
Effect of Human Resource Practices on Organizational Citizenship Behavior Development

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Abstract

The importance of organizational citizenship behaviour cannot be over emphasized. Thus, the development of organizational citizenship behavior (OCB) is critical in giving an organization competitive advantage. This study was aimed at establishing the impact of HR practices on the development of OCB. The study was carried out in two organizations namely: Delmonte Kenya Ltd. and Nampak Kenya Ltd. A sample of 243 respondents was included in the study. The study adopted descriptive research design. There was a significant positive correlation between performance management, reward management and OCB. OCB was found to explain 31.6% of the variation in performance management and reward management.

Keywords: *Organizational Citizenship Behaviour, Performance Management, Reward Management.*

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Introduction

The advent of COVID-19 has thrown organizations into a state of disarray. Thus, many organizations have been struggling to survive with some at the brink of collapse. To remain afloat, organizations have had to restructure. Many employees worldwide have faced the axe due to economic turmoil. In Kenya 604 firms had sent workers home with 1.7 million people having lost jobs due to the pandemic.

The survival of an organization largely depends on the nature of the workforce. Thus, organizations with employees who are ready to go beyond the call of duty are more likely to survive economic turbulence. Going beyond one's job description is referred to as organizational citizenship behavior (OCB). The human resource practices employed in an organization can enhance the development of OCB or inhibit. Managers and researchers have noticed the importance of OCB as a critical tool to organizational achievement and effectiveness.

Objectives

This study sought to determine the effect of (i) performance management on the development of organizational citizenship behaviour and (ii) reward management on the development of organizational citizenship behavior.

Literature review

Organizational citizenship behaviour (OCB) is used to describe all the positive and constructive employee actions and behaviors that are not part of their formal job description. It has to do with anything that employees do, out of their own free will that supports their colleagues and benefits the entire organization. A worker's willingness to commit oneself to an organization is absolutely fundamental to reaching the organizational goals.

OCB is a critical behavior of employees which is not included in the formal job description, but is necessary for achieving the organizational objectives through its social and psychological traits provided by strong HR practices (Asim et al., 2012). It has been cited as a significant factor which reinforces knowledge sharing among employees, job performance or productivity of organization as a whole (Podsakoff, et al., 2009). Stimulating citizenship behaviors in employees through appropriate HR practices are critical to organizational success (Turek & Wojtczuk-Turek, 2015).

Organ (1988) defined organizational citizenship behavior as an individual behavior which is not rewarded by a formal reward system resulting in effectiveness. He identified five different types of organizational citizenship behavior namely altruism, courtesy, sportsmanship, conscientiousness and civic virtue. Altruism in the workplace occurs when an employee helps or assists another employee without expecting anything in return. Courtesy is polite and considerate behavior towards other people, in this case, other employees. Sportsmanship is about an employee's ability to be a good loser. It's about being able to deal with situations that don't go as planned. Conscientiousness is behavior that involves a certain level of self-control and discipline and goes beyond the minimum requirements. Civic virtue is about how well someone represents the organization they work for.

HRM Practices

HRM practices are practices which an organization uses to manage their employees by facilitating the development of competencies that are firm specific and generating organizational knowledge needed to sustain competitive advantage (Nikolett & Nawangsari, 2019).

Performance Management

Performance management has been defined as the systematic process for improving organizational performance through developing performance of individuals and teams (Armstrong, 2006). It is about getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. It is concerned with strategic alignment of one's work to the group and organizational goals. Thus, a significant relationship has been found between performance appraisals (PA) with OCB (Ahmad 2011, Wei et al, 2012), Guyo (2015), Fajar and Soeling 2017), Nikolett and Nawangsari 2019) found performance appraisal to be significantly and positively related with OCB.

Thus, employees who perceived their organization to be having fair and equitable appraisal tend to show more OCB. This enhances, organization's performance and effectiveness.

Reward Management

Reward Management has to do with formulation and implementation of strategies and policies aimed at rewarding people fairly, equitably and consistently in accordance with their

value to the organization (Armstrong & Murlis, 2007). Reward management is strategic and serves the purposes of motivating, attracting, and sustaining the employees leading to improved organizational performance and meets the needs of both the organization and its stakeholders (Armstrong, 2006).

A good reward system keeps employees happy, loyal to the company, and eager to move up the career ladder and may be in form of public recognition and additional pay often motivating employees to work harder. Rewards can either be extrinsic or intrinsic. Extrinsic rewards are external to the work itself. Examples are wages and salary, fringe benefits, promotions, and recognition and praise from others. Intrinsic rewards on the other hand are directly related to performing the job. They include feelings of task accomplishment, autonomy, and personal growth and development that come from the job.

Compensation and reward system have been positively associated with OCB (Deckop et al., 1999). Sinnappan and Amulraj (2014) reported significant relationship between rewards and recognition. Thus, rewards and recognition from their organization make employees feel obliged to respond with higher levels of engagement (Sinnappan & Amulraj, 2014). Nikolett and Nawangsari (2019) reported that compensation and rewards had a positive significant relationship with OCB ($r = 0.668$, $p = 0.000 < 0.001$) while Fajar and Soeling (2017) found that compensation is significantly and positively related with OCB ($\beta = 1.445$, $p < 0.05$) and may help in attracting and retaining employees. Guyo (2015) found a positive correlation between performance and reward management and OCB ($r = 0.852$) with results showing that performance and reward management accounted for 71.2% of the variation in OCB.

High compensation contributes to higher OCB and encourages employees to contribute extra effort in their job (Ahmad, 2013). An attractive remuneration package, rewards and benefits would increase the employees' level of commitment.

Methodology

The study adopted a descriptive research design. A sample of 243 respondents was drawn from Delmonte Kenya Limited and Nampak Kenya Limited.

Results and discussions

There was a significant moderate positive correlation ($r = 0.539$; p -value < 0.001) between performance management and OCB confirming that performance management has a significant effect on organizational citizenship behavior development (Table 1). A significant moderate positive correlation ($r = 0.451$; p -value < 0.001) was observed between reward

management and OCB confirming that reward management has a significant effect on organizational citizenship behavior development. These findings are consistent with previous observations (Ahmed 2011, Wei et al. 2012, Guyo 2015, Nikolett and Nawangsari 2019).

Table 1: Correlations

		OCBD	PM	RM
OCBD	Pearson Correlation	1	.539**	.451**
	Sig. (2-tailed)		.000	.000
	N	243	243	243
PM	Pearson Correlation	.539**	1	.598**
	Sig. (2-tailed)	.000		.000
	N	243	243	243
RM	Pearson Correlation	.451**	.598**	1
	Sig. (2-tailed)	.000	.000	
	N	243	243	243

** . Correlation is significant at the 0.01 level (2-tailed).

Table 2: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.859	2	14.930	55.483	.000 ^b
	Residual	64.579	240	.269		
	Total	94.439	242			

a. Dependent Variable: OCBD

b. Predictors: (Constant), PM, RM

Table3: Multiple Linear Regression Analysis Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.916	.187		10.249	.000
	RM	.207	.069	.200	3.007	.003

PM	.324	.051	.419	6.293	.000
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a. Dependent Variable: OCBD

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Y= Organizational Citizenship Behaviour

X₁=Reward Management

X₂=Performance Management

β_0 = a constant which denotes organization Citizenship Behavior that is independent of HR practices

β_1 & β_2 = intercepts for the independent variable

ε = Error term

Under the model $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$, the model was found to be valid ($F(2,240) = 55.483$, $p\text{-value} < 0.001$) as indicated in Table 2. The fitted model equation is: $Y = 1.916 + 0.207X_1 + 0.324X_2 + \varepsilon$

The model equation shows that standardized OCB will increase by 0.207 units with one unit increase in standardized reward management keeping the other variables constant and that standardized OCB will increase by 0.324 units with an increase of one unit in standardized performance management, keeping the other variables constant.

The regression results of reward management and performance management against OCB are presented in Table 4.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.562 ^a	.316	.310	.51873

a. Predictors: (Constant), PM, RM

Table 4 shows that reward management and performance management account for 31.6% of the variation in OCBD meaning that 68.4% of the variation in OCB is explained by factors outside the model. This shows that performance management and reward management (HR practices) significantly affect organizational citizenship behavior development and are consistent with results obtained by Guyo (2015).

Conclusion

A significant positive relationship has been found between performance management and OCB on one hand and reward management and OCB on the other. Reward management and performance management accounting for 31.6% of the variation in OCB development.

Strong managers should be greatly concerned about these two human resource practices. Efforts should be made to ensure that the performance management system is strategic and tailored to needs of both organizations and employees. An effective performance management system would facilitate the development of OCB. Equally, the reward system adopted should be perceived by the workers to be fair, equitable and competitive to make the employees feel they are valued. In turn, employees would give their best which is a critical component of OCB development.

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