

Impact of Organizational Citizenship Behavior on Job Performance in Indian IT Companies

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ABSTRACT

According to various studies conducted since the introduction of the concept, OCB has noticeable effects on individual –level outcomes such as: performance evaluations, decisions regarding rewards allocation, absenteeism, fluctuation, and employee withdrawal, relationship with direct superiors or learning and development. Moreover OCB is not related with gender but level of education has more positive probability in displaying OCB behaviors. The more committed to the labor union an employee is, the less likely is to exhibit OCB. The IT companies displayed that OCB. Organizational Citizenship behavior is presumed as one of the emerging management concepts that are being emphasized for the organizational effectiveness. The present study has been undertaken in order to find the methods and benefits of OCB and identify the factors affecting the OCB.

1. Introduction

21st century working environment largely focuses on productivity, quality, innovation and organizational effectiveness. The qualities displayed by a top performer are consistent across industries and different sized companies, and people strive for success in a highly competitive environment. Since the 1980s, when Organ and his colleagues first introduced the term, Organizational Citizenship Behavior (OCB) is firmly embedded into organizational performance. The increasing number of articles and research regarding the concept indicates the high levels of interest in the field.

The first definition provided by Organ, in 1988, viewed OCB as “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.” The three elements which compose OCB include: discretionary behaviors, extra-role not linked to formal or informal rewards, organizational effectiveness have led to consistent criticism and discussions related to the subject.

There are five common types of behaviors associated with OCB are:

- **Altruism:** the desire to help others, without expecting something in return;
- **Courtesy:** behavior which is polite, thoughtful towards others, aimed at preventing work related problems;
- **Sportsmanship:** willingness to tolerate difficult, ambiguous, stressful or frustrating situations without complaining or being able to restrain themselves from negative behaviors, when things do not go as planned;
- **Conscientiousness:** behavior that is associated with compliance, self-control and discipline,

accepting and adhering to rules, regulations and procedures;

- **Civic virtue:** behavior representing the interest shown by the employee in the organization, who someone supports and promotes the company outside the boundaries of the job description, working hours outside an official capacity.

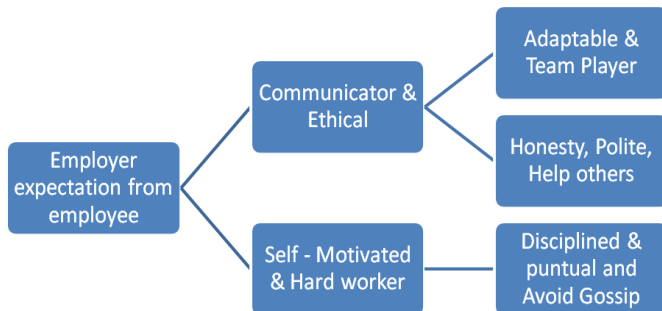
According to various studies conducted since the introduction of the concept, OCB has noticeable effects on individual –level outcomes such as: performance evaluations, decisions regarding rewards allocation, absenteeism, fluctuation, and employee withdrawal, relationship with direct superiors or learning and development. Moreover OCB is not related with gender but level of education has more positive probability in displaying OCB behaviors. The more committed to the labor union an employee is, the less likely is to exhibit OCB. The IT companies displayed that OCB



But there is also a side-effect: OCB behaviors can have a negative impact in some areas, such as sales performance, for

example. Because the profile of the sales person implies being competitive and usually independent, focusing on others can affect their desired productivity.

Traits of good employee OCB as expected by companies:



2. Research Methodology

The purposes of this study were to determine the conceptual framework and to the factors and benefits of OCB of employees working in IT Companies in Chennai based on the concept of OCB. This paper provides a definition of OCB; highlights some of the ways in which OCB enhances employee performance and wellbeing; outlines how OCB will benefit the company overall; explores ways of encouraging OCB in the workplace; introduces dimensions which could be used to measure OCB; and considers the costs involved and possible downsides in encouraging OCB in the workplace.

3. Best Practices to encourage OCB

Leaders are always looking for employees who inhibit the behaviors and principles that makeup Organizational Citizenship Behaviors. However, managers and leaders can help to encourage these behaviors which should have a positive impact on culture and engagement.

1. Set an Example
2. Encourage Teamwork
3. Connect the Qualities of OCBs with Company Goals
4. Don't Over-Regulate

IT Organisations will benefit from encouraging employees to engage in OCB, because it has been evident that to increase productivity, efficiency and customer satisfaction, and reduce costs and rates of turnover and absenteeism of the employees to the companies. (Podsakoff, Whiting, Podsakoff & Blume, 2009).

4. Benefits of OCB

The correlations between OCB and job satisfaction is approximately 0.4 (Organ, 1988). There is empirical evidence for the widely-held belief that satisfied workers perform better, but this is correlation, not causal. However, certain types of performance – primarily those related to citizenship behavior – will be affected by job satisfaction. Think of workers who are not satisfied with their job will not prefer to contribute anything extra than what is required out of their role instead the satisfied and loyal employee will not demand anything extra for working a

mile further than what is expected. The satisfied employee will not have any complaints or issues.

The effects on employee performance are threefold

- Firstly, workers who involve in OCB tend to receive good performance ratings by their managers (Podsakoff et al., 2009). This could be because of halo effect where employees who engage in OCB are simply liked more and perceived more favourably or it can be pure work oriented where managers believe that OCB players contribute more towards overall success of the organization.
- Second effect is that a better performance rating is linked to gaining rewards (Podsakoff et al., 2009) – such as pay increments, bonuses, promotions or work-related benefits.
- Thirdly, because these employees have better performance ratings and receive greater rewards, when the company is downsizing e.g. during an economic recession, these employees will have a lower chance of being made redundant (Organ et al, 2006).

Percentage of the variance which OCB accounts for in enhancing effectiveness of IT organizations and improve their productivity and help in growth factor. The earlier research findings reveal that whatever may be the size or nature of the firm the OCB plays important part in certain areas which is considered as common including the IT industries with global environment.

- Performance Quality: 18%
- Performance Quantity: 19%
- Financial efficiency indicators: 25%
- Customer service indicators: 38%

5. What OCB can do?

- Enhance productivity of the company and also of individual employee by way of helping new co-workers and helping colleagues to meet deadlines.
- Free up resources (autonomous, cooperative employees give managers more time to clear their work; helpful behaviour facilitates cohesiveness (as part of group maintenance behaviour).)
- attract and retain good employees through creating and maintaining a friendly, supportive working environment and a sense of belonging
- create social capital better communication and stronger networks facilitate accurate information transfer and improve efficiency

6. Background of OCB

The factors that affect OCB in workplace need to be considered when we say that OCB contributes to growth of a company.

- Personality - conscientiousness, agreeableness, neuroticism and extraversion – are correlated with OCB. The correlations between OCB and work-related attitudes, listed below, are much higher and will serve as better indicators of OCB.
- Attitudes - Measures used as predictors of OCB include; job satisfaction, employee engagement, organizational commitment, motivation and the level of trust between an employee and his/her co-workers and supervisors. An umbrella term 'morale' has been coined to cover job satisfaction, perceived fairness, affective commitment and leader consideration (Organ et al., 2006), and morale correlates with OCB at 0.69. Job satisfaction has been shown to have the strongest correlation at 0.9 (the other three factors range between 0.72 and 0.76).
- Leadership Characteristics - The following leadership styles can encourage OCB in various ways if deployed effectively Good quality which is simply the exchange relationship and manner of interaction between a superior and subordinate is characterized by mutual trust and liking, and both parties feel inclined to reciprocate courteous and altruistic acts, which facilitates OCB.
- Group Characteristics - Four factors have been identified in this area – group cohesiveness which

facilitates trust and satisfaction and increases the desire to remain in group, team-member exchange influences motivation and group cohesiveness positively among the team of employees working on same project, group potency can generate synergy and enables cooperation and perceived team support. These four areas need to be encouraged and motivated which will lead to an increase in OCB, in IT companies which is purely group- and teamwork-oriented.

7. Conclusion

Job satisfaction and organizational commitment can be considered as the important variables that can be strategically adapted in order to enhance organizational justice and OCB. Managers implementing technology reforms need to pay great attention to job satisfaction and organizational commitment because the tasks strongly lead to job stress and employees' turnover intention. The steps to increase job satisfaction and organizational commitment seem to be very important policy strategies in the IT company's perspective that will make software employees perform the needed extra effort for the success of technology to reach the ultimate goals of organization success.

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