

Impact of job satisfaction on organizational citizenship behavior; special reference to licensed commercial banks in Colombo

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Introduction

A service sector, particularly banking sector is highly staff – intensive by its nature. In staff – intensive industries human resources, without doubt constitute the most important and indispensable factor. Uniqueness of human resources is practically impossible to substitute them with any other factor. Human behavior has a strong influence on the working environment of an organization. It is capable of making the organization flourish or perish. Hence an employer should satisfy the physical and psychological needs of his employees in order to motivate them strive for the achievement of the organization goals. Job satisfaction is a favorable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values. If one perceives that the job meets or allows fulfillment of one’s important values, one will experience a “pleasurable emotion of satisfaction”. If not, one will experience the emotion of dissatisfaction (Locke, 1983). Moreover Organizational citizenship behavior (OCB) has been considered to be one of the most important factors influencing organizational effectiveness. During the last two decades, the concept of OCB and its application have received a great importance in the world especially in the fields of psychology and management as well as received a great consideration in the literature. According to Organ (1988) OCB represents “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. By discretionary, we mean that the behavior is not an enforceable requirement of the role or the job description, that is, the clearly specifiable terms of the person’s employment contract with the organization; the behavior is rather a matter of personal choice, such that its omission is not generally understood as punishable” (p.4). This study is designed to observe the impact of job satisfaction on organizational citizenship behavior.

Research Questions

What is the relationship between job satisfaction and OCB? What is the level of intrinsic job satisfaction? What is the level of extrinsic job satisfaction? What is the most significant job satisfaction factor which influences on OCB?

Research Objectives

- To identify the relationship between job satisfaction and OCB of licensed commercial banks in Sri Lankan context.
- To identify the level of intrinsic job satisfaction of licensed commercial banks in Sri Lankan context.
- To identify the level of extrinsic job satisfaction of licensed commercial banks in Sri Lankan context.
- To identify the most significant job satisfaction factor which influences on OCB of licensed commercial banks in Sri Lankan context?

Methodology

In accordance with the study, it is considering the employee job satisfaction and the organizational OCB of licensed commercial banks in Sri Lanka. Therefore researcher used 12 domestic Licensed Commercial Banks (LCBs) head offices situated in Colombo district in order to carry out the research study. Since the 91 percent of the commercial banks branches are domestic banks (Economic and social statistics of Sri Lanka 2013, CBSL) only domestic banks was taken, as well as Colombo district is taken because in banking density index Colombo district has the largest value that is 32 (Economic and social statistics of Sri Lanka 2013, CBSL). Primary data were collected through self- administered questionnaires as well as adapted questionnaires and questionnaires are based on five point Likert scale. Cronbach's alpha reliability test, descriptive statistics, Pearson correlation coefficient analysis and multiple linear regression analysis were used to analyze data.

Results and Discussion

According to description analysis level of both intrinsic and extrinsic job satisfaction is in a moderate level as well as overall level of OCB is in a moderate level. Furthermore, the correlation and regression analysis were conducted to determine the strength of relationship and relative contribution of independent variables. Here job satisfaction is the independent variable and OCB is the dependent variable. Pearson correlation between independent and dependent variables is 0.758. It indicates there is a high positive correlation between job satisfaction and OCB. According to hypothesis testing it was proved that the correlation between intrinsic job satisfaction and OCB ($r = 0.719$) as well as the correlation between extrinsic job satisfaction and OCB ($r = 0.742$) are positively correlated.

Table 01: Correlation analysis

Dimensions of Citizenship Behaviour	Intrinsic job satisfaction		Extrinsic job satisfaction	
	Pearson correlation	P-Value	Pearson correlation	P-Value
OCB	0.719	0.000	0.742	0.000
Conscientiousness	0.557	0.000	0.557	0.000
Altruism	0.619	0.000	0.681	0.000
Civic virtue	0.690	0.000	0.696	0.000
Courtesy	0.655	0.000	0.676	0.000
Sportsmanship	-0.007	0.948	-0.087	0.412

Source: Based on analyzed data

Apart from that, the adjusted R square value between job satisfaction and OCB is 56.7%. The fitted regression model can be expressed as follows; the OCB is a function of job satisfaction dimensions that respectively intrinsic job satisfaction and extrinsic job satisfaction. Further, multiple regression proved that extrinsic job satisfaction was the major predictor of the OCB in licensed commercial banks in Colombo district. $OCB = 1.09 + 0.279 IJS + 0.430 EJS$

Conclusions

The findings of this study indicate that job satisfaction is significantly and positively associated with OCB ($r = 0.758$). This result is consistent with previous research (e.g., Lee & Allen, 2002, Moorman et al., 1993). In accordance with the respondents many bankers are moderately satisfied with all aspects of their job because level of both intrinsic and extrinsic job satisfaction is in a moderate level according to the mean values. Additionally extrinsic job satisfaction is the most significance factor which highly impacts on OCB. When employees are satisfied with the extrinsic aspects of company policies, social status, compensation, co-workers ability to supervise technical things and human relations, working conditions, co-workers, and security they exhibit discretionary behaviors such as conscientiousness, altruism, civic virtue, courtesy but not sportsmanship. According to regression analysis when employees have neither intrinsic nor extrinsic job satisfaction they show some extent of OCB ($\beta_0 = 1.09$). It implies that though they are not satisfied with their job they exhibit citizenship behaviors.

Therefore these results emphasis that, banks should more focus on enhancing extrinsic job satisfaction of employees such as introducing flexible work programs and rules, encouraging on-the-job training and formal education, explaining the health, safety and wellness policies of the bank, enhancing financial benefits of employees, respecting the dignity, integrity, and individuality of employees, supporting employee creativity and promoting productivity, maintaining a positive, safe, and clean workplace, reducing the accountability of employees and certify their job security in order to promote good citizens within banks.

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