
IMPACT OF ORGANIZATIONAL CITIZENSHIP BEHAVIOUR (OCB) ON JOB SATISFACTION OF EMPLOYEES IN NEW GENERATION PRIVATE SECTOR BANKS

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Abstract

Organizational Citizenship Behavior (OCB) has been an important and growing area of research for past two decades. This study intends to analyze the job characteristics which influence job satisfaction, and in turn job satisfaction influences OCB. The model employed by the current paper proposes that job characteristics affect OCB through the job satisfaction. In order to test the hypotheses regarding the relationship between the variables depicted, data was collected from employees in Banking sector. The sample used in this study is composed of 300 employees from New Private banks in Trichy District.

Keywords: *New Private Banks, Job characteristics, Job satisfaction, Organizational Citizenship Behaviour, Hypotheses, Banking Sector*

Introduction

The topic for research "Impact of Organizational Citizenship Behavior (OCB) on Job satisfaction of employees in New Generation Private Sector Banks" assumes great significance in the backdrop of the present economic scenario. Banking sector reforms in India, strive to increase profitability, productivity and efficiency of the banking institutions. The existing banking institutions have to face the global competition. As a consequence, there has not only been rapid expansion in the number of banking institutions in the country, but the banking horizon of the country has also changed significantly with the entry of new private sector and foreign banks. Nowadays, the

country has (i) Public Sector Banks (ii) Old Private Sector Banks (iii) New Private Sector Banks and (iv) Foreign Banks operating side – by – side and giving cut – throat competitions to each other. With the opening up of economy, the banking industry also threw open its doors and the Reserve Bank Of India allowed private sector banks to commence its activities, which were classified as New Generation Private Sector Banks. This study emphasizes on the Organizational Citizenship Behavior (OCB) and its impact in Banking sector especially with reference to new private sector banks. Present study focuses on 3 banks from New Private sector banks and analysis is done on the “Organizational Citizenship Behavior (OCB) and its impact on the job satisfaction of employees in these banks”. The study aims to find out the role of OCB on the employees of such banks and their impact on the job satisfaction. An exhaustive research has been undertaken to study the Impact of Organizational Citizenship Behavior (OCB) on Job satisfaction of employees in New Generation Private Sector Banks. In a nutshell, this research makes significant contributions to the dynamic world of Indian Banking Industry and the most significant part is on the New Generation Private Sector Banks.

Banks under Study

Out of a variety of private sector banks and host of New Generation Private Sector Banks, the following three banks have been selected for the sake of undertaking the research activity, namely

1. ICICI Bank
2. HDFC Bank
3. AXIS Bank (Formerly known as UTI Bank)

All the three banks are pioneers in the field of banking in India. This data is collected from Banking Annual Database in Business Standard volume 4 issue-1 in Jan 2013 Categorize based on total asset. ICICI-474.074, HDFC-367.791, Axis Bank-285650.85, Yes Bank-73662.11 and Kotak Mahindra - 65666.47

Objectives of the Research Study

The main objectives of this study are to answer these two questions:

1. Are job characteristics significantly associated with OCB?
2. Do job satisfaction mediate the relationship between job characteristics and OCB?

Proposed research model of OCB

Job Characteristics

Skill Variety

Task Identity Extrinsic Job satisfaction

Autonomy

Feedback

Job Satisfaction

Intrinsic Job satisfaction

Organizational Citizenship Behaviour



Job Characteristics Model - Hackman/Oldham



The Job Characteristics Model

Source: Hackman and Oldham (1980, p. 90)

Review of Literature

According to Organ's (1988) definition, it represents "individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the efficient and effective functioning of the organization". This special behaviour has become a lively research field investigated by organizational sociologists, psychologists, and management researchers.

Organizational Citizenship Behaviour (OCB) represents individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization (Organ, 1988).

Turnipseed and Rassuli (2005) defined OCB as defending the organization when it is criticized or urging peers to invest in the organization; which means that OCB is 'going beyond the call of duty'. OCB is defined as an extra work associated with behaviors, which goes above and beyond the routine duties prescribed by their job descriptions or measured in formal evaluations (Bateman and Organ, 1983).

Jairman et al, (2006) also defined OCB as a behavior that exceeds the routine expectations. This behavior may be different for different people as every employee in an organization perceives job requirements differently i.e. for some employees, helping others

Barnard (1938) proposed that the "willingness of persons to contribute efforts to the cooperative system" (p. 83), an attribute that includes an "indefinitely large range of variation in its intensity among individuals" (p. 84) is indispensable for organizational functioning.

Rioux and Penner (2001) provided a valuable first step in defining proactive OCB motivations, the characteristics of their participants may have limited in their work. The range of possible motivations may be restricted by their relative career experience and work.

Bolino (1999) argued that OCB could be motivated by a desire to enhance one's image or impression in the work setting. The model he presented suggests that employees may perform OCB when they value being perceived as a good citizen, when they believe OCB will promote that image, and when they perceive a discrepancy between their current and desired image. This that employees may perform citizenship behaviors on a temporary or sporadic basis to polish a tarnished impression. (Altruism) may be a routine, yet still, some will count it as beyond the scope of job requisites.

Konovsky and Organ (1996) identified five dimensions belonging to OCB: altruism, courtesy, sportsmanship, civic virtue, and generalized compliance. Altruism refers to voluntary actions that help another person with a problem. Courtesy includes efforts to prevent a problem with others and to avoid abusing the rights of others. Sportsmanship refers to any behaviour demonstrating tolerance of less than ideal circumstances without complaining. Civic Virtue refers to constructive behaviours indicating a willingness to participate responsibly in the life of the organization. Finally, generalized compliance involves discretionary actions beyond the minimum requirements of the organization in areas of attendance.

Statistical Tools

Structural Equation Modeling using AMOS

SEM is usually used in model evaluation situations, involving strictly confirmatory, alternative models and model generating approaches (Chou and Bentler, 2002).

Findings based on Structural Equation Model - BANK

Comparison of ICICI, HDFC and AXIS; Organizational citizenship behavior and its impact on job satisfaction and commitment

Regression weight at 0.001 % level of significance

The observed variables which have positive influence over unobserved variables at 0.001 percent with ICICI bank are Organizational citizenship behavior and Conscientiousness (0.143), Organizational citizenship behavior and Civic Virtue (0.360), Organizational citizenship behavior and Courtesy (0.311), Organizational citizenship behavior and Altruism (0.156), Organizational citizenship behavior and Sportsmanship (Team Work) (0.135) and Organizational commitment and Organizational citizenship behavior (0.493). The observed variables which have positive influence over unobserved variables at 0.05 percent with ICICI bank are Organizational commitment and Job satisfaction (0.119). The observed variables which have positive influence over unobserved variables at 0.001 percent with HDFC bank are Organizational citizenship behavior and Conscientiousness (0.114), Organizational citizenship behavior and Civic Virtue (0.349), Organizational citizenship behavior and Courtesy (0.275), Organizational citizenship behavior and Altruism (0.172), Organizational citizenship behavior and Sportsmanship (Team Work) (0.087) and Organizational commitment and

Organizational citizenship behavior (0.328). The observed variables which have positive influence over unobserved variables at 0.05 percent with HDFC bank are Organizational commitment and Job satisfaction (0.122). The observed variables which have positive influence over unobserved variables at 0.001 percent with AXIS bank are Organizational citizenship behavior and Conscientiousness (0.103), Organizational citizenship behavior and Civic Virtue (0.434), Organizational citizenship behavior and Courtesy (0.244), Organizational citizenship behavior and Altruism (0.134), Organizational commitment and Organizational citizenship behavior (0.410) and Job satisfaction and Job characteristic (0.167). The observed variables which have positive influence over unobserved variables at 0.05 percent with AXIS bank are Organizational commitment and Job satisfaction (0.122) and Organizational citizenship behavior and Sportsmanship (Team Work) (0.045).

Conclusion

Most important, executive leaders and managers should make a regular system-wide assessment of the nature and form of employees' OCB on Organizational commitment and job satisfaction, and then follow up with appropriate activities to improve in these areas or continue to build upon an already successful effort. Most banks employ thousands of employees. As banks expand so does the population of their staff and many issues related to employees are pushed aside and replaced by more pressing matters such as company growth and maximizing profits which eventually leads to the loss of touch with employees. Managers are advised to pay close attention to the needs of their workers in order to increase their involvement which will ultimately lead to increased organizational commitment.

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