

How Leadership Style develops Follower's Regulatory Focus (Empirical Study from Rural Leaders at Banyumas Regency)

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ABSTRACT

There are many ways how leaders influence their follower to attain the goals. The leadership process may be effective when there is a consistency between leader and followers focus. This study integrates Bass's Leadership Theory (1985) and Higgin's Regulatory Focus (1997). Higgins proposes two ways how people to attains the goal, namely *promotion focus* that regulates achievement of gains, and *prevention focus* that regulates the losses avoidance. Bass classifies leader behaviour into three, that is *transformational* characterised by behaviors that challenge and motivate followers to achieve desirable goals, communicate value-laden visions of ideal future states, encouraging accomplishment, and express support for change, activation positive emotions; *transactional* involves creating exchange-based transactions with followers; and *laissez-faire* or no leadership.

We predict that transformational leadership correlates with follower's promotion focus, transactional leadership correlates with prevention focus of the followers, and laissez-faire leadership negatively correlates both promotion focus and prevention focus.

The sample of this study is 261 rural staff at Rural Offices in Banyumas Regency. The study concludes that laissez-faire rural leaders reduce both promotion and prevention of their followers. Although the data show that transformational and transactional leadership styles were applied, but they are not supported by the data.

Keywords: Transformational; transactional; laissez-faire; promotion-prevention focus; and rural leadership.

1. Introduction

Since Covid19 Pandemic, rural leader and their members have to hand in hand do extra work for minimizing impact of Covid for their community, besides their regular activities. According to Indonesia Home Ministry's Regulation No. 84, 2015, the rural leader has many roles such as administrator, physical development agent, people development, and community empowerment. Facing this acute situation, rural leaders might be use different strategy to control their staffs, that is the leadership style.

We propose addressing this issue by using a central characteristic of leadership as its influence on the way followers attain goals (Bass, 1985; House, 1971). This core aspect of leadership is

particularly relevant given recent self-regulation research indicating that leader behaviour influences individuals' self-regulatory orientations and strategies used toward attaining goals (Higgins, 2000). That is, individuals goal-striving in a way that sustains their self-regulatory preference, a phenomenon known as regulatory fit, feel “right” about what they are doing, and attach more value and importance to the activity (Higgins, 2000).

Given the conceptualization of leadership as encouragement of goal-striving behavior, different styles of leadership study examined relations between the two most prominent leadership styles in the literature, transformational and transactional leadership (Bass, 1985; House, 1971, 1977), and followers' self-regulatory focus (Higgins, 1997). Previous studies addressing leader-follower regulatory fit have shown enhanced engagement for promotion focused followers under transformational leadership (e.g., Whitford & Moss, 2009).

Leader behavior may be seen as encouraging followers to employ distinct self-regulatory means. Following regulatory fit theory, individuals experiencing fit from their leader's style may attach more value and importance to their work. Thus, the current study examined relations between the most prominent leadership styles in the literature, transformational, transactional, laissez-faire leadership (Bass, 1985; House, 1971, 1977), and followers' self-regulatory focus (Higgins, 1997). Although previous studies shows that the these leader behaviour related to different regulatory focus, mainly using experimental approach, we will proof it by using survey study, particularly to investigate the leadership process in the lowest hierarchy of government, namely rural leadership. This study includes the laissez-faire leadership to tap the possibility of the existence.

2. Literature Review

2.1. Bass's Leadership Style

Bass (1985) builds upon Burns' leadership work that draws distinction between transformational and transactional leadership. The two types of leadership styles were identified in terms of the component behaviours used to influence followers and the effects of the leader on followers. With transformational leadership, the followers feel trust, admiration, loyalty, and respect toward the leader, and they are motivated to do extra. This transformation can be achieved in any one of three interrelated ways: (1) by raising followers' level of awareness, level of consciousness about the importance and value of designated outcomes and ways for reaching them, (2) by getting followers to transcend their own self-interests for the sake of the team, organisation, or larger polity, (3) by altering followers' needs levels on Maslow's hierarchy or expanding followers' portfolio of needs and wants (Bass, 1985: 20).

Transformational leadership may be defined as a superior form of leadership that occurs when leaders “broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and the mission of the group and when they steer their employees to look beyond their own self-interest for the good of the group” (Bass, 1990: 20).

Transformational leaders seek new ways of working, seek opportunities in the face of risk, prefer effectiveness to efficiency, and are less likely to support the status quo. Transformational leaders do not merely react to environmental circumstances – they attempt to shape and create them (Avolio and Bass, 1988). Transformational leaders tend to utilise symbolism and imagery to solicit increased effort, but they may use transactional strategies when appropriate (Bass, 1985).

2.2. Transactional Leadership

Bryman (1992) argues that the transactional process between the leader and the followers is considered as more associated with management rather than leadership. Transactional leadership occurs when there is a transaction between the leader and the follower. Transactional leaders serve to clarify the role and task requirement of followers for reaching the desired outcomes. This gives the subordinates sufficient information to exert the necessary effort. The transactional leader also recognises what the subordinate needs and wants, and clarifies how these needs and wants will be satisfied if the necessary effort is made by the subordinate (Bass, 1985).

The transactional leader focuses on efficiently and properly carried out tasks. The transactional leader administers both positive and negative rewards in dealing with followers, such as promotion and pay increase for employees who perform well, and penalties for those who do not do their job well. The effectiveness of transactional leadership depends on whether the leader has control over rewards and penalties; and on whether employees are motivated by the promise of reward and desire to avoid penalties (Bass, 1985).

Transactional leadership consists of two factors, namely contingent rewards and management by exception (Bass, 1985). Contingent reward refers to an exchange of rewards for the employee's effort beyond a certain level of performance that has been agreed between the followers and the leader. Contingent reward involves identifying subordinates' needs and facilitating the achievement of agreed objectives and then linking to both what the leader expects to accomplish and to rewards for the subordinates if objectives are met.

The second component of transactional leadership is management by exception. Management by exception may be described by the popular motto "If it ain't broken, don't fix it" (Bass, 1995). Management by exception is defined as intervening only if standards are not met or if something goes wrong. Such leaders may either remain passive until problems emerge and need correction, or they may arrange to more actively monitor the followers' performance so as to intervene when followers make mistakes. Then, the lowest management activity who do nothing is called *laissez-faire* or no leadership.

2.3. Regulatory Focus

Traditional psychology holds that human behavior follows the principle of "hedonism" and tends to maximize happiness and minimize pain, and act on the basis of the law of "escape the pain and pursuit of happiness". But, Higgins (1997) argued that the principle of "hedonism" can't be used to explain the difference in the use of strategies in the "escape the pain and pursuit of happiness" behavior of human beings. To explore the essence of the motivation of human behavior, Higgins (1997) proposed Regulatory Focus Theory (RFT), in the purpose of a new explanation of human's motivation. Regulatory Focus Theory is specifically concerned with the nature and magnitude of people's emotional experience and, by extension, may help elucidate their work attitudes and behaviors.

Self-regulation refers to the process in which people seek to align themselves (i.e., their behaviors and self-conceptions) with appropriate goals or standards. According to Regulatory Focus Theory, our survival depends on two basic needs: security needs and growth needs. There are two different

regulatory system corresponding to the two different need to meet. When individuals' needs are met, they feel happy, when needs cannot be met, the individual will feel pain. Security-related control system is called prevention focus, positively adjust the behavior of keep away from punishment, make people tend to focus on the negative. Nurturance-related is called promotion focus, promotes the positive adjustment of rewarded activity. These regulatory focuses run in different ways to meet the individual needs. Individuals holding promotion focus tend to be in the pursuit of "ideal" self, care for "hope" and "aspiration", and always pay more attention to their growth and self-realization. Individuals holding prevention focus tend to be complacent and conservative, and always pay more attention to "duty" and "responsibility", care for "required" and "safety". Higgins believes promotion focus is the result of strong ideal, "taking or not" situation and growth needs; Prevention focus is the result of intense obligations, "loss or not" situation and security needs.

In summary, regulatory focus can be affected by the individual's self-regulatory history and also can be affected by the current situation or task; The former is a long-term personality trait, while the latter is manifested as a temporary motivational orientation (Higgins, 1997).

2.4. Hypothesis Development

Bass (1985) classifies leadership styles into three categories, that is transformational, transactional, and laissez-faire leadership. Transformational behavior, leaders exhibiting this behavior shape the self-concept and goals of their followers by envisioning a desirable future, communicating this vision to their followers, and serving as appropriate role models (Bass, 1985; Bass et al., 2003). The leader's vision and corresponding rhetoric convey what the leader deems to be important and what ideally will be accomplished. By emphasizing to followers what they can develop into (i.e., a maximal goal), leaders exhibiting transformational behavior frame the situation in terms of gains and ideal selves (Kark & Van Dijk, 2007). This attention on maximal goals, gains, and ideals, coupled with followers' modeling of the leader's beliefs and behaviors geared toward achievement, are likely to prime a promotion focus in followers (Kark & Van Dijk, 2007). Therefore the hypothesis is:

Hypothesis 1: Transformational leadership will be positively related to follower's promotion focus.

Transactional leadership consists of two core behaviours, namely Contingent Rewards and Management by Exception. Contingent reward behavior to prime both foci in followers. According to Bass (1985), contingent reward is framed both in terms of gains and the maximal goals that indicate success (invoking a promotion focus), and in terms of the minimal goals that denote obligations (invoking a prevention focus). Even when contingent reward behavior mostly emphasizes gains, rewards can take the form of either positive reinforcement (e.g., earning a monetary bonus) or negative reinforcement (e.g., being freed from an unpleasant work assignment). The latter reward is aligned with prevention focus because it involves removing adverse stimuli, which represents non-losses. Contingent reward therefore has the capacity to simultaneously prime both a promotion and a prevention focus in followers. There is some indirect evidence to support this notion, as contingent reward has demonstrated positive relationships with both creativity (Baer, Oldham, & Cummings, 2003) and safety (Zohar, 2002), which are associated with a promotion and prevention focus, respectively (Lanaj et al., 2012).

Hypothesis 2a: Contingent Rewards leadership will be positively related to follower's promotion focus.

Hypothesis 2b: Contingent Rewards will be positively related to follower's prevention focus.

Transactional behaviors – management by exception – is more corrective than contingent reward in that this stresses the importance of accuracy and the costs associated with mistakes and losses (Bass, 1985). This style involves specifying minimal requirements for task and interpersonal conduct and then vigilantly monitoring performance and taking corrective action when deviations from set standards are expected or have already occurred (Bass et al., 2003). Management by exception entails giving guidance and negative feedback when problems arise, whereas contingent punishment ensures compliance by imposing penalties for failing to meet minimal task requirements (Podsakoff et al., 2006). Both behaviors are intertwined with avoidance-oriented emotions (e.g., anxiety) and they encourage conservative and risk-averse strategies to fulfill duties (Kark & Van Dijk, 2007). Despite receiving less attention than contingent reward (Podsakoff, Bommer, Podsakoff, & MacKenzie, 2006), management by exception nevertheless has implications for prevention focus because it directs followers' attention to failures to meet minimal standards for quality and safety. Therefore the hypothesis is:

Hypothesis 3a: Management by Exception will be positively related to follower's prevention focus.

The least effective of the leader behaviour is called laissez-faire (Bass, 1985). Laissez-faire leader is a person who sit down in the management position, but they do not do what their should do or no leadership. Follower of this leader personally has promotion regulatory focus or prevention regulatory focus may weaken when guidance and feedback are lacking. Therefore, the hypothesis is:

Hypothesis 4a: Laissez-faire will not be negatively related to promotion focus.

Hypothesis 4b: Laissez-faire will be negatively related to prevention focus.

Figure 1. Research Model

3. Research Methodology

Data were collected from 152 Rural Administrative Offices (50 percent of total population) in Banyumas Regency. For this study, we distribute questionnaire to 304 Rural Administrative Staffs. From total return of 299 bundles questionnaire, consist of 261 data that ready for analysis.

Leadership Styles were measured by using MLQ – short version (Bass & Avolio, 1995) comprise Transformational, Contingent Rewards, Management by Exception, and Laissez-faire leadership styles. Promotion-Prevention Regulatory Focus were tap by using RFQ (Higgins, 2001).

Research model (Figure 1), shows that there are two statistical analyses, that are statistical analyses for predicting promotion, and the other one is for predictiong prevention. Data were analysed by using Multiple Regression.

4. Results

Research model (Figure 1), states that there are two equations of regression for: (1) testing the influence of transformational (tr), contingent rewards (cr), and laissez-faire (lf) toward promotion regulatory focus, and (2) testing the influence of contingent rewards (cr), management-by-exception (mbe), and laissez-faire (lf) toward prevention regulatory focus.

- Promotion = $a + b_1 tr + b_2 cr + b_3 lf + e$
- Prevention = $a + b_1 cr + b_2 mbe + b_3 lf + e$

4.1. Factors predicting follower's promotion regulatory focus

Based on to the classical assumption tests, the data is ready to be analysed by using multiple regression, because it fulfill the classical assumption requirements (Nornality test, where significant value is $0,200 > 0,05$; there is no multicollinearity since tolerance values of all independent variable are hingher than 0,10 and their VIF values less then 10,00; and there is no heteroscedasticity in this model, where significant values between independent absolute residual are higher than 0,05).

The research model show that there are three approaches that been used by rural leaders for motivating their staff, that is transformational, contingent rewards, laissez-faire approaches. Table 1, shows that the level of promotion focus of the staffs is above average. The rural leaders tend to influence their staff by using transformational and contingent reward, and the leaders responsible to their jobs and never hands-off.

Table 1: Descriptive Statistics for promotion, tr, cr, and lf

	Mean	Std. Deviation	N
Promotion	3,42	0,383	261
Tr	2,45	0,673	261
Cr	2,61	0,850	261
Lf	0,66	0,731	261

Statistical analysis (Table 2) suggests that rural leaders' strategy that may influence of followers' promotion regulatory focus is only laissez-faire. Although the rural leaders sometimes use

transformational and contingent rewards to influence the follower's promotion regulatory focus, but statistically are not significant. The only significant is laissez-faire leadership (lf)

Tabel 2: Coefficients of the regression 1.

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	3,376	0,101		33,455	0,000
tr	0,120	0,062	0,211	1,947	0,053
cr	-0,078	0,048	-0,173	-1,616	0,107
lf	-0,067	0,034	-0,128	-2,005	0,046

4 Dependent Variable: promotion.

4.2. Factors predicting follower's prevention regulatory focus

The second regression model is also meet the classical assumption requirements ((Normality test, where significant value is $0,309 > 0,05$; there is no multicollinearity since tolerance values of all independent variable are hinger than 0,10 and their VIF values less then 10,00; and there is no heteroscedasticity in this model, where significant values betwen independent absolute residual are higher than 0,05).

This model suggests that rural leaders may apply contingent rewards (cr), management by exception (mbe), and laissez-faire (lf) for motivating their staff by using prevention regulatory focus. Table 3 shows that rural leaders sometimes apply contingent rewards, less using management by exception and rarely practising laissez-faire approach.

Table 3: Descriptive Statistics for prevention, cr, mbe, and lf

	Mean	Std. Deviation	N
prevention	3,88	0,615	261
cr	2,61	0,850	261
mbe	1,65	0,585	261
lf	0,66	0,731	261

Although the rural leaders applied those three approaches, that is contingent reward and management by exception, the only laissez-faire statistically significant (Table 4).

Tabel 4: Coefficients of the regression 2

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
(Constant)	4,372	0,139		31,512	0,000
cr	-0,069	0,057	-0,096	-1,214	0,226
mbe	-0,134	0,082	-0,128	-1,634	0,104

If	-0,140	0,058	-0,167	-2,415	0,016
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a **Dependent Variable: prevention.**

5. Discussion

To lead means the process of influencing the activities of an organised group toward goal achievement (Bryman, 1992). The topic gains its importance from the intuitive and commonly held view that leadership and organisational effectiveness go hand in hand. Whilst the evidence to support this idea is equivocal, it certainly cannot be dismissed.

One of the important role of the leader is how to motivate their followers. Leader may use the traits, the position of the leader in organisational hierarchy, the knowledges, and the situation of the leader have. Bass (1985) classified leadership style into transformational, transactional, laissez-faire, which style the leader applied depends on the leader decision. Higgins (1998) introduced two strategies for the leader to motivate their followers: promotion and prevention regulatory focus. Transformational leaders typified by attention on maximal goals, gains, and ideals, coupled with followers' modeling of the leader's beliefs and behaviors geared toward achievement, are likely to prime a promotion focus in followers (Kark & Van Dijk, 2007).

Transactional leadership that uses contingent rewards may have two impacts on the follower. Some followers work actively for the attaining the the reward, means that this leader's strategy stimulate the followers by promoting the rewards, the higher stronger they work, the higher the rewards. While some other followers perceive the strategy uses standard line for getting the reward, so they work just pass to the standard line. The other components of transactional leadership is called management by exception. This strategy can be applied by the leader and the followers may react that they work for avoiding penalty.

Bass (1985) called laissez-faire leadership for who sit in the leader position, but he/she does not do what the leader has to do. Logically, this leader may demotivate his/her follower, consequently this leader decrease both promotion or prevention focus of the follower.

Tabel 1 and 3 state that many rural leaders in Banyumas Regency sometimes apply transformational leadership (mean = 2,45 within score 0 to 4), transactional leadership apply several times apply contingent rewards (mean = 2,61 within score 0 to 4), and management by exception (mean = 1,65 within score 0 to 4) was less used, and they very rarely practice laissez-faire or hands off leadership (If mean = 0,66 within score 0 to 4). The important is although rural laders is in the lowest hierarchy of government beurocratic level with the average level of education is "senior high school", with minimum training for administering the rural development, they still responsible for leading their rural management. Most probaly the argument is that the leaders have to take responsibility of the job to their direct superior (called "Bupati") and they always be monitored by internal inspectors of the Government.

Table 1 and 3 also show that the levels of follower's promotion and prevention focus fall in just above the average, the score is between 1 – 5 (mean = 3,42 for promotion focus and mean = 3,88 for prevention focus). It means that many of staffs of the rural leader in Banyumas Regency have a good motivation the their job for the shake of the succesful of thir rural development., while the many others tend to do their jobs with minimum standard. It may not denied that the level of salary

of many of them are in the lowest level of Government Servant Salary standard, because their education is Senior High School.

Table 2 and 4 show that rural leaders in Banyumas Regency apply various strategies for motivating their staffs that congruent with the leadership styles. The data indicate that they use transformational and transactional approaches for motivating their staff, but statistically insignificant. The results contradict with previous studies (Hamstra, et al, 2011; Johnson, et al, 2017). The argument is that the previous study were conducted in the modern organisations that conducive for both transformational and transactional leadership and antecedents of staff regulatory focus can be affected by many other factors. Cui & Ye (2017) argue that follower's motivation both promotion and prevention focus influenced by many factors such as role modelling, group safety climate, leadership style, personality, emotion, and goal orientation. The most significant of this study is that laissez faire leadership reduce both promotion and prevention focus of the staffs.

6. Conclusion

Transformational and transactional leadership style were able to be applied into the lowest level of the Government hierarchy. For the maximum effect of those leadership styles need improvement of management of the rural level. The practices of laissez-faire leadership can be minimized by using top down control of the government such as it was practiced by the government in controlling the government funds.

The level of motivation can be improved by application of the modern human resource management starts from recruiting both the rural leaders and staffs, training and development, job analysis, the levels of salary, and pension program.

Following this study, the next study may be conducted in the higher level of the Government Offices.

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