyzed the relationship between independent variables such as leader self-sacrifice, entrepreneurial orientation, and leadership effectiveness, and interpersonal helping as dependent variable, also trust and organizational identification as mediators, by applying self-administered survey questionnaire. Sample size of the study was fifty employees of export-oriented furniture companies. The rationale for the sample size is that the hypotheses of this study was tested using Partial Least Square (PLS) which has criterion for ideal sample size between 30-50 respondents.

A judgement sampling was used to get the respondents. This sampling technique has been adopted because not all employees could complete the survey instrument, since they had to answer some questions about the owner of SMEs. Thus, the respondents should be employees who interacted directly with the owner, so they knew very well the owner. This close relationship made the respondents easier to answer the questionnaire. At the beginning of the survey, respondents were instructed to consider the owner of the business when filling out the survey. As these are small business, the owner usually actively gets involved in managing the business.

3.2 Measurements of The Constructs

Employee perception of self-sacrificed leader was measured using two items from Conger & Kanungo (1998). These items indicate to what extent employee consider owner's self-sacrifice on behalf of the group. Leadership effectiveness was measured using scale developed by Bass & Avolio (1995), consisting of four items. Entrepreneurial orientation was measured using six of eight items from Knight (1997). This scale attempts to provide an assessment of the degree of entrepreneurial orientation given by SME owner. Organizational identification was measured using scale developed by Mael & Ashforth (1992), consisting of six items. We assessed trust using two items from Conger & Kanungo (1998) which indicated the degree of employee trusting the leader to solve problems and motivate them. Interpersonal helping was assessed with two items from Moorman & Blakely's (1995) interpersonal helping scale. All survey items were measured on a four-point scale ranging from 1 (strongly disagree) to 4 (strongly agree).

3.3 Data Analysis

This study attempted to analyze entrepreneur as a leader by considering both self-sacrifice and entrepreneurial orientation as important aspects of leader behavior that led to organizational identification of employees. This study took leadership effectiveness into account in promoting organizational identification, as well. In turn, together with trust, organizational identification affected interpersonal helping among employees. Thus, the proposed model was different from previous studies (Schlosser & Todorovic, 2006; De Cremer & van Knippenberg, 2005).

To test the hypotheses, we used Partial Least Square (PLS) analysis. PLS is a technique that generalizes and combines features from principle component analysis and multiple regressions (Seijts & Roberts, 2011). A PLS model consist of a structural part, which reflects the relationships between the latent variables, and a measurement component,

which shows how the latent variables and their indicators are related, but also has a third component, the weight relations, which are used to estimate case values for the latent variables (Haenlein & Kaplan, 2004).

4. Findings

There were 50 employees from export-oriented furniture companies in Surakarta, Indonesia, completed the survey. All of the questionnaires were returned. However, four of them were discarded because of insufficient data, leaving 46 questionnaires for analysis (25 men, 21 women). The majority of the respondents were aged between 31 and 40 years (43.5%), and graduated from senior high school (58.7%).

To test the hypotheses, we used Partial Least Square (PLS). PLS comprises regression and classification task as well as dimension reduction techniques and modeling tools (Rosipal & Kramer, 2006). The characteristics of PLS Path Modeling can be summarized as follows : (1) PLS delivers latent variable scores which are measured by one or several indicators; (2) PLS avoids small sample size problems and can therefore be applied in some situations when other methods cannot; (3) PLS can estimate very complex models with many latent and manifest variables; (4) PLS has less stringent assumptions about the distribution of variables and error terms; (5) PLS can handle both reflective and formative measurement models.

4.1 Measurement Model

PLS Model was analyzed and interpreted in two steps: Measurement Model and Structural Model. Measurement Model is tested by assessing the validity and reliability of the items and constructs in the model. This ensures that only reliable and valid construct measures are used before assessing the nature of the relationships in the overall model (Karim, 2011).

Outer loading were used to assess the convergent validity of constructs. An outer loading $O > 0.50$ and $t\text{-value} > 1.96$, is an indication of validity. Our results showed that some items of leadership effectiveness construct loaded insignificantly, including: LE1 ($O = 0.501160 > 0.50$ and $t\text{-value} = 1.525460 < 1.96$) and LE3 ($O = 0.574046 > 0.50$ and $t\text{-value} = 1.732852 < 1.96$). An item of organizational identification (OI4) was insignificant, either ($O = 0.149701 < 0.50$ and $t\text{-value} = 0.562170 < 1.96$). Thus, these indicators were not analyzed.

Discriminated validity of measurement model was tested through cross loading value. The construct representing items should share more variance with its own items than with other constructs in the model. The Discriminant-Analysis showed that two items of entrepreneurial orientation (EO3, EO4) and an item of organizational identification (IO5) loaded insignificantly.

For assessing the reliability of scales, composite reliability was used. All values exceeded the minimum threshold level of 0.70, thus indicating the reliability of all scales.

4.2 Structural Model

Structural model was used to test relationships between latent constructs. The structural model was tested by estimating the paths between the constructs, which are an indicator of the model's predictive ability. Goodness-of-Fit was employed to judge the overall fit of

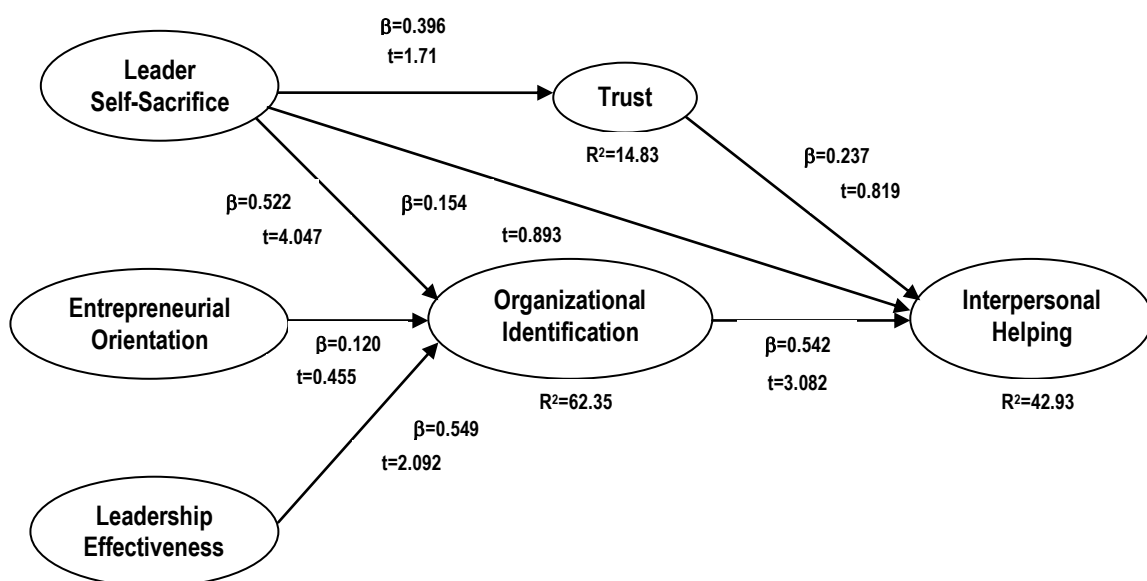
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the model. GoF is normed between 0 and 1, where a higher value represents better path model estimations (Karim, 2011).

Results of the PLS Analysis were shown in Figure 2. The results supported hypotheses 1, 2 and 4. As it was predicted, leader self-sacrifice was significantly and positively related to organizational identification ($\beta = 0.522$, $t = 4.047$). This finding was consistent with Schlosser & Todorovic (2006) study. In line with the prediction of hypothesis 2, there was positive and significant path from leadership effectiveness to organizational identification ($\beta = 0.549$, $t = 2.092$). This result also confirmed Schlosser & Todorovic (2006) finding. Hypothesis 4 was also supported; organizational identification mediated the relationship between leader self-sacrifice and interpersonal helping. To test the mediation, we used Baron & Kenney (1986) criterion. Partial mediation is present when a path from the independent variable to the dependent variable and paths from the independent variable to the mediator and from the mediator to the dependent variable are all significant. Full mediation is present when the path from the independent variable to dependent variable is not significant but the remaining paths are significant. In this study, leader self-sacrifice was significantly related to organizational identification ($\beta = 0.522$, $t = 4.047$), organizational identification was significantly related to interpersonal helping ($\beta = 0.542$, $t = 3.082$), but leader self-sacrifice was not significantly related to interpersonal helping ($\beta = 0.154$, $t = 0.893$). Thus, organizational identification fully mediated the relationship between leader self-sacrifice and interpersonal helping. This finding corroborated De Cremer & van Knippenberg (2005) view.

However, hypothesis 3 was not supported because the relationship between entrepreneurial orientation and organizational identification failed to reach significance ($\beta = 0.120$, $t = 0.455$). Hypothesis 5 was not supported, either. Trust did not mediate the relationship between leader self-sacrifice and interpersonal helping, because trust as the mediator was not significantly related to both leader self-sacrifice (as independent variable) and interpersonal helping (as dependent variable). These results were quite different with Schlosser & Todorovic (2006) findings.

Figure 2: Results of the PLS Analysis



The PLS Analysis also showed the value of R^2 , which explained the contribution of explanatory variable to the prediction of the dependent one. For this model, 42.93

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percent of variance in interpersonal helping was predicted by trust and organizational identification. Leadership effectiveness, entrepreneurial orientation and leader self-sacrifice contributed to 62.35 percent of variance in Organizational Identification. Lastly, leader self-sacrifice accounted for 14.83 percent of variance in trust.

Overall, this study attempted to contribute to the body of knowledge by proposing a comprehensive model that analyzed the role of leader self-sacrifice, entrepreneurial orientation, leadership effectiveness in the relationship between trust, organizational identification and interpersonal helping among employees. Previous studies (Schlosser & Todorovic, 2006; De Cremer & van Knippenberg, 2005) has not examined the relationship among variables in a comprehensive framework. This study sought to establish an integrative framework that combined some aspects of leader behavior that might influence organizational identification and trust in order to motivate interpersonal helping.

5. Discussion

This study examined the relationship among leader self-sacrifice, leadership effectiveness, entrepreneurial orientation, organizational identification, trust and interpersonal helping in a comprehensive model. Result revealed that there was a significant and positive relationship between leader self-sacrifice and organizational identification. In other word, if a leader has willingness to serve the group or the organization for their best interest, employees' identification with the organization will be high. Furthermore, this paper also confirmed that leadership effectiveness was a positive predictor of organizational identification. These results provided empirical support for the earlier finding of Schlosser & Todorovic (2006).

In line with the previous study by De Cremer & van Knippenberg (2005), this paper found that organizational identification mediated the relationship between leader self-sacrifice and interpersonal helping. It means that when the leader shows concern and willingness to sacrifice for the organization, the employees will identify themselves with the organization, and finally they are more likely to initiate interpersonal helping.

Contrary to study by Schlosser & Todorovic (2006), we did not find a significant relationship between entrepreneurial orientation and organizational identification. This may occur due to the fact that employees' identification with the organization is likely to be low because of uncertainty and risky condition in SME. In such situation, entrepreneurial orientation could not create organizational identification.

The environment of uncertainty facing by SME also might be the reason why trust could not mediate the relationship between leader self-sacrifice and interpersonal helping. In an uncertain condition, employees might doubt whether or not the leader has willingness to sacrifice. Thus, they could not just believe that their leader will do the best, and it decreases their interpersonal helping.

6. Practical Implication

This study showed that leader self-sacrifice and leadership effectiveness can affect organizational identification. The results also confirmed that organizational identification mediated the relationship between leader self-sacrifice and interpersonal helping. These

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findings therefore carried considerable implications for organizations, especially Small Medium Enterprises (SMEs). In terms of managing employees, emphasis should be given to developing self-sacrifice among entrepreneur as an owner and leader of SMEs. Self-Sacrificing Leader will be able to motivate employees to achieve high performance (van Knippenberg & van Knippenberg, 2005). Self-Sacrifice was also proposed to be related to criteria of leadership effectiveness (Choi & Mai-Dalton, 1998). Furthermore, employees of self-sacrificial leader were more committed to their organization. De Cremer, et.al (2004) noted that it seemed important to organizations that leaders include some sort of self-sacrifice in their behavioral repertoire because these leaders were able to promote affiliation with the organization.

Based on the findings of this study, it is also important to focus on how to encourage employee identification with organization. Cole & Bruch (2006) suggested some specific recommendation: (a) honoring the organization's traditions, rituals, and ceremonies that communicate and objectify the organization's history; (b) emphasizing core values, beliefs and behaviors that represent the organization mission and goals; (c) communicating stories and myths that reflect the organization's identity.

7. Limitations and Direction for Future Research

Our research has several limitations that are commons in this type of research. First, the results of this study are specific to certain type of furniture Small Medium Enterprises (SMEs) in one geographical. Thus, it should be prudent to generalize to other type of industry and other area. Second, a reliance on self-report data may result in common-method bias. Moreover, the respondents' answer in this study might also be influenced by their perceptions of their leader's behavior. It is a common knowledge that individual perceptions can be greatly affected by a host of variables, such as type of industry, organizational factors, and individual levels. Though our study reported good reliability and evidence of validity; it would be useful to conduct a study comparing our results with that employing other ability measures.

Future research might also explore leader self-sacrifice model that considers a wide range of behavioral outcomes, especially in the SMEs context. Future research should consider our model as a springboard for developing a more complete conceptual model.

8. Conclusion

The results of this study show that leader self-sacrifice and leadership effectiveness have a significant effect on organizational identification. In turn, organizational identification mediates the relationship between leader self-sacrifice and interpersonal helping. Therefore, these variables should be given consideration by the entrepreneurs to make strong SMEs. The contribution of this study is expected to enrich our understanding of leadership in SMEs.

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