The Predictor of Organizational Citizenship Behaviour Using Social Exchange Theory

Anna Partina1), Mugi Harsono 2), Hunik Sri Runing Sawitri3), Tulus Haryono4)

1) Student of Economics Science Doctoral Program of Universitas Sebelas Maret
2,3,4) Economics Science Doctoral Program of Universitas Sebelas Maret

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Abstract- This research aims to test variables that are able to predict Organizational Citizenship Behavior using Social Exchange Theory. Social Exchange Theory is a very influential concept to comprehend employees’ behavior in their workplace. There are three variables assumed to become the predictor for extra behavior using social exchange theory concept, namely Perceived Organizational Support, Leader Member Exchange, dan Psychological Contract. There are 390 manufacture employees in Yogyakarta used as respondents in this research, using structural equation model as the analysis tool. Variables in this research are measured using multidimensional measurement. The result of this research shows that those variables are predictor for Organizational Citizenship Behaviour.

Index Terms- Organizational Citizenship Behaviour, Social Exchange, Leader Member Exchange, Perceived Organizational Support, Psychological Contract

I. INTRODUCTION

Exchange theory differentiates the correlation between parties in two forms, namely social exchange and economic exchange. Social exchange needs trust between parties that get mutual benefits from the exchange. Meanwhile, economic exchange is based on special obligation dimension, time dimension, and reciprocal norm. In a short term, the obligation becomes a specific part; mechanism for ensuring obligation fulfilment is a formal contract, and economic exchange is limited by time dimension (Blau, 1964). Reciprocal norm provides benefits in the form of the increase of trust, leading to an opportunity to discuss and to implement long-term responsibility.

Social Exchange Theory (SET) is an influential concept to comprehend the behavior in the workplace. Social Exchange Theory (SET) is a theory about social behavior paradigm, namely paradigm that study human behavior continuously. Social Exchange Theory began in 1920 (Malinowski & Mauss, dalam Cropyzanzo & Mitchell, 2005). This theory initially was developed in Anthropology (Firth, 1967; Sahilns in Cropyzanzo & Mitchell, 2005). In its development, this theory changes into Socialpsychology (Gouldner, 1960; Homans, 1958; Thibault & Kelley 1959 in Cropyzanzo& Mitchell, 2005) and in Sociology (Homans,1961; Emerson, 1962 and Blau (1964).

Social exchange theory is based on communication and exchange between organization and employees that are identified through benefits obtained from social emotional exchange, commitment, and trust. Social Exchange Theory is a theory which underlies several literature in social study in an understanding that one’s behavior depends on reaction from other party (Blau, 1964). Wayne, Shore & Liden (1997) states that Social Exchange Theory is the right theory to explain Perceived Organizational Support & Leader Member Exchange, Organizational Citizenship Behaviour (Organ, 1997) and Psychological Contract (Barling & Cooper, 2008). Leader Member Exchange (LMX), Organizational Citizenship Behaviour (OCB), Perceived Organizational Support (POS) dan Psychological Contract (PC) are the main variables on Social Exchange Theory (SET).

The development of measurement of Organizational Citizenship Behaviour which are characterized as intentions to provide more benefits for the company. LePine, Erez & Johnson (2002) found that Organizational Citizenship Behaviour has a single dimension. This emphasizes that researchers do not study various expressions of Organizational Citizenship Behaviour with a variety of different constructs. Organ (1988) explains that there are 5 dimensions in Organizational Citizenship Behaviour, namely (1) Altruism represents behavior aimed at helping coworkers (2) Courtesy is an action that is highly related to others before taking actions that can affect work (3) Conscientiousness , employee behavior in accepting and complying with organizational rules and procedures (4) Civic virtue is a behavior indicating that employees have an active interest in organizational life (5) Sportsmanship is defined as the ability of employees to tolerate less-ideal conditions without complaints and raising problems from the actual state.

The study of multidimensional organizational citizenship behavior is carried out by many researchers (Moorman & Blakely, 1995; Padsakoff et al 2000; Padsakoff & Mac Kenzie, 1994), and it cannot be denied that there are many evidences of different dimensions. Wiliam & Anderson (1991) divides Organizational Citizenship Behavior into two dimensions in the form of Organizational Citizenship Behavior-O and Organizational Citizenship Behavior-I although there is little literature to provide empirical confirmation of these two dimensions.

The important role of Organizational Citizenship Behaviour in the success of the company requires research on variables that will affect the level of extra corporate behavior. Wayne et al, 1997; Illies et al., 2007; Shapiro & Jacqueline, 2002 state that Leader Member Exchange, Perceived Organizational Support and Psychological Contract are predictors of Organizational Citizenship Behaviour.
II. LITERATURE REVIEWS AND HYPOTHESIS DEVELOPMENT

Previous studies have shown the correlation of Perceived Organizational Support with several variables such as: affective organizational commitment (Eisenberger et al., 1990; Setton, Bennet & Liden, 1996; Lynch, Eisenberger & Armeli, 2001; Shore & Tetrick, 1991); effort – reward Expectation (Eisenberger et al., 1990); continuENCE commiten (Shore & Tetrick, 1991); Leader Member Exchange (Setton et al., 1996; Wayne, Shore & Liden, 1997); supervisor support (Kottle & Sharafinski, 1998; Malatesta, 1995; Shore & Tetrick, 1991); procedural justice (Andrews & Kacmar, 2001; Rhoades et al., 2001); job satisfaction (Aquino & Griffeth, 1999; Eisenberger et al., 1997; Shore & Tetrick, 1991)

A certainty that the organization is able to maintain the continuity of work in the future is expected to be an indication of the high level of Perceived Organizational Support (Allen, Shore & Griffeth, 1999). Van Dyne, Graham & Dienesch (1994) support the expectation that there is a positive correlation between Social Exchange Relationship and Organizational Citizenship Behavior. When individuals feel being treated well by the organization, they will give reciprocity by working more than just the minimum work required. On the contrary, if someone feels that they are not treated well, they will not give extra behavior.

H1: Perceived Organizational Support is positively related to Organizational Citizenship Behaviour

Leader Member Exchange and Organizational Citizenship Behaviour become the basis for a new era in managing a diverse workforce in the global world. It is believed that the correlation of Leader Member Exchange has an important influence on behavior (including Organizational Citizenship Behavior). Deluga (in Asgrafi et al. 2008) states that the Organizational Citizenship Behavior carried out by subordinates is not formally valued. They are valued informally in terms of gaining support and obtaining the necessary of supporting resources from the leader. Consequently, subordinates will be motivated to maintain a pleasant relationship. Leader Member Exchange significantly influences the level of Organizational Citizenship Behavior among workers. The high quality of relationship of Leader Member Exchange will motivate workers to do more roles without formal rewards from the organization.

H2: Leader Member Exchange is positively related to Organizational Citizenship Behaviour

Workers will be motivated to improve their work if they feel that their employment relationship is based on a fair social exchange (Blau, 1964). The Psychological Contract consists of unwritten beliefs from each party regarding reciprocal contributions (Cheung & Chiu, 2010). If the workers feel that their expectations of the leader are fulfilled, they will feel confident at interacting with the organization, both now and in the future, with the supervisor. Workers who obtain the suitability of the promises given will provide reciprocity by doing extra behavior (Organizational Citizenship Behavior) (Coyle-Shapiro & Jacqueline, 2002). Leader Member Exchange significantly influence the level of Organizational Citizenship Behavior among workers (Ilies et al, 2007, Setton et al, 1996, Wayne et al, 1997)

H3: Psychological contract is positively related to Organizational Citizenship Behaviour

III. OPERATIONAL DEFINITION AND MEASUREMENT

The operational definitions for this research variable are:

1. Organizational Citizenship Behavior is defined as a behavior that is more than a routine expected to be carried out by a worker (Daniel et al., 2006). Multidimensional Organizational Citizenship Behavior consists of Organizational Citizenship Behavior Individual and Organizational Citizenship Behavior Organizations developed by William & Anderson, 1991. Organizational Citizenship Behavior Individuals consist of 7 questions while Organizational Citizenship Behavior Organizations consist of 7 questions.

2. Leader Member Exchange is defined as a system consisting of components where there is a relationship involving two people in a dyadic manner, involving behavior patterns that are interdependent, sharing results and producing conceptions about the environment and values (Scandura et al, 1986). LMX_M was developed by Liden & Maslyn, 1988. It consists of 5 indicators namely affection, loyalty, contribution, and professional respect, which consists of 12 questions.

3. Perceived Organizational Support is defined as the global belief of labors that organizations value their contributions and pay attention to their welfare (Eisenberger et al, 1986; Kraimer & Wayne, 2004). POS measurement developed by Eisenberger et al, 1997 consists of 8 questions.

4. Psychological Contract is defined as the perception of workers towards the organization that the organization is responsible for workers in various ways (Rousseau, 1995). Multidimensional Psychological contract was developed by Rousseau in 1989 consisting of 2 indicators, namely relational psychological contract and transactional psychological contract with 8 numbers of questions.

IV. RESEARCH METHOD

1. Population and Samples

The population in this study is large/medium manufacturing workers in Yogyakarta. The Special Region of Yogyakarta has 304 large and medium processing companies spread across 5 districts. It is selected companies that have employees of at least 200 people, and there are 57 companies with employees of at least 200 people. The sampling technique in this study is convenience sampling, which is based on the availability of elements and the easiness of obtaining them.
2. Research Models and Analysis Tools

Figure 1

The conceptual framework of research in this study describes the predictors of Organizational Citizenship Behaviour can be seen in Figure 1.

Analysis tools used in this research is structural equation model (SEM).

Data Analysis Method

Validity test in this study was conducted using factor analysis (Second Order Confirmatory Factor Analysis = CFA) because CFA is able to measure how far the indicator size reflects its theoretical latent construct is (Ghozali, 2008). In addition to convergent validity, discriminant validity for the measurement of constructs is different and should not be highly correlated. Convergent validity is calculated from the average percentage of variance extracted (AVE) values between items or indicators. Reliability test is used to measure the consistency of measurer instruments in measuring the consistency of respondents in answering the items of questions. To test reliability, construct reliability (CR) is used. Hypothesis testing uses Structural Equation Modeling (SEM) by testing the Goodness of Fit Structural Model. This measurement is relative criterion using some goodness of fit indexes which allow researchers to get an acceptance of the proposed model (Hair, 1998).

Results and discussion

1. Respondents Characteristics

Respondents in this study are workers in manufacturing companies, as many as 390 people. From the total of 390 respondents, 54% are male and 46% are female, while viewed from the age, 22% of them are 20-30 years, 38% are 31-40 years, 28% are 41-50 years and 12% are over 55 years old. Education is dominated by respondents with high school education level, namely 292 people or 75% of the total respondents. Respondents in this study are workers in manufacturing companies, as many as 390 people. From the total of 390 respondents, 54% are male and 46% are female, while based on the age, 22% of them are between 20-30 years, 38% are 31-40 years, 28% are 41-50 years, and 12% are over 55 years old. Education is dominated by respondents with high school education level, namely 292 people or 75% of the total respondents. Additionally, 85% of respondents in this study are permanent employees with a dominance of income between IDR 1,000,000 and IDR 2,500,000 (78%).

2. Test of Validity and Reliability.

The model developed in this research is as follows:

The validity test is done by paying attention to the factor loading on each question item. After removing the question item with the low factor loading, the construct validity is then calculated which consists of the convergent validity measured from the standardized loading estimate, and the discriminant validity measured by AVE. The standardized value of the loading estimate must be equal to 0.50 or should be worth 0.70. The standardized loading estimate value in this research was 0.40 - 0.80, indicated that the construct validity is high on a factor (latent construct), and this indicated that all items or indicators converged at one point. The discriminant validity can be calculated based on the percentage of the average variance extracted (AVE) values between the items or indicators of a set of latent constructs.

The Reliability test is one indicator of the convergent validity. In this research, the reliability test was carried out using Construct Reliability (CR) which provided better reliability than other methods (Ghozali, 2008). The results of the validity and reliability test for all constructs in this research are shown in the Table 1.
Table 1. Test Results of Validity and Reliability

<table>
<thead>
<tr>
<th>Variables</th>
<th>Total Questions</th>
<th>AV E</th>
<th>Informatio n</th>
<th>CR</th>
<th>Informatio n</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCB</td>
<td>5</td>
<td>0.50</td>
<td>Valid</td>
<td>0.78</td>
<td>Reliable</td>
</tr>
<tr>
<td>POS</td>
<td>7</td>
<td>0.52</td>
<td>Valid</td>
<td>0.88</td>
<td>Reliable</td>
</tr>
<tr>
<td>LMX</td>
<td>12</td>
<td>0.57</td>
<td>Valid</td>
<td>0.94</td>
<td>Reliable</td>
</tr>
<tr>
<td>PC</td>
<td>4</td>
<td>0.5</td>
<td>Valid</td>
<td>0.78</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

The results show that all variables are valid and reliable. The next stage is to assess the overall model by calculating the values of the goodness of fit model. After modifying the model, as shown in the Figure 3, the results of the goodness of fit model are then shown in the Table 2.

Table 2. Values of Goodness of Fit Model

<table>
<thead>
<tr>
<th>Criteria of Goodness of Fit Model</th>
<th>Index of Goodness of Fit Model</th>
<th>Result Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute fit measure</td>
<td>Chi-Square Statistic</td>
<td>0.89, 0.79 Good</td>
</tr>
<tr>
<td></td>
<td>GFI</td>
<td>0.89, 0.79 Good</td>
</tr>
<tr>
<td></td>
<td>RMSEA</td>
<td>0.06, 0.10 Good</td>
</tr>
<tr>
<td>Incremental fit measure</td>
<td>AGFI</td>
<td>0.70, 0.50 Good</td>
</tr>
<tr>
<td></td>
<td>CFI</td>
<td>0.70, 0.50 Good</td>
</tr>
<tr>
<td>Parsimonious fit measure</td>
<td>Normed $x^2$ (CMIN/DF)</td>
<td>3.90, &lt; 0.05 Good</td>
</tr>
</tbody>
</table>

The Table 2 shows that the Chi-Square, RMSEA, and CMIN/DF are at the values that satisfy the requirements, which means that the model is declared fit with the values below the cutoff good fit index. While based on the GFI, AGFI, and CFI, the model is declared marginal fit with the values closing to the cutoff good fit index. The modification results show better results than the initial model thus it can be interpreted that the model is optimal in explaining the relationship between the organizational citizenship behavior and its predictors. If there is one or more parameters that have been fit, the model is declared to be in accordance with the data or fit (Solimun, 2002). The next step is to test the hypothesis. By using SEM, the results of the hypothesis test are shown in the Table 3.

Table 3. Hypothesis Test Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relation ship</th>
<th>Test Result</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>POS &lt; -- OCB</td>
<td>0.170</td>
<td>0.3, 0.01 *</td>
</tr>
<tr>
<td>H2</td>
<td>LMX &lt; ----- OCB</td>
<td>0.235</td>
<td>0.4, 0.09 *</td>
</tr>
<tr>
<td>H3</td>
<td>PC &lt; -- OCB</td>
<td>0.010</td>
<td>0.2, 0.10 **</td>
</tr>
</tbody>
</table>

The Hypothesis 1 states that the Perceived Organizational Support has a positive influence on the Organizational Citizenship Behavior. The test results in the Table 3 show that the Perceived Organizational Support has a positive influence on the Organizational Citizenship Behavior with a coefficient of 0.170, a CR value of 0.338 which is smaller than 1.96 with a probability < 0.05. This statistically shows that the Hypothesis 1, which states that there is a positive influence of the Perceived Organizational Support on the OCB, is supported by a probability value < 0.05 and an estimate of 0.139. This means that the higher the Perceived Organizational Support, the higher the OCB.

The Hypothesis 2 states that the Leader Member Exchange has a positive influence on the Organizational Citizenship Behavior. The test results in the Table 3 show that the Leader Member Exchange has a positive influence on Organizational Citizenship Behavior with a coefficient of 0.235, a CR value of 0.440, which is smaller than 1.96, with a probability < 0.05. This statistically shows that the Hypothesis 2 states that there is a positive influence of the Leader Member Exchange on the OCB supported by a probability value < 0.05, and an estimation of 0.235. This means that the higher the Leader Member Exchange, the higher the OCB.

The Hypothesis 3 states that the Psychological Contract has a positive influence on the Organizational Citizenship Behavior. The test results in the Table 3 shows that the estimated value is 0.010, the CR is 0.261, which is smaller than 1.96, with the probability < 0.10. This statistically shows that the Hypothesis 3 is supported where there is a positive influence of the Psychological Contract on the Organizational Citizenship Behavior with an estimated value of 0.010 and the probability < 0.05. This means that the higher the Psychological Contract, the higher the Organizational Citizenship Behavior.
V. DISCUSSION

The Perceived Organizational Support in hypotheses has a positive influence on the Organizational Citizenship Behavior; the research results were not supported. The belief that organizations maintain the continuity of work in the future is expected to be an indication of the high Perceived Organizational Support (Allen et al. 1999). When individuals are treated well, they will give extra behavior to the organization. The results of the research significantly showed that the extra behavior was caused by the employees’ perceptions that the organization would be toward the organization (Eisenberger et al., 1986).

The Leader Member Exchange has a positive influence on the Organizational Citizenship Behavior, which means that the quality of the relationship between superiors and subordinates will increase extra behavior. When the quality of the relationship between superiors and subordinates is high, the extra behavior will increase. The respondents in this research had a positive perception of superiors. The Leader Member Exchange is the predictor of the Organizational Citizenship Behavior (Shapiro & Jacquelein, 2002; Wayne et al., 1997; Illies, Nahrgang & Margeson, 2007).

The Psychological Contract has a positive influence on Organizational Citizenship Behavior, which means that when workers feel that an organization can fulfill what it promised, it will encourage workers to behave beyond their job description (extra behavior).

The social exchange theory provides a basis for understanding how workers respond to an organization in fulfilling its promises or obligations. Workers will develop their awareness of the obligation to help organizations achieve their goals when they realize that their contributions are valuable to the organization (Eisenberger et al., 1986), this will encourage workers to show extra behavior (Setton et al., 1996).

REFERENCES


AUTHORS

First Author – Anna Partina, Student of Economics Science Doctoral Program of Universitas Sebelas Maret, grace_annawone@yahoo.com

Second Author – Mugi Harsono, Economics Science Doctoral Program of Universitas Sebelas Maret

Third Author – Hunik Sri Runing Sawitri, Economics Science Doctoral Program of Universitas Sebelas Maret

Fourth Author – Tulus Haryono, Economics Science Doctoral Program of Universitas Sebelas Maret