Determinants of Organizational Citizenship Behavior and Its Outcomes

Ung Hee Lee¹, Hye Kyoung Kim²*, and Young Hyung Kim³

¹ Cluster operation team, Korea Industrial Complex Corp., S. Korea
² Occupational Education Studies, Oklahoma State University, USA
³ Industry-University Cooperation Community, Kumoh National Institute of Technology, S. Korea

* Corresponding Author Email: altorang@gmail.com

Abstract

Purpose: In this study, we investigated the effects of procedural justice, transformational leadership, and complexity which are directed at the organization as a whole on OCB. Also investigated was the relationship between OCB and job satisfaction.

Design/Methodology/Approach: From a sample of 1,100 employees from 30 companies in the Korea National Industrial Complex, we tested the hypothesized model using structural equation modeling.

Findings: The major findings are as follows: The findings showed that procedural justice, transformational leadership, and complexity had a positive effect on employees’ OCB and that OCB is also positively related to job satisfaction.

Originality/value: The results suggest that employees could be engaged in organizational citizenship behavior when they perceive fairness of the decision-making process, receive leaders’ support, and recognize less complexity of the organizational process.

Keyword: Procedural Justice, Transformational Leadership, Complexity, Organizational Citizenship Behavior, Job Satisfaction, Structural Equation Modeling

Introduction

Today, changes in organizational environments, their resultant innovations, and flexibility are emphasized, which necessarily calls for voluntary behavior from members of an organization. Accordingly, an organization should be capable of shifting its members’ attitudes and behaviors which act for organizational development from egoistic behaviors. With regard to this issue, many researchers have paid attention to organizational citizenship behavior (OCB).

Organizational citizenship behaviors come in a variety of forms such as loyalty, helping others, and organizational compliance (Podsakoff et al., 2000) and organizations benefit employees who are willing to contribute their efforts and abilities to the organizations even though that is not officially required of them. This contribution of organizational citizenship behavior to organizations has received much attention in the business area (Todd, 2003).
The concept of organizational citizenship behavior appeared over two decades ago in the field of organizational behavior. Since then, there has been considerable research, primarily in the US, enabling diverse understanding and interpretations of this concept (e.g., Borman and Motowidlo, 1997; Bukhari et al., 2009; Joireman et al., 2006; Podsakoff et al., 2000). Recently, there has also been a growing interest in OCB in the fields of marketing and strategy. However, to the best of the researchers’ knowledge, most studies on OCB have focused on finding factors which affect OCB, mainly organizational justice and characteristics of leaders (e.g., Asgari et al., 2008; Karriker and Williams, 2009). Despite the fact that characteristics of organizational structure can affect members’ attitudes and behaviors (Schminke et al., 2000), little research has focused on the relationship between the factors of organizational level and OCB. In particular, studies using a comprehensive approach to examine OCB, including the effect of organizational procedural features, organizational structural features, and leadership are scarce.

To overcome the limitations of previous studies and to improve the value of practical research on OCB, this study aimed to analyze and investigate OCB and its outcome using a comprehensive approach. The main purpose of the study was to investigate employees’ perceptions on organizational justice (procedural justice), leaders’ behaviors (transformational leadership), and organizational structure (complexity) and its effects on OCB. Indeed, this study investigates the effects of OCB on employees’ job satisfaction.

**Theoretical Background and Hypotheses**

**Organizational Citizenship Behavior and its Antecedents**

Organizational citizenship behavior is employees’ extra efforts which are not officially required by the organization (Organ, 1988) and discretionary acts by employees (Kohan and Mazmanian, 2003). The two major components of OCB are compliance, which indicates employees’ intention to follow the organizational rules, and altruism, which means employees’ voluntary behaviors to help others and to work (Organ and Ryan, 1995; Williams and Anderson, 1991).

Studies on OCB can be divided into those on finding antecedents which could have an impact on OCB and the resulting factors which are caused by the effects of OCB. In the initial stage, OCB studies had a focus on examining the effects of its antecedents until research efforts began to gradually identify the results of OCB related with the tangible performance of an organization (Podsakoff et al., 1997; Podsakoff and MacKenzie, 1994).

To date, several factors such as job satisfaction, justice, and support or trust from the organization and leaders were suggested by many researchers for increasing employees’ OCB (e.g., Ackfeldt and Coote, 2000; Bateman and Organ, 1983; Farh et al., 1990; Moorman, 1991; Niehoff and Moorman, 1993; Organ and Lingl, 1995; Puffer, 1987; Smith et al., 1983; Van Dyne et al., 1994; Williams and Anderson, 1991). Of these, organizational justice appears most frequently as an antecedent for OCB. Procedural justice is related to the perceived fairness of the decision-making process (Thibaut and Walker, 1975). This perceived fairness prompts employees’ OCB (Konovsky and Pugh, 1994; Niehoff and Moorman, 1993; Robinson and Morrision, 2002) as the social exchange relationship develops between the organization (a leader) and employees (Organ, 1988). For example, Muhammad (2004) said that participation
in the decision-making process, which is related to perceived procedural justice, lets employees reciprocate the organization with OCB. Meanwhile, the uncertainty of organizational environments and employment-related contracts, employees’ perception on leadership, which is built by the relationship with one’s supervisors, have also been identified as having an effect on OCB, together with an emphasis on psychological aspects (Marlowe and Nyhan, 1992; Podsakoff et al., 1990; Robinson & Morrison, 1995). Transformational leadership emphasizes the way leaders develop employees and affect employees’ behavior through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985; Bass and Avolio, 1990; Bass and Riggio, 2010). Transformational leadership is emphasized and has received considerable attention in business areas because of its positive effects on employees’ behavior and outcomes such as increased in-role performance and OCB (e.g., Barling et al., 1996; Howell and Avolio, 1993; Pillai et al., 1999; Podsakoff et al., 1996; Rai and Sinha, 2000; Rickards et al., 2001).

In this regard the relationship between transformational leadership and OCB, Mackenzie, Podsakoff, and Fetter (1991) asserted that each behavioral element of transformational leadership is highly related with employees’ OCB. Several additional studies support the positive relationship between transformational leadership and OCB. Pillai et al. (1999) showed that transformational leadership is directly and significantly related to OCB. In their empirical study, Purvanova, Bono, and Dzieworzynski (2006) asserted that leaders’ transformational behavior influences employees’ attitude, behavior, and perception on their job (e.g., meaningfulness and importance of the work), which lead to employees’ citizenship performance.

Moreover, an organizational structure factor can be classified into levels of formalization, centralization, and complexity (Robbins, 2002). This factor includes the following content: All authority and responsibilities are stated clearly and concretely; general procedures of handling duties are made into regulations; content of duties and methods for their performance are stipulated; results of performing duties necessarily are checked out by comparing with a plan and assigned goals; controlling data are used without fail even for deciding on rewards and punishments; and there is rare flexibility according to the situation. With regard to this, Chung and Oh (2002) found that the more a structural characteristic is emphasized, that is, the more formulation and centralization is stressed and strengthened, the more negative effect it has on loyalty behavior but a positive effect on obedience behavior of endeavoring to increase an organization’s performance results.

### Organizational Citizenship Behavior and Job Satisfaction

Job satisfaction is the employees’ response on their work itself and work environment and is caused when one’s need is satisfied at the workplace. Regarding the definition of job satisfaction, Hopkins (1983) defined it as ‘the fulfillment or gratification of certain needs that are associated with one’s work’ (p. 7).

As discussed earlier, it is supported that job satisfaction has a positive effect on OCB (e.g., Bateman and Organ, 1983; Williams and Anderson, 1991). In this study, unlike previous studies, job satisfaction was considered as the resulting factor of OCB. That is, employees’ OCB could result in job satisfaction. Many studies support the effect of OCB on job satisfaction (e.g., Chang and Chang, 2010; Ko, 2008). For example, Feather and Rauter (2004) said that the attitude of employees’ who voluntarily work beyond their duty and have the intention to stay within the organization leads to employees’ satisfaction. Therefore, it is reasonable to expect the effect of OCB on job satisfaction. According to Williams and Anderson
(1991), when employees participate in organizational citizenship, this participation leads employees to have positive feelings about their jobs. That is, employees who contribute their efforts and energy to the organization beyond the officially required work criteria enjoy their work and are proud of their affiliation with the organization. And these feelings and contributions lead to employees’ job satisfaction (Feather and Rauter; 2004; Koh, 2008).

Social Exchange Theory
Social exchange theory provides a theoretical lens to understand the structural relationships among each of the factors (procedural justice, transformational leadership, complexity of organizational structure, OCB, and job satisfaction). Social exchange could happen when both parties exchange something based on trust (Blau, 1964). This theory conceptualizes the relationship between employees and organizations (or leaders) (Eisenberger et al., 1986; Settoon et al., 1996). According to Eisenberger, Fasolo & Davis-LaMastro (1990) and Romzek (1990), employees’ attitude toward their organization is determined by their perception on leaders’ behaviors, organizational supports, and organizational characteristics. For example, when employees recognize organizational fairness in their organization, they will likely try to reciprocate with a positive work attitude (Aryee et al., 2002).

From this perspective, employees are more likely to repay organizations when they recognize fairness of the decision-making process and have an opportunity to participate in that process and receive leaders’ support.

Hypotheses
The concept of organizational citizenship behavior (OCB) in the field of organizational behavior has already been researched for over 20 years. However, most research on OCB has focused on the factors which affect employees’ OCB, allowing only stereotyped research in a single relationship to individual or group levels. To the best of the researchers’ knowledge, little studies on the relationship between the organization-level’s factors and OCB have emerged even though members’ attitudes and behaviors may change according to organizational structure characteristics. Based on previous studies, this study proposes the following hypotheses:

Hypothesis 1: Procedural justice will have a positive effect on employees’ OCB.
Hypothesis 2: Transformational leadership will have a positive effect on employees’ OCB.
Hypothesis 3: Complexity of organizational structure will have a negative effect on employees’ OCB.
Hypothesis 4: OCB will have a positive effect on job satisfaction.

Methods
Data Collection and Research Sample
Data used in this study were collected using a questionnaire with question items obtained through an earlier investigation of the literature. First, a total of 400 copies of the questionnaire were distributed for a preliminary survey, and out of the collected questionnaires, 337 copies were valid. Based on this survey, verification of reliability and validity of the question items was carried out, and the primary survey was conducted only after finding these results to be highly significant. For the primary survey, a total of 1,100 copies of the questionnaire were distributed, 850 copies were returned, and of these, 773 copies were used for empirical analyses. A total of 77 copies were rejected because they contained too many errors to be used for analysis. For
example, a questionnaire was disqualified due to partially unanswered questions or when containing insincere responses such as giving the same answers to all the questions. Demographic characteristics of the participants included gender—571 males (74.54%) and 195 females (25.46%). Information on the participants’ education level was also collected and included the following: 108 (14.19%) high-school graduates or under, 246 (32.33%) vocational college graduates, 353 (46.39%) college graduates, and 54 (7.10%) graduate school graduates. By position, 591 (77.76%) were lower-grade personnel, 24 (3.16%) were deputy section chiefs and section chiefs, 85 (11.18%) were deputy managers and managers, and 60 (7.89%) held the title of director or over.

**Instruments**
Organizational citizenship behavior (OCB) was defined as a free act of a person’s own will and behavior contributing to performing more effective functions, though without any official compensation. It was measured using the nine items presented by Rupp and Cropanzano (2002), using a 5-point Likert scale (α=.81).

Procedural justice was defined as an employee’s perception on whether decision-making procedures in the organization were being made equitably (α=.94) and was measured using six items of the scale presented by Moorman (1991).

Transformational leadership (α=.84) was defined as the level of making one’s subordinates strongly aware of the importance of the result to be achieved by them, or the level of implanting the will to work for the good of their department or the entire organization, transcending their own interests. Transformational leadership was measured using the seven items presented by Bass (1985).

The variable of an organizational structure characteristic was measured by complexity, which means the level of occupational differentiation existing in the organization. As there are more classes, it can become a potential cause of communication distortions. Complexity was measured using the three items by Hage, Aiken, and Marrett (1971) using a 5-point Likert scale (α=.78).

Finally, job satisfaction was measured using five items from Brayfield and Rothe (1951) and these items had a Cronbach’s alpha of .88.

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Procedural justice</td>
<td>3.27</td>
<td>.74</td>
<td>(.94)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Transformational leadership</td>
<td>3.40</td>
<td>.64</td>
<td>.52</td>
<td>(.84)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Complexity of organizational</td>
<td>2.83</td>
<td>.80</td>
<td>-.51</td>
<td>-.62</td>
<td>(.78)</td>
<td></td>
<td></td>
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<tr>
<td>structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4. OCB</td>
<td>3.51</td>
<td>.49</td>
<td>.43</td>
<td>.51</td>
<td>-.44</td>
<td>(.81)</td>
<td></td>
</tr>
<tr>
<td>5. Job satisfaction</td>
<td>3.67</td>
<td>.80</td>
<td>.36</td>
<td>.45</td>
<td>-.39</td>
<td>.52</td>
<td>(.88)</td>
</tr>
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*Note: All correlation coefficient estimates are significant at the .01 level
The diagonal line indicates the value of Cronbach’s alpha

**Results**

**Measurement Model Assessment**

Validity indicates how accurately a measuring instrument has measured the concepts or attributes intended for measurement. In most cases in social sciences, the measurements of a research subject are indirect measurements due to the characteristics of the subject. This explains why in social sciences the question of validity is considered of special importance—That is, the question of how accurately a measurement has been taken and how accurately it measures the concept the researcher intended to measure. In order to
estimate convergent and discriminant validity of the five constructs, this study conducted confirmatory factor analysis (CFA). To evaluate the validity of the five constructs, this study considered multiple model-fit indices provided by SEM ($\chi^2 (34) = 83.99, \chi^2 / df = 2.47$, GFI=.98, CFI=.99, NFI=.99, NNFI=.99). As shown in Table 2, all model fit indices were all within the acceptable range. Additionally, this study checked the average variance extracted (AVE), which indicates the overall amount of variance in the items explained by the latent construct and composite reliability (CR), which means the shared variance among observed variables (Fornell and Larcker, 1981). According to Fornell and Larcker (1981), the AVE is recommended to be greater than .50 and the result in Table 2 satisfied the recommendation value. Indeed, the result of the CR also satisfied the criteria, which are recommended to be greater than .70 (Fornell and Larcker, 1981). Lastly, all factor-loading values of the observed items were acceptable, ranging from .60 to .96.

Table 2: Confirmatory Factor Analysis

<table>
<thead>
<tr>
<th>Latent Construct</th>
<th>Composite Reliability (CR)</th>
<th>Average Variance Extracted (AVE)</th>
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<tbody>
<tr>
<td>Procedural justice ($\xi_1$)</td>
<td>.94</td>
<td>.88</td>
</tr>
<tr>
<td>Transformational leadership ($\xi_2$)</td>
<td>.84</td>
<td>.72</td>
</tr>
<tr>
<td>Complexity ($\xi_3$)</td>
<td>.79</td>
<td>.65</td>
</tr>
<tr>
<td>OCB ($\eta_1$)</td>
<td>.74</td>
<td>.50</td>
</tr>
<tr>
<td>Job satisfaction ($\eta_2$)</td>
<td>.79</td>
<td>.66</td>
</tr>
</tbody>
</table>

$\chi^2 (34) = 83.99, \chi^2 / df = 2.47$, GFI=.98, CFI=.99, NFI=.99, RMSEA=.04

Structural Model Assessment

Structural equation modeling analysis was performed using Lisrel 8.80 (Jöreskog and Sörbom, 2006). While the fitness of the overall measurement model was estimated using various indices provided by LISREL results, the $\chi^2$ statistic was not used because of its sensitivity to a large sample size. Instead, many researchers have mentioned that it needs to be assessed using an overall fitness of the structural model (Fassinger, 1987; Marsh et al., 1988). This study considered the goodness of fit index (GFI: >.90), normed fit index (NFI: >.90), comparative fit index (CFI: >.90) and root mean square error of approximation (RMSEA: < .05). The overall fit of the structural model was acceptable: $\chi^2 (37) = 93.93$, NFI = .93, CFI = .99, GFI = .98, RMSEA = .04. The results of the empirical analysis showed that the relations between the measured variables and theoretical variables generally coincided with past results of other studies. As the result of structural equation model analysis, the finding supported hypothesis 1, which expected that procedural justice would have a positive effect on employees’ OCB. Procedural justice appeared significant for OCB ($\gamma_{11} = .18, t = 3.90$). Transformational leadership appeared to have a significant effect on OCB ($\gamma_{12} = .43, t = 6.08$), supporting hypothesis 2. The complexity of the organizational structure appeared to be significant for OCB ($\gamma_{13} = -.17, t = -2.43$). This result supported hypothesis 3, which expected that complexity would have a negative effect on employees’ OCB. Hypothesis 4 expected that OCB would have a positive effect on job satisfaction. As shown in Figure 1, the finding supported the hypothesis ($\beta_{21} = 0.74, t = 13.92$).
Conclusion

The main purpose of the study was to verify the structural relationships among procedural justice, transformational leadership, complexity of organizational structure, and OCB. Moreover, this study investigated the mediating role of OCB in linking the independent variables (procedural justice, transformational leadership, complexity) and the dependent variable (job satisfaction). To accomplish these study purposes, the author first reviewed the literature on OCB and its outcomes, and then developed the research model and hypotheses. To verify the hypothesized model, this study employed two methods: literature review and empirical analysis.

As the study results indicated, procedural justice showed a significant effect on OCB (Hypothesis 1). Thus, it is known that justice in the process of decision making perceived by employees turned out to be a variable having a significant effect on OCB and this result is consistent with that of the previous studies (e.g., Konovsky and Pugh, 1994; Muhammad, 2004; Nieoff and Moorman, 1993; Robinson and Morrison, 2002).

Transformational leadership was shown to be a significant predictor of OCB (Hypothesis 2). This means that the more a leader encourages employees to achieve the objective of an organization and the more employees perceive their own confidence and capability for duties they are carrying out, the more the employees perceive their readiness to perform OCB.

In addition, among the organizational structure factors, complexity was shown to have a negative effect on OCB (Hypothesis 3). This means that employees’ OCB will be decreased when an organization is differentiated into many classes, with a complicated decision-making process that necessitates many instructional practices.

Hypothesis 4, which expected the positive effect of OCB on job satisfaction, was also supported. This result supported the previous studies that explained job satisfaction as the positive result of OCB (e.g., Chang and Chang, 2010; Feather and Rauter, 2004; Ko, 2008).

In summary, the findings suggest that employees could engage in organizational citizenship behavior when they perceive fairness in the decision-making process,
receive leaders’ support and care, and recognize less complexity of the organizational process. And this citizenship behavior could make employees satisfied with their job.

For the purpose of this research, the study verified the suggested model including factors of organizational procedure features, leadership, and organizational structure characteristics developed by theoretical discussion using empirical analysis. Based on these research results, the author suggests practical implications for organizations and business practitioners. First of all, organizations should encourage their employees to recognize organizational justice to raise its practical effectiveness. When employees have a high level of perception on organizational justice, they carry out more OCB, which is ultimately conducive to the organization. To ensure this, organizations should encourage employees to participate in the decision-making process and understand the organizational goals.

Moreover, as supported by empirical analysis of the effect of leaders’ transformational behavior on employees, leaders should recognize their potential effect on employees’ behavior and attitude. An effective leader is one who can motivate employees and provide individualized consideration and this type of leader lets employees be fully engaged in their job and citizenship behavior for organizational success. Therefore, a leader should make their employees very aware of the organization’s objectives and encourage them to feel more self-confident in their engaged duties.

Lastly, it can be said that an organizational structure is effective for enhancing organizational effectiveness when kept in an uncomplicated state. When an organizational structure has a complicated organizational structure, this will lead to complicated routes of communication and many instructional practices incurring direct or indirect expenses and losses for involving employees into the organization. This, in turn, negatively affects employees’ OCB to ultimately have an undesirable effect on the organizational performance.

Even though this study can contribute to academic development and has practical implications for business, this study also has limitations. First of all, although the sample represented variety in terms of gender, age, degree, and work position, it is possible that the findings are unique to position and gender as around 77% of the respondents were lower-grade persons by position and about 74% of them were male. In addition, the study only investigates the organizational level’s factors as antecedents of OCB. Individual characteristics and perception also have a positive effect on OCB (Chung and Oh, 2002). Therefore, future studies are needed to consider the organizational level’s factors and individual level’s factors in order to comprehensively understand the antecedents of OCB.

References


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