

Organisational Commitment and Extra-Role Behaviour: A Survey in Iran's Insurance Industry

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Abstract

The present study was conducted in Babol, a city in north of Iran, and aimed to analyze the relationships among Organizational Commitment (OC) components and employees' extra-role behavior which is known as Organizational Citizenship Behavior (OCB). We choose Affective commitment (AC), Normative Commitment (NC), and Continuance Commitment (CC) as the three components of OC; and the analysis was carried out utilizing Structural Equation Modeling (SEM) methodology by LISREL 8.8 software. There were 300 employees in 47 branches of "Iran Insurance". According to Krejcie and Morgan (1970), the minimum number of sample size was determined as 169 employees. A total of 275 questionnaires were distributed among the employees and 190 usable questionnaires were returned. The factors analysis and the findings show that AC and NC have a significant positive influence on OCB. This finding implied that the higher the level of AC and NC, tended to increase the level of employees' OCB. Further, no significant relationship was found between CC and OCB.

Keywords

Organizational commitment, extra-role behavior, organizational citizenship behavior.

Introduction

Employees are known as one of the most important assets of any organization. Managers of organizations should develop effective strategies to motivate their employees to engage in activities that will help in the achievement of predetermined organizational goals (Chiboiwa et al., 2011). Further, organizations should engage their employees to go beyond their formal job responsibilities which are called extra-role behavior or Organizational Citizenship Behavior (OCB).

OCB is an important issue in the field of management and research has paid great deal of attention to it (e.g.

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Bateman & Organ, 1983; Niehoff & Moorman, 1993; Organ & Ryan, 1995; Podsakoff et al., 2000, Davoudi, 2012). According to Organ (1988), OCB is an important factor that can contribute to the survival of an organization. Organ (1988) argued that OCB is held to be vital to the survival of an organization. Organ further elaborated that OCB can maximize the efficiency and productivity of both the employee and the organization that ultimately contribute to the effective functioning of an organization.

Prominent current organizational researchers

supported Organ's position regarding the importance for effectiveness of those extra-role behaviors (George & Brief, 1992). Furthermore, it is widely accepted among contemporary organizational behavior theorists, that

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OCB have an accumulative positive effect on organizational functioning (Wagner & Rush, 2000). Further, According to Podsakoff et al. (2000), OCB helps maximize the organizational performance of firms. Since this is the main goal of all organizations, it benefits managers to understand how various factors influence organizational citizenship behavior (Davoudi, 2012).

Among these factors, organizational commitment (OC) is regarded as one of the variables drawing researchers' attention (O'Reilly and Chatman, 1986; Smith et al., 1983; Williams and Anderson, 1991; Paulin et al., 2006; Huang & You, 2011).

It is important to note that the relationships among variables, in this study OC components and OCB, depend on the context and situation where they actually carry on; and the results may vary across different contexts. Moreover, there is little attention given to research on the relationship between OC components and OCB in service industry of Iran, especially insurance industry. Thus, the present study attempts to propose a framework on the mentioned topic among "Iran Insurance" employees in Iran.

Organizational citizenship behavior

Organ et al. (2005) defines OCB as behavior that is discretionary, not directly or explicitly recognized by a formal reward system and that in aggregate promotes the effective functioning of an organization. Examples of this discretionary behavior include cooperation with peers, performing extra duties without complaint, punctuality, volunteering and helping others, using time efficiently, conserving resource, sharing ideas and positively representing the organization (Turnipseed and Rassuli, 2005).

According to Organ (1988), OCBs are behaviors that employees are not explicitly rewarded for exhibiting nor punished for not exhibiting; and are behaviors for which employees do not receive training to perform. Moreover, according to Schnake (1991), pro-social ethical behaviors such as helping new employees to understand the internal workings of the organization, assisting co-workers complete their jobs, attending meetings and volunteering to do things in excess of job prescriptions are some of the behaviors that can be associated with OCB. These non-traditional behaviors are on-the-job behaviors that are not usually captured by traditional job descriptions (Moorman, 1991).

Organizational commitment

Organizational commitment is defined as employees' interest in, and connection to an organization (Hunt et al., 1989; Meyer and Allen, 1997; Mowday et al., 1979). Moreover, organizational commitment is defined as the relative strength of and individual's identification with and involvement in a particular organization (Steers, 1977). According to Hunt et al. (1989), Employees who are committed to their organizations tend to identify with the objectives and goals of their organizations, and wish to remain in their organizations. There have been many definitions of commitment. What is common for all the definitions is the belief that commitment binds an employee to his/her organization and thus reduces the likelihood of turnover (Meyer et al., 2004). Further, it is important to note that the common point of OC definitions is the emphasis on the relationship among employees and organization.

Meyer & Allen (1991) proposed a three-component conceptualization of OC. Meyer & Allen (1984) initially proposed a distinction be made between affective commitment (AC) and continuance commitment (CC), with AC denoting an emotional attachment to, and involvement in, the organization, and CC denoting the perceived costs associated with leaving the organization. Allen & Meyer (1990) later suggested the third discrete component, termed normative commitment (NC), which reflects a perceived obligation to remain in the organization (Huang & You, 2011). The three components model of OC proposed by Meyer & Allen (1991) has provided the predominant framework for OC research during the past decade because it is based on an exhaustive understanding of OC (Cited in Huang & You, 2011).

Literature review on the relationship between OC and OCB

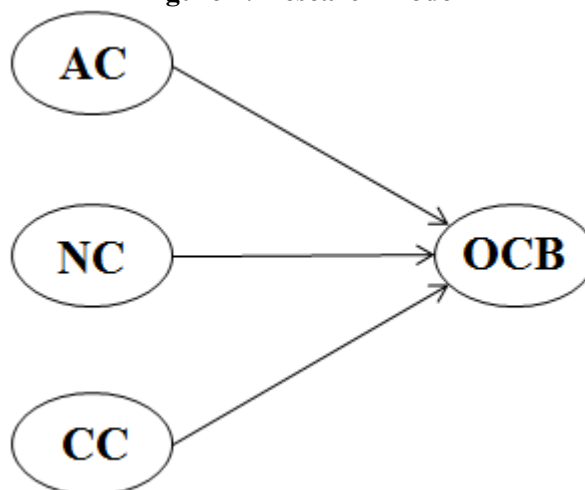
Meyer & Allen (1997) suggested that employees with strong commitment are more likely to engage in OCB than those with weak commitment. Liu (2009) suggests that participating in voluntary behaviors such as OCB is a behavioral response to affective commitment.

The meta-analysis of Ricketta (2008) that investigated whether job attitudes (i.e. job satisfaction and affective organizational commitment) cause performance found that affective organizational commitment has a weak but significant effect on performance (OCB). He also found that organizational commitment was significantly related to extra-role behaviors. According to Cohen & Keren (2008) Employees with high normative commitment are expected to engage OCBs because of the fulfillment of their obligation and their belief that it is right to do so. Further, Kwantes (2003) examining the relationship between OCB and OC within samples from India and USA, found that affective commitment significantly predicted OCB. Becker & Kernan (2003) also provided support for the positive effect of affective commitment on OCB. The study of Morrison (1994) supported that both affective and normative commitment are positively related to OCB. Moreover, Gautam et al. (2005) and Meyer et al. (2002) provided that affective and normative commitment significantly correlated with OCB. Moreover, it has been suggested that CC may be negatively linked to certain work behaviors (Meyer & Allen, 1997). According to Meyer & Allen (1997), one of the explanations is that employees with strong CC believe they are “trapped” in a “no choice” situation; as such, they react with anger toward the situation and, accordingly, behave negatively.

Research model and hypotheses

Taking into account the above mentioned literature, the following model and hypotheses are proposed. The model involved the relationships among Affective Commitment (AC), Normative Commitment (NC), and Continuance Commitment (CC) as independent variables, and Organizational Citizenship Behavior (OCB) as dependent variable.

Figure 1: Research model



H1: Affective Commitment has a significant positive influence on OCB.

H2: Normative Commitment has a significant positive influence on OCB.

H3: Continuance Commitment has a significant negative influence on OCB.

Methodology

Statistical Population

Statistical population in this research includes 300 employees of 47 branches of “Iran Insurance” in Babol, a city in north of Iran. Referring to the Krejcie and Morgan (1970), the minimum number of sample size was determined which was 169 employees; the authors used random sampling for this research. After the distribution of 275 questionnaires, 190 usable questionnaires were gathered. Table 1 illustrates the descriptive statistics of the respondents.

Table 1: Description of the respondents

Item	Description	Frequency	Percentage
Gender	Male	119	63%
	Female	71	37%
Age	Below 30	65	34%
	31-40	66	35%
	41-50	37	19%
	Above 51	22	12%
Education	Diploma	28	15%
	STP	37	20%
	Bachelor	111	58%
	Master & PhD	14	7%

Instrument

In order to collect the necessary data, a questionnaire was used to test the hypotheses of the study. The questionnaire consists of three sections. The first part includes 3 questions about demographic information of the respondents (table 1). In the second part, we used 10 questions to measure organizational commitment components. The organizational commitment questionnaire used in this study was developed by Meyer & Allen (1991). Further, in the third part, we used 10 questions to measure organizational citizenship behavior. We extracted these 10 questions from the original scale developed by Podsakoff et al. (1990) which consists of 24 questions.

We used five-point Likert type scale for all the items. Response categories range from 1 (strongly disagree) to 5 (strongly agree).

Reliability and Validity

The summary statistics of formal survey are shown in Table 2. For reliability evaluation we utilized Cronbach's alpha. The Cronbach's alpha reliability of two scales are more than 0.7 ($\alpha > 0.7$), which indicates the scales demonstrate good reliability.

Table 2: The summary statistics of formal survey

Item	Mean	Std. Deviation	α	
AC1	3.46	.979		
AC2	3.45	1.000		
AC3	3.20	.927		
AC	3.37		
NC1	3.18	1.020		
NC2	3.35	.980		
NC3	3.09	.924		
NC4	3.38	.978		
NC	3.25		
CC1	1.98	.940		
CC2	2.02	.978		
CC3	2.01	.951		
CC	2.00		
OC	2.87		0.772
OCB1	3.84	1.108		
OCB2	3.93	1.091		
OCB3	4.03	1.051		
OCB4	3.91	1.158		
OCB5	3.87	1.234		
OCB6	3.94	.955		
OCB7	3.96	1.086		
OCB8	3.91	.980		
OCB9	3.90	1.062		
OCB10	3.86	1.085		
OCB	3.915	0.860	

For evaluating the validity of the questionnaires, we used content validity and construct validity. Content validity deals with how representative and comprehensive the items were in creating the scale. It is assessed by examining the process by which scale items are generated (Moon & Kim, 2001). Content validity assured us that all aspects and parameters that impact on main content were evaluated. In order to test the content validity after devising a framework for the questionnaire, we asked 10 experts to modify it if needed. These experts evaluated all the implemented criteria in the questionnaire and modified it.

Construct validity determines the extent to which a scale measures a variable of interest (Moon & Kim, 2001). In this research we used factor analysis for considering the structure of research. Confirmatory factor analysis was used to investigate the construction of the questionnaire. Factor analysis depicted that all the mentioned criteria are measured in these questionnaires. Based on Joreskog & Sorbom (1989), $\text{Chi-Square/df} \leq 3$, $\text{RMSEA} \leq 0.10$, $\text{CFI} > 0.9$, and $0 < \text{IFI} < 1$ show that the measurement model provides a reasonable fit to the data.

Table 3: The structural model fitness indices

Fitness Indices	Measure of Index
Chi-Square/df	2.5302
P-value	0.000
Root Mean Square Error of Approximation (RMSEA)	0.090
Comparative Fit Index (CFI)	0.91
Incremental Fit Index (IFI)	0.91

Results

This study tends to investigate the relationships of AC, NC, and CC with OCB. The influences of the three mentioned variables on OCB were tested using the SEM technique that is explained below. For testing our hypotheses, we performed our structural model applying 10 questions of OC and 10 questions of OCB.

Table 4: Frequency and factor loading

Questions First part = OC, Second part = OCB	Scale					Factor loading
	1	2	3	4	5	
AC1. I feel a strong sense of belonging to my organization.	7	17	76	61	29	0.64
AC2. I feel emotionally attached to this organization.	8	19	70	65	28	0.82
AC3. I feel like part of the family at my organization.	7	26	98	40	19	0.62
NC1. Even if it were to my advantage, I do not feel it would be right to leave my organization now.	7	43	68	52	20	0.53
NC2. I would feel guilty if I left this organization now.	5	29	75	56	25	0.69
NC3. This organization deserves my loyalty.	7	37	93	38	15	0.48
NC4. I would not leave my organization right now because I have a sense of obligation to the people in it.	8	23	69	69	21	0.27
CC1. Too much of my life would be disrupted if I decided I wanted to leave my organization now.	65	80	31	11	3	0.85
CC2. I feel that I have too few options to consider leaving this organization.	66	75	32	14	3	0.83
CC3. One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.	64	79	32	12	3	0.84
OCB1. I help new employees even though it is not required.	5	25	29	68	63	0.62
OCB2. I help others, who have been absent.	6	19	27	69	69	0.68
OCB3. I help others, who have heavy work load.	4	16	30	61	79	0.47
OCB4. I attend at work above the norm.	11	16	22	71	70	0.66
OCB5. I don't take extra break.	10	26	20	57	77	0.57
OCB6. I don't abuse the right of others.	4	12	32	85	57	0.69
OCB7. I try to avoid creating problems for my coworkers.	6	19	22	72	71	0.75
OCB8. I attend meetings that are not mandatory, but are considered important.	5	13	31	86	55	0.67
OCB9. I always focus on positive side rather than what is wrong.	8	15	24	84	59	0.48
OCB10. I take steps to try to prevent problems with other coworkers.	9	14	30	78	59	0.58

Table 4 shows the status of employees' answers to each question. Also, it shows the factor loading of each question which indicates the significance of each question for employees. Further, Figure 1 shows the results of the SEM analysis which indicates the relationships of AC, NC, and CC with OCB. Moreover, figure 2 shows the t-value of the analysis. Based on the results of SEM analysis, the first and the second hypotheses are confirmed and the third Hypothesis is rejected.

Figure 1: Structural equation model for core competencies

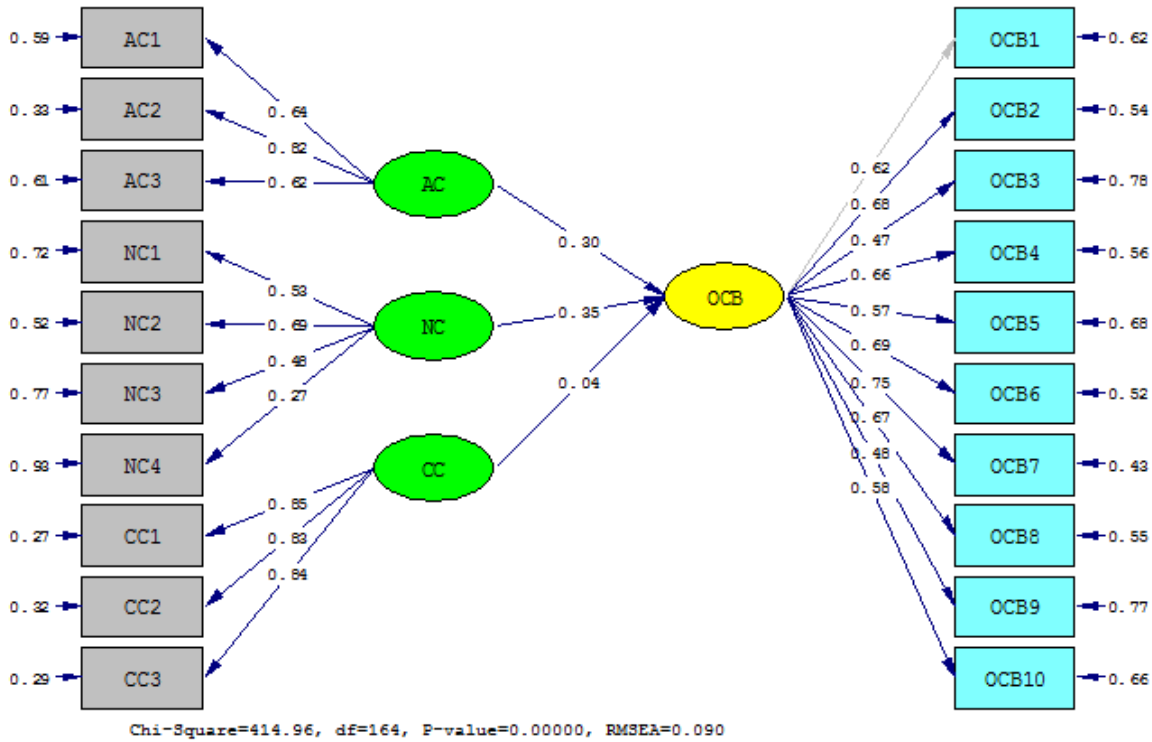


Figure 2: T-value test

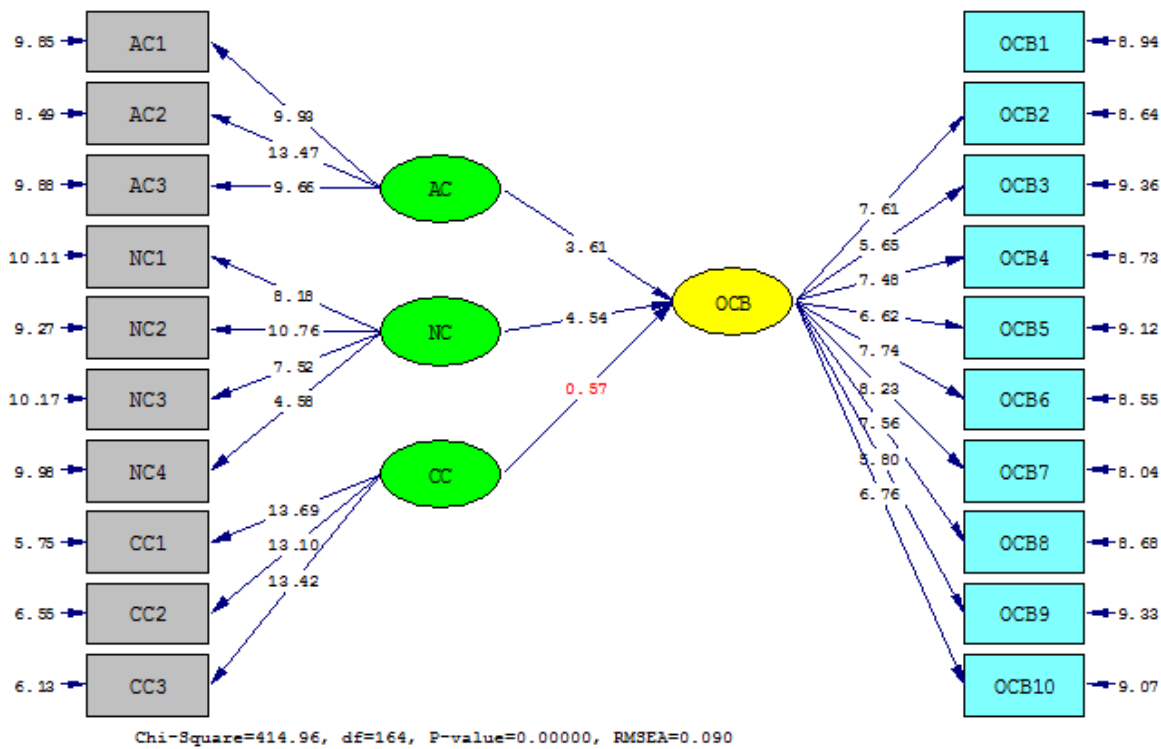


Table 5 summarizes the hypothesis test result in terms of path coefficient (standardized) and t-value in significance level of 0.05.

Table 5: The result of the hypothesis test

No	Hypothesis	Path coefficient	t-value	Result
H1	Affective Commitment → Organizational Citizenship Behavior	0.30	3.61	Accept
H2	Normative Commitment → Organizational Citizenship Behavior	0.35	4.54	Accept
H3	Continuance Commitment → Organizational Citizenship Behavior	0.04	0.57	Reject

Discussion

The aim of the present study is to investigate the relationships of AC, NC, and CC with OCB of “Iran Insurance” employees in Babol, a city in north of Iran. Many previous studies have examined the relationships among these variables in manufacturing companies; however, lack of sufficient research, studying the relationship among these factors in service industry, especially in insurance industry, was the reason this research was carried out. Further, because of the positive consequences of OCB, examining factors lead to improving the level of OCB is an important issue for managers of organizations which was another reason this research was carried out.

The findings show that both AC and NC have a significant positive influence OCB. This study confirms the findings of the previous studies (e.g. Morrison, 1994; Meyer et al., 2002; Gautam et al., 2005). Further, no significant relationship was found between CC and OCB in the Iranian context.

The results of the current study suggest that, as AC and NC increase so will organizational citizenship behavior increases. Thus, managers of organizations should provide appropriate workplace for employees to develop employees' AC and NC to organizations which contribute to developing the OCB of employees. The results also show that the Iran Insurance employees enjoy average level of AC and NC, and a goodish level of OCB (see table 2). The findings suggest that there should be other factors mediated the relationships among organizational commitment components and OCB. Thus, more researches are needed to identify other antecedents of OCB, which help managers to achieve competitive advantages through employees.

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