The Effects of Organizational Citizenship Behavior on Profitability of an Organization

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ABSTRACT

The objective of present study is to examine the effects of organizational citizenship behavior of employees on profitability of an organization. In this regard, the path analysis model of variables affecting organizational profitability in a direct and indirect manner is analyzed. The present study is applied in its objective and a descriptive survey due to its method of data collection. The statistical population of present study includes the employees and visitors of principality of region 10 of Tehran. To collect data, some distinctive questionnaire forms are distributed among 45 employees and 150 visitors. The findings of present study show that organizational citizenship behavior is not directly influential upon organizational profitability but contributes to profitability in an indirect manner. If the organizational citizenship behavior leads to loyalty of the clients, the client's royalty leads to profitability. An organization can use methods of improvement and reinforcement of organizational citizenship behavior so as to increase profitability.
KEYWORD: citizenship behavior, profitability, loyalty of clients

INTRODUCTION

The Effects of Organizational Citizenship Behavior on Profitability of an Organization. Ethics has been defined as a set of inner psychological traits represented as actions and behavior that reveal the inner moods of human. As a result, ethics could be defined in terms of its consequences. Persistence of a certain type of behavior is due to the fact that the behavior has inner roots in the depth of soul and spirit of a person. Such roots are called ethics. The range of ethics is represented at the level of personal behaviors but as the personal behaviors develop in the society and social entities, they become collective or social ethics the roots of which spread in the culture of a society. As a result, the resulting social ethics becomes the dominating and distinctive characteristics of a society (Gharamelki, 2009). But an issue which is usually less paid attention to is the parameter of personality of an organization or business unit as an output of dominating soul over brain or intellectual forces. It is this personality through which an organization represents some measures that create an image in the minds of the visitors. Such an image represent the attitudes, values and mission of an organization which remains with an organization during its life. It is based on this image that an organization is judged by public opinion and the association between the public and the organization is developed. Such a personality finds meaning when an organization establishes a relationship with its audiences. Such relationships are of the same type of human communications.

The organizational personality of an individual is the behavior or role that a person undertakes in an organization. It is the approach that an individual perceives of himself in an organization and acts based on it. In fact, organizational personality is a type of viewpoint that a person perceives of himself in an organization.

Proper group communication is established when an internal communication inside management is established. An external communication is influential when an organization establishes a balanced and logical group communication based on proper organizational behavior.

However, when the issue of personality of an individual or organization is raised, different parameters and indices are introduced each of which are influential. Now, one should see how personality is formed.

The personality of humans is developed after the birth in the family setting based on the behaviors of family members and society. The set of individual behaviors in an organization and society represents the personality of organization and society.

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As a result, the present study examines and analyzes main parameters of personality of organization composed of and influenced by the personality of tens and thousands of individuals because this personality set is developed to offer a general personality with certain objective which could also be judged and evaluated by clients and the audience. To achieve a proper personality that results in positive judgment of clients' thoughts, one should define a similar approach to an organization based on its objectives. In this definition, those points with added value should be considered that are valuable and attractive from clients' viewpoint:

- A proper understanding of participation in an organization (i.e. internal and external)
- Responsibility
- Client as the best capital
- Valuing friendliness and kindness in doing one's job
- Being positive
- Respecting demand, expectation and interesting of clients
- Considering client as partner

Therefore, an organization that defines such an approach for itself based on which it acts might develop a personality with proper behaviors which lead to persistent and perpetual relationship with the public and the clients.

We have witnesses it in many cases that there is a distinctive respect and trust in some organizations. They are successful in establishing relationship. In such successes, the role of efficient and expert public relations is highly significant.

In sum, these successes are based on the way an organization thinks of its clients because it regards the public in the same way that the employees do and behaves toward them the same way that it behaves toward its employees.

Said Ghazi (2014) in a book titled "*Theory and Practice in Public Relations and Communications*" refers to the 10-article charter of consumer rights the awareness of which significantly contributes to reinforcement of customer-oriented thinking:

- Each consumer has the right to receive precise information of characteristics, application and price of the product as well as other issues of purchased products and services.
- Each consumer has the right to receive the polite and respectful behaviors of all organizational members from whom they purchase and utilize the products and services.
- Each consumer has the right to have his expectations and requirements regarding the quality, price, after-sale services and delivery of product fulfilled as determined during the introduction and agreement stages.
- Each consumer has the right to quickly and thoroughly announce that the obligations and claims of vendors and service providers have not been fulfilled during provision of the product or service.
- Each customer has the right to file a complaint, expect the quick and fair investigation of his case and receive proper compensation of damage.
- Each customer has the right to expect extraordinary measures to be done by the vendor when an accident associated with consumption of products and services occurs.
- Each customer has the right to use the services of experts of an organization vending products and services to satisfy his/her maximum interests in regard to purchased products and services.
- Each customer has the right to expect integrity, honesty and rectitude in all levels of vendor organization and make sure that all legal requirements in regard to products and services have been attended.
- Each customer has the right to expect collective work and responsibility from an organization that offers products and services without worrying to hear "I have no duty and responsibility in that area).
- Each customer has the right to expect acknowledgment for past and future purchased by the member of the organization vending services.

In sum, one should note that a customer-oriented organization will not succeed without proper communications with its customers. At the moment, quality and customer-orientation matter. In fact, the customer is the target of work and customer-orientation of all business and economic activities. In this regard, the recruitment of customer-oriented employees that consider the evident characteristics of human communications in their behavior is essential.

Some characteristics of customer-oriented employees are:
- Liking people
- Always taking customer's side (the customer is always right)
- Listening to customers attentively
- Proper and neat clothes and behavior
- Neat appearance and being honest inside
- Thinking more of providing high-quality services than personal benefit

- Working more than what client expect
- Showing a behavior representing the assignment of priority to the public and customers' issues

Another approach to organizational citizenship behavior was introduced by Graham (1999). He believed that citizenship behaviors in an organization are of three types of corporate compliance, loyalty and partnership (Binstock, 2003: 361).

Corporate compliance refers to a set of behaviors the necessity and desirability of which has been identified and accepted in a rational structure of regulations and discipline. The indicators of corporate compliance are behaviors such as respecting organizational law, fulfilling tasks thoroughly, and fulfilling tasks based on organizational resources.

Corporate loyalty is different from loyalty to other individuals and organizational units and departments. It represents the level of employees' sacrifice for fulfilment of organizational objectives, supporting and defending it.

Corporate partnership is based on involvement in administration of an organization such attending the meetings, sharing one's opinion with others and awareness of current organizational issues.

In alignment with this classification of citizenship behavior, Gaham believed that such behaviors have direct legal effects that are assigned by an organization to an individual member.

In this framework, the organizational citizenship rights include employment justice, evaluation and investigation of employees' complaints. In this regard, when the employees observe that they have organizational citizenship rights, they will most probably show citizenship behavior of compliance type.

One might claim that the most common classification of dimension of organizational citizenship behavior was introduced by Organ (1988). He introduced the dimensions of organizational citizenship behavior as altruism, courtesy, conscientiousness, sportsmanship, and civic virtue (Markoczy and Xin, 2004: 3).

In this classification, altruism, conscientiousness, and civic virtue are regarded as contributive and positive dimensions. Civil virtue is defined as a behavior which represents partnership in organizational social life and altruism refers to helping the colleagues to fulfil their assigned tasks (Castro et.al, 2000: 30).

Consciousness is a behavior above the predetermined organizational requirements in work setting (e.g. working after official hours to benefit an organization). Organ believed that the individuals of superior citizenship behavior continue working in the worst conditions such as being patient. This represents their high occupational consciousness. Sportsmanship and courtesy are the dimensions which represent prevention from exerting any damage to an organization. Sportsmanship refers to the inclination to remain patient before inevitable interruptions and cruel behaviors without complaining while courtesy is about thinking how influential one's actions upon others are.

Influential Factors upon Organizational Citizenship Behaviors

The meta-analytic reviews of influential factors upon organizational citizenship behaviors and their associations show the four groups of factors have been highly emphasized in OCB studies:

- Personal characteristics of employees
- Job characteristics
- Organizational characteristics
- Leadership behaviors

Organ believed that the main factors affecting the working mentality of employees are employee's satisfaction, organizational commitment, and perception of justice and understanding supportive behavior of leadership.

The primary studies were mostly concerned with employees' perception, inclination and leadership and instructions of the leader. The next studies on leadership such as that by Podsakoff et.al (1973) extended the realm of interactive and transformational leadership behaviors. The effects of job and organizational characteristics have been studied in theories of leadership alternatives by different scholars.

The primary studies attending personal characteristics are focused on two issued. First, they regard primary factors affecting the mentality to be satisfaction of employees, organizational commitment, perception of justice and perceptions of leadership support. Second, these researchers verified the significant association between organizational citizenship behavior and the above-mentioned factors which implies their significance in development of OCB.

In regard to job variables, the previous studies are mostly concerned with the theory of leadership alternatives. The results showed a significant association between job characteristics and citizenship behaviors. In addition, all of the three characteristics of job in literature of leadership alternatives theory (i.e. job feedback, job repetitiveness, and intrinsic job satisfaction) were reported to be significantly associated with different dimensions of organizational citizenship behavior (i.e. altruism, courtesy, conscientiousness, sportsmanship, and civic virtue) so that the influential association of job feedback and intrinsic job satisfaction with organizational citizenship behavior was

supported. In addition, the negative association between job repetitiveness and organizational citizenship behavior was verified.

The association between organizational characteristics and organizational citizenship behaviors is relatively paradoxical so that organizational recognition, organizational inflexibility, stuff support and spacial distance has a persistent association with organizational citizenship behaviors.

However, group solidarity was associated with all dimensions of organizational citizenship behavior and perceived organizational support was significantly associated with employees' altruism. In addition, the out-of-control reward of the leaders was negatively associated with dimensions of altruism, consciousness and courtesy.
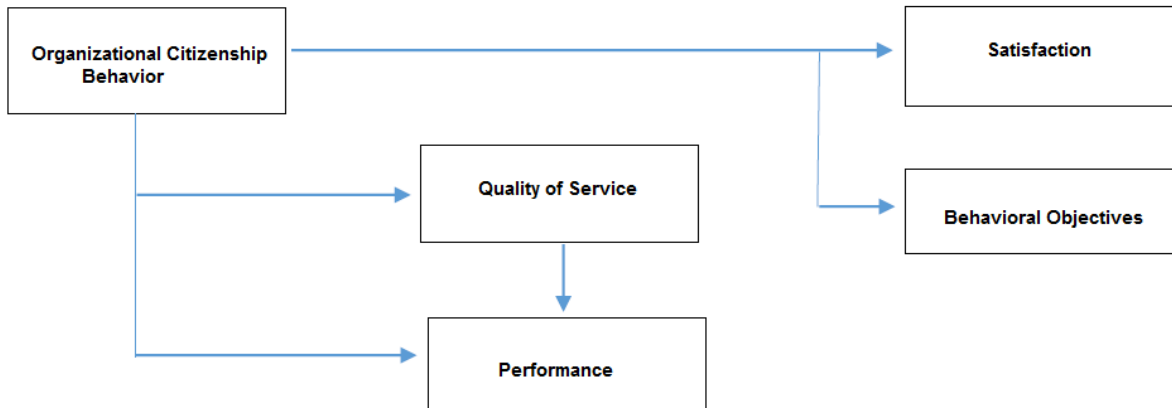

Of the other influential factors upon organizational citizenship behavior, one could point to leadership behaviors which is categorized into two types of behavior. The transformational leadership behaviors (i.e. behaviors of major change, setting the vision, development of proper model, promotion of acceptance of group objectives, high performance expectations, and intellectual stimulation) and interactive behaviors (i.e. contingent reward and punishment behavior, non-contingent reward and punishment actions) constitute the first type. The behaviors associated with theory of direction leadership behavior (i.e. behaviors that explain role, determine trends or supportive leadership behavior) or the theory of leadership of leader exchange constitute the second type.

In sum, the transformational leadership behaviors are positively associated with the five dimensions of organizational citizenship behavior. Among the behaviors of transactional leadership behaviors, the two types of behaviors have significant association with five dimensions of organizational citizenship behavior. For instance, the contingent reward behavior is positively associated with five dimensions of organizational citizenship behavior while non-contingent punishment behavior has negative association with five dimensions of organizational citizenship behavior.

Among the dimensions of direction leadership theory, the supportive leadership behavior is positively associated with all dimensions of organizational citizenship behavior while the description of leader's role is only positively associated with dimensions of altruism, courtesy, consciousness and sportsmanship. Finally, the theory of leader member exchange has a significantly positive association with dimensions of OCB.

METHODOLOGY

The present study is applied in its objective and a descriptive survey in its method of data collection. The statistical population includes the employees and visitors of principality of region 10. To collect data, distinctive questionnaire forms were distributed among 45 employees and 150 visitors. The conceptual model of present study is the following:
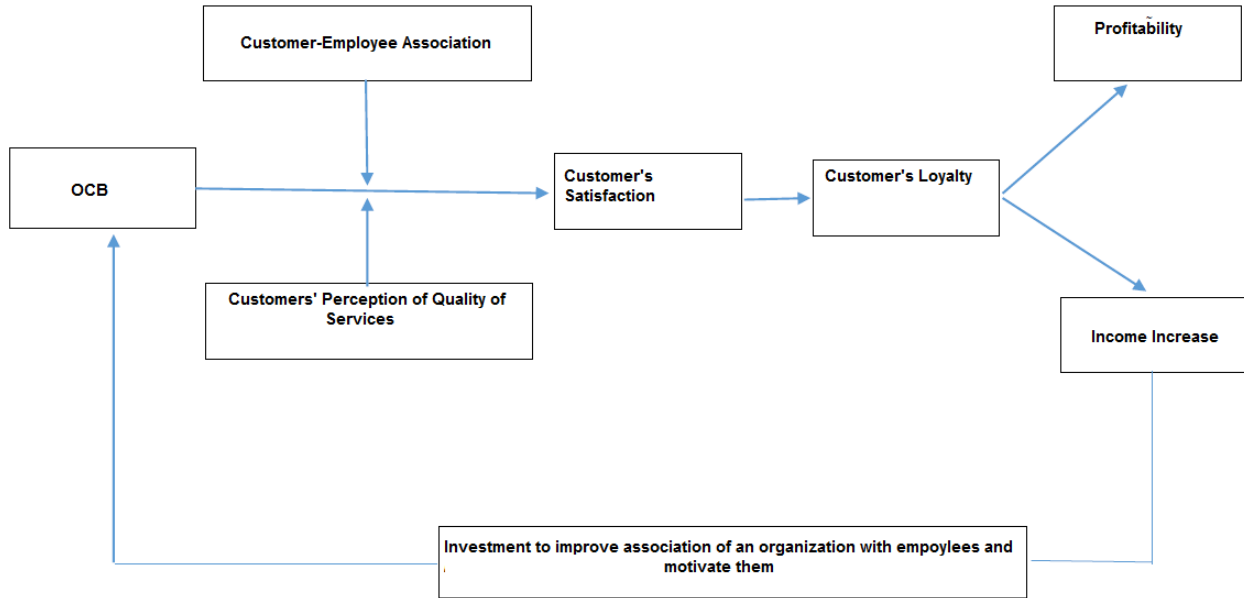
The path analysis model used for the present study is:
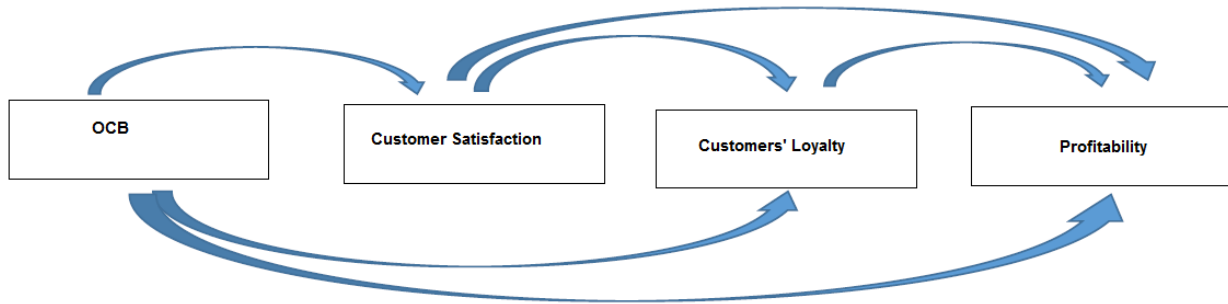
To form structural equations, EQS Software was used. The results of analyses as well as direct and indirect effects of OCB variables, client' satisfaction and loyalty upon profitability are represented in the following table.

Table 1. Direct and Indirect Effects of Variables upon Profitability through Application of Standard Coefficients

	Direct	Indirect	Total
OCB (X1)	No	0.286	0.286
Customer Satisfaction (X2)	No	0.193	0.193
Customer's Loyalty (X3)	0.341	No	0.341

As the above table shows, the OCB has no direct influence upon profitability but it indirectly results in organizational profitability. Therefore, the standard structural model representing the effect of the variables upon organizational profitability is:

y=0.286 X1+0.193 X 2+0.341X3

Table 2. Direct and Indirect Effects of Variables on Customers' Loyalty through Standard Coefficient

	Direct	Indirect	Total
OCB	0.172	0.475	0.674
Customer Satisfaction	0.368	No	0.368

As the above table shows, organizational citizenship behavior is directly and indirectly influential upon customer satisfaction. After all, the effect of OCB variable on customer satisfaction showed a value of 0.219.

CONCLUSION

For the organizations to be able to play a significant role in organizational citizenship behavior, they are searching for new methods of maximizing performance and endeavors of employees. Organizational citizenship behavior is a new phenomenon which helps the organizations in this regard. In addition, it is noteworthy that although OCB, its type and the level of its representation by the individuals differ in different societies. Therefore, different culture and their essence exert significant role on understanding the dimensions of OCB. It should be noted that different cultures might have different dimensions and types. Iranian organizations should go along a long path to regard their employees as their primary capital. It might be pessimistic to say that the Iranian organizations still have a mechanical perception of organizational employees. Finally, it seems that application of a strategy to define citizenship behaviors and its representations in every organization along with application of this strategy through the instruments mentioned in the present study might help the organizations to lead the employees toward organizational citizenship behaviors beside the fulfilment of their normal tasks. In addition, the findings of present study show that OCB is not directly influential upon organizational profitability but indirectly leads to it. If OCB leads to customers' loyalty, an organization can used the methods of improvement and reinforcement of OCB to increase profitability.

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