

A study on the relationship between Leader Member Exchange and Organizational Citizenship Behavior mediated by Organizational Commitment

Dr.J.J.Savithri, Ms. S.Maharayazh Mozhi

Associate Professor, Department of Management Sciences, D J Academy for Managerial Excellence, Coimbatore

Research scholar, D J Academy for Managerial Excellence Coimbatore

Corresponding Author: Dr.J.J.Savithri

Abstract: *The definitive aim of an HR department in any organization is to create a better working environment for the employees. One of the ways to identify the level of satisfaction is by understanding the intensity of citizenship behavior that the workers exhibit. This study hypothesises that Organizational Commitment mediates the relationship between Leader Member Exchange and Organizational Citizenship behavior. This research also highlights the attitude of employees towards the organization, as well as their leaders. This study was conducted in a multinational HR services company in India with a sample size of 100 employees. The findings showed that there is significant relationship between Leader Member Exchange and Organizational Citizenship behavior but Organizational commitment only partially mediates the relationship between Leader Member Exchange and Organizational Citizenship behavior*

Key words: *Leader Member Exchange, Organizational Citizenship Behavior, Organizational Commitment*

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I. Introduction

A leader's behavior is not alike towards all subordinates. According to the Leader Member Exchange theory, leadership resides in the quality of the exchange relationship developed between leaders and their followers (Erdogan and Bauer, 2010). A good leader member exchange is characterized by trust, liking, loyalty and mutual respect. The way a leader behaves with the members shows how supportive, trustworthy and loyal the leader is toward members, which cultivates into the relationship either positively or negatively.

Merriam Webster states a Citizen as a native who owes allegiance to a government and is entitled to protection from it. In simple terms, a citizen is someone who belongs. We all belong somewhere in the world, be it in a country, a city, a family, a group of friends, a school/educational institution, a community or an organization. And this sense of belonging is rooted in the things we are passionate about – things we have strong ties to. Things we are loyal to. It was this idea that enabled people to delve deeper into this unique concept which was later termed as "Citizenship Behavior."

Organizational Citizenship Behavior is a branch of Organizational Behavior that studies why and how a person forms ties to people/places and feels the need to belong. In simple terms, OCB refers to any form of behavior that isn't mandated by an organization, but is still demonstrated by employees resulting in enhancing the functioning and performance of the organization. While these things might sound simple, they don't come easily. When a person resents their company or doesn't have much faith in it, these qualities become almost non-existent. Of course, there are various other components that affect such behavior but for the purpose of this study, they have been limited to one of the root components – Leader member exchange as Leadership is known to be the most broadly studied constructs in the behavioral sciences (Milner, Katz, Fisher, & Notrica, 2007).

Therefore, through this study, the researcher tries to explain the relationship between Organizational Citizenship Behavior and Leader member exchange and to find out if a positive relationship can be established between the two with a moderating role of Organisational commitment.

II. Review Of Literature

Organisational Citizenship Behavior (OCB)

Organisational citizenship behavior is intentional behavior exhibited by an employee, which promotes the effective functioning of the organisation (Appelbaum et al 2004). In the present competitive world OCB has become so prominent that has a positive influence on performance of both individual and the organisation. Dennis Organ is considered as the father of Organisational Citizenship Behavior (Bateman, T. S., & Organ, D.

W. 1983). In 1988 Dennis Organ defined OCB as “individual behavior that is discretionary, not directly or explicitly recognised by the formal reward system and that in the aggregate promotes the effective functioning of the organisation”. Dennis Organ, also noted that defining Organizational Citizenship Behavior as behavior that isn't formally rewarded is far too broad, as only a few types of in-role behavior guarantee a formal reward. Therefore, there is no doubt that OCB is a much more discretionary behavior exhibited by an employee, the purpose of which is to provide extra to his organization which is not a part of his defined duty, as rightly said by Van Dyne “Behavior which benefits the organization and/or is intended to benefit the organization, which is discretionary and which goes beyond existing role expectations.” OCB aims at handling the interdependencies among the work group which leads to achieve the collective outcomes (Podsakoff et al., 2000).

Dennis Organ's major study on OCB defined the concept into five common behaviors namely Altruism, Conscientiousness, Sportsmanship, Courtesy, Civic Virtue. He proposed that these common behaviors when exhibited in group setting will lead to effectiveness. The conventional idea that every researchers agree with is that OCB are not a single construct but encompasses many dimensions of different categories of behaviors (Schmidt, 2014). Organisational Citizenship Behaviour (OCB) is deliberate actions undertaken by employees on their own directed to help other employees and contribute to organisational attainment of goals. This concept is commonly called good soldier syndrome (Turek, Czaplińska, 2014.)

Leader Member Exchange

The relationship-based tactics to leadership research by Graen, Dansereau, and colleagues over two decades ago (Dansereau, Graen, & Haga, 1975; Graen & Cashman, 1975) has endured a drastic change since its starts. This approach was firstly termed as “Vertical Dyad Linkage” (VDL) model of leadership (e.g., Dansereau et al., 1975), and it subsequently progressed along two very different lines of development. The initial progress from the early VDL approach is known as the Leader-Member Exchange (LMX) model (Graen, Novak, & Sommerkamp, 1982), which was also termed as Leadership- Making model (Graen & Uhl-Bien, 1991). Later the development is been termed as the Individualized Leadership (IL) model of Dansereau and colleagues (1995) which is fairly different from the LMX approach. The ground idea behind LMX is that within the work units, different types of relationship develop between leaders and their subordinates or members. These relationships are characterized by the physical or mental effort, material resources, information and/or emotional support exchanged between the two parties. Low LMX relationships originally labeled out –group exchanges (Dansereau, Graen, & Haga, 1975) are defined as those that are limited to the exchanges that take place according to the employment contract. On the other hand, high LMX relationships, originally labeled in-group exchanges are thought to include the exchange of material and non-material goods that extend beyond what is specified in formal job descriptions (Liden & Green, 1980).

Leaders extricate among the in-group and out-group members based on apparent similarity with respect to personal individualities, such as age, gender or personality. A subordinate can be granted an in-group Status if the leader considers the person to be especially capable of performing his or her job. The relationship between leaders and subordinates are of three stages:

- Role making tends to occur when member being assimilated into new positions and involves individuals who have some vested interest in the performance of the new member.
- Role taking involves one or more episodes where by the leader communicates a sent role to the member such as making a request or assigning a task.
- Role routinization is a point where the behaviors of the leader and member become interlocked, further the leader and member develop an understanding and clear mutual expectations resulting from collaborating on unstructured tasks (Liden, R. C., Sparrowe, R. T., & Wayne, S. J. 1997).

Organizational Commitment:

Organisational commitment is the individual's psychological attachment to the organisation. High level of employee commitment is extremely important and meaningful. Committed employees are categorized by progressive attentiveness and absorption to the action while completing tasks, realization when pursuing joint goals, creativity and impetus to crack the organisation's problems (Saks, 2006). Dedicated employees are also more dynamic (Macey et al., 2009), less concerned about financial motivation and more to a professional growth (Lehmann, 2009). At an individual level, involvement and obligation reduces the stress level and possibility of a burnout (Sanchez & McCouley, 2006). Organisational commitment is defined as affection to the organization, characterized by an intention to endure in it, identification with the standards and objectives of the organisation, and an inclination to exert effort on its behalf (Porter et al 1974). Meyer, Allen, and Smith (1993) declare that the three types of commitment, normative, continuance and emotive commitments, are a psychological state, determining the employees' relationship with the organizations or whether the employees will stay with the organizations.

The workers obligation to an organisation, increases or decreases depending on the employees' personal relations between themselves and with leaders, work group environment and developmental opportunities (Shuck & Wollard, 2010). Leadership styles also affect the commitment level (Kleine & Weisenberger, 2014). This means that specifically leaders organize and synchronize the work procedures and create organisation's communication, have all the potentials to form and reinforce the employees' commitment to an organization.

A noticeable theory in organizational commitment is the three component model. The model claims that organizational commitment has three distinguishing constituents. Affective commitment is the passionate attachment to an organisation. Continuance commitment is a persons' belief that parting the organization would be expensive. Normative commitment is the degree that a person feels indebted to the organization or trust that staying is the right thing to do.

A highly dedicated employee will recognize the objectives and ideals of the organization, has a stronger aspiration to belong to the organization and is willing to exhibit greater organizational citizenship behavior i.e., an inclination to go over and beyond their required job duties.

The earlier research focused on nature and antecedents of OCB. It mainly involved in engrossing characteristics and perceptions of the employee that shape OCB (e.g., Bateman & Organ, 1983; Smith et al., 1983). For instance, factors such as job satisfaction, organisation commitment, perceived fairness, and perceived leader support have been found to contribute to employees' willingness to exhibit OCB. Off late the researchers has expanded the focus of study and have included the factors outside the employee in promoting OCB. A considerable amount of researches is been done on LMX, indicating that leaders play an important role in encouraging OCB. Leader behaviors such as articulating a vision, setting goals, and expecting high performance have been found to stimulate OCB in employees (e.g., Chen, Tsui, & Farh, 2002; Podsakoff, MacKenzie, Moorman, & Fetter, 1990).

Prior researches have revealed that the relationship between LMX and OCB is based on social exchange theory (Blau, 1964), emphasizing that LMX has a directly positive prediction effect on OCB (Liden, Sparrowe and Wayne, 1997; Wakabayashi, Chen and Graen, 2005). Studies also have revealed that the superior-LMX directly influence subordinate's OCB and that subordinate-LMX does not (Ishak, N. A., & Alam, S. S. 2009).

Organizational Citizenship Behavior has become a primary field of study as many researchers believe that OCB affects enumerable aspects of work life such as job performance, job satisfaction, employee retention and loyalty, organizational climate etc. The presence of OCB doesn't just uplift the organization; it also gives employees a sense of self fulfillment. We live in a fast paced world in which barely a handful of employees seem to be content with staying in one organization for long periods of time. While this may seem like old news, it shouldn't be dismissed as something that is common and expected. Why would a person want to leave an organization they believe in? Why would a person wish to seek opportunities outside the organization to which they belong? What are the organization depriving employees of? Questions like these address the root cause for such behavior – employees don't seem to have much faith and trust in the organizations they serve. Therefore, the researcher found it imperative to understand how an integral component such as Leader Member Exchange and Organizational Commitment can affect healthy behavior such as Organizational Citizenship Behavior.

Hence, any healthy organization should have employees who exhibit high level of citizenship behavior. This can also be achieved through a positive leader member exchange. Especially in a scenario where the attrition is high the researcher found that conducting a study on identifying the relationship between the two would help the organization to strengthen their work place practices. Research thus shows that leaders play an important role in encouraging OCB. In this particular research we set to address the relationship between OCB and LMX, Organisational commitment being the mediator.

Primary Objective:

- To study the relationship between Leader member exchange and Organizational citizenship behavior mediated by Organizational commitment.

Secondary Objectives:

- To examine the relationship between Leader Member Exchange and Organizational Citizenship Behavior.
- To examine the relationship between Leader Member Exchange and OC
- To examine the relationship between Organizational Citizenship Behavior and Organizational Commitment
- To study the influence of demographic factors on Leader Member Exchange and Organizational Citizenship Behavior.

Hypothesis:

Much empirical research has indicated that LMX has a positive correlation with OCB. Liden and Graen (1980) proved that members in high-quality LMX relationship will receive more support, job discretionary and trust from the leader, and will exhibit higher OCB. Similarly, Hui, Law and Hackett (2004) also suggested that the LMX is significantly positively related to OCB.

- H1: the relationship between Leader Member Exchange (LMX) Organizational Citizenship Behavior (OCB) is positive
- H2: the relationship between Organizational Citizenship Behavior (OCB) and Organisational Commitment is positive
- H3: The interactive effect of Organizational Commitment on Leader Member Exchange and Organizational Citizenship Behavior.
- H4: There is significant association between Gender and OCB
- H5: There is significant association between Experience and OCB
- H6: There is significant association between Annual income and OCB

III. Research Methodology

Researcher adopted the descriptive research design. Descriptive research aims at describing the characteristics of a population in various aspects. The researcher conducted the study to identify the phenomenon affecting the citizenship behavior.

The primary data is collected directly from the employees through standardized questionnaire.

The instruments used are:

- i. Organizational Citizenship Behavior: Podsakoff (1990)
- ii. Leader Member Exchange: Liden and Maslyn (1998)
- iii. Organizational Commitment: Meyer and Allen (1984)

When all the items or the entire population is being considered for the survey during data collection it is known as census survey. This is also known as the Complete Enumeration Survey.

Census survey might be said as hundred percent sample survey. A census survey collects information about every member of the population. This data is used to conduct the survey. There are 100 core employees working in the organization. All 100 are being considered for conducting the survey.

Tools For Analysis:

The data collected from the respondents were first edited and coded. The statistical analysis of data was done through computer application using SPSS Version 23. The main thrust of the data analysis was to test the hypothesis. Correlation, Multiple regression and Chi-square test were completed.

IV. Results

Correlation Factors	Organizational Citizenship Behavior	Remark
Affect	0.372**	Significant
Loyalty	0.490**	Significant
Contribution	0.568**	Significant
Professional Respect	0.202*	Significant

The correlation value between Organizational Citizenship Behavior (OCB) and affect, the component of Leader Member Exchange (LMX) is 0.372, also the correlation value between OCB and Loyalty component of LMX is 0.490, and the correlation value between OCB and Contribution component of LMX is 0.568, which shows a positive correlation. There is a significant relationship between the Organizational Citizenship Behavior score and the scores of Affect, Loyalty and Contribution. The relationship is significant at 99% and the hypothesis is accepted, whereas the correlation value between OCB and Professional respect component of LMX is 0.202, also shows a positive correlation and there is a significant relationship between the Organizational Citizenship Behavior score and Professional respect score. The relationship is significant at 95% and the hypothesis is accepted.

Multiple Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.669 ^a	.447	.418	5.269	1.783

- a. Predictors: (Constant), Organizational Commitment, Contribution, Professional Respect, Loyalty, Affect
- b. Dependent Variable: Organizational Citizenship Behavior

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2111.012	5	422.202	15.206	.000 ^b
	Residual	2609.898	94	27.765		
	Total	4720.910	99			

- a. Dependent Variable: Organizational Citizenship Behavior
- b. Predictors: (Constant), Organizational Commitment, Contribution, Professional Respect, Loyalty, Affect

Interpretation

The regression analysis was performed to predict Organizational Commitment among employees based on the dimensions of Leader Member Exchange. In the above table R is the value of multiple correlation coefficient between the predictors and the outcome. Here the correlation between the dimensions of Leader Member Exchange and Organizational Commitment is 0.669. The R Square which is the measure of how much of the variability in the outcome is accounted by the predictors. In this model, the R Square value is 0.447 which shows the dimensions of Leader Member Exchange and OC accounts for the 44.7% of the variation in OCB. The adjusted R Square shows how well the model generalizes and the value of the adjusted R Square is close to the value of the R Square.

In Anova table the “F” value 15.206 reveals that the model is significant ($p < 0.001$) and is very unlikely to have happened by chance and the model significantly improves the ability to predict the outcome variable. The regression analysis result shows that the variables are closely associated with OCB.

Chi Square:

Factors	OCB- Chi Square	Significance value	Remark
Gender	11.565	0.001	Significant
Experience	3.941	0.268	Not Significant
Annual income	19.890	0.000	Significant

Interpretation:

The Chi-square value 11.565 for the association between gender and OCB is significant ($p < 0.001$). Therefore, there is significant association between the variables. Hence H4 is accepted whereas the Chi-square value is 3.941 for the association between Experience and OCB which is not significant ($p = 0.268$). Therefore, there is no significant association between the variables. Hence H5 is rejected. The Chi-square value is 19.890 for the association between Annual income and OCB is significant ($p < 0.001$). Therefore, there is significant association between the variables. Hence H6 is accepted.

V. Discussion

The results of the research conducted to study the relationship between LMX and OCB with Organisational commitment as a mediator reveals that there is a significant positive relationship between various dimension of LMX and OCB. Moreover the regression analysis result shows that the variables are closely associated with OCB. When the demographic factors are considered it is found that there is significant association between the variables Gender and Organizational Citizenship behavior.

When we perform above and beyond expectations by helping others at work, our efforts aggregate over time, which benefits our organization’s effectiveness and often helps us receive more favorable performance evaluations. Fortunately, job satisfaction and organizational commitment are the two biggest drivers of citizenship behaviors. As there is a healthy leader member exchange in the organization it is easy to enhance the citizenship behavior with minimal effort. Hence more engagement programs and recreation can be done to make the employee committed towards the organization.

VI. Conclusion:

Happiness and enjoyment are subjective terms that depend on an inexhaustible list of factors. While there are no guarantees that each and every employee will experience happiness and enjoyment all the time in work environments, there are subtle things we can all do to help us get there. One such thing is to find a sense of

belonging within organizations and help others do the same. Organizational Citizenship Behavior is by far one of the most interesting concepts of behavior that the researcher has had the privilege to gain knowledge of. By showing OCB tendencies, the researcher believes that we can help ourselves and others find this sense of belonging.

While wondering how and why some people show these OCB tendencies more when compared to others, the researcher stumbled upon another interesting concept – Leader member exchange. Through this research study, the researcher has been able to conclude that when an employee has a healthy leader member relationship and organizational commitment; it is easier for them to show OCB tendencies. Therefore, when organizations instill this sense of positive leader member exchange deep within employees, Organizational Citizenship Behavior comes with it quite naturally, thereby creating a healthier work environment, which will bring us one step closer to finding happiness, enjoyment and the most alluring and ever sought after sense of belonging in work environments.

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