

## **Effect of Organizational Citizenship Behavior on Employee Performance in Banking Sector, Nairobi County, Kenya**

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### **Abstract**

*Organizational citizenship behavior (OCB) is an important factor that can contribute to the survival of an organization. Therefore, it is crucial for banks to understand the variables that significantly and positively aid in creating this favorable behavior within the organization. However, few comprehensive studies have shown how OCBs influences employee performance in banking sector and do not adequately represent a significant gap in the literature. The purpose of this study was to determine the effects of OCB and employee performance in banking sector, Nairobi County, Kenya. The study specifically established the effect of altruism on employee performance, and determined the effect of courtesy on employee performance. The study was informed by social exchange theory. Explanatory research design was used in this study. The total population was 748 bank employees drawn from 25 banks within Nairobi CBD. The study used Random sampling technique to select sample of 173 employees. The study used questionnaires to collect data. The Cronbach alpha coefficient test was employed to measure the internal consistency of the instruments. The study used descriptive statistics such as means, standard deviation, frequency and percentages. In addition, inferential statistics such as correlation and multiple regressions were used. Study findings indicated that, altruism, and courtesy had positive and significant effect on employee performance. The study concluded that organizational citizenship behavior is important factor for enhancing employee performance. The implication of the study is that it is prudent for bank employees to take on additional assignments, voluntarily assist new employees at work, keep a positive attitude and tolerate inconveniences at work so as to keep up with development in their own profession and also heighten organization's performance. Employees need to discuss with other teammates before initiating actions that might affect them. Also, they need to take steps to prevent problems with other teammates. More so it is important for them to keep minor complaints to themselves and try not to find fault with other employees. The implication for further studies is that there is need for more studies to focus on how demographic factors influence OCB aspects in relation to firm performance.*

**Key Words:** Employee performance, Altruism and Courtesy

### **1.0 Introduction**

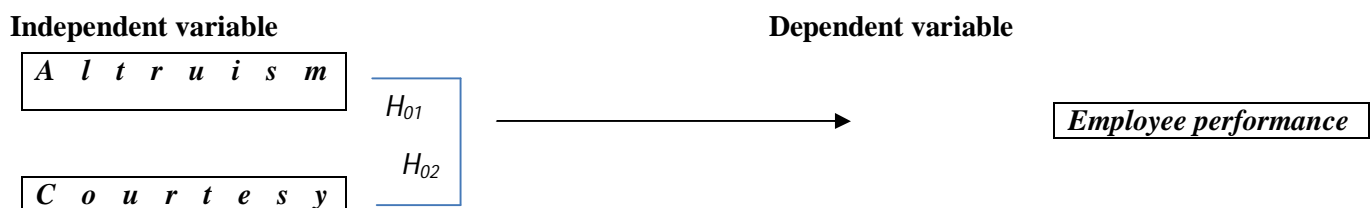
Employee performance is increasingly being seen to encompass constructs such as organizational citizenship behavior (OCB). Workers, who go above and beyond the minimum requirements of their employee description, by suggesting improvements, affect performance and result with enhanced workgroup efficiency.

OCB impacts workgroup efficiency during times of crisis management. For example, having conscientiousness and helping others result in decreased inter-group conflict and allow managers to focus on more pressing matters (MacKenzie *et al.*, 2009). Having workers highly engaged in OCB may improve managers' efficiency by allowing them to devote a greater amount of time to long-range planning matters. Subsequently, manager's benefit from positive OCB as well as employees (Turnipseed and Rassuli, 2005). OCB is defined by Daniels *et al.*, (2006) as extra behavior of doing tasks in work place other than routine employee tasks. OCB helps organization to increase its performance in long run as compared to short term. Moreover, Poncheri (2006) defined OCB as positive behavior that has positive effect on organizational development. Both approaches clearly evidence extra role played by the employees in workplace that have positive impact on organizational performance. (Todd, 2003) in his study identified that OCB helps to encourage the employees to apply their maximum knowledge, skill and abilities in workplace. OCB is closely related to organizational motive to achieve organizational goals effectively and efficiently (Jiorman *et al.*, 2006). The views of Koys (2001) emphasize OCB as positive impact on profitability of an organization but not on satisfaction of customer. However, Shapiro *et al.* (2004) defined employee behavior as based on organizational behavior, if organization shows positive attitude then employees react according to that behavior.

According to Turnip seed and Rassuli (2005), OCB elements which enhance performance include: elements which add social capital, helping or altruistic elements, elements resulting with time saving or problem solving, and other elements which provide socio-emotional support by boosting morale or developing a nurturing culture. Researchers all over the world are still fertilizing the area of Organizational Citizenship behavior which helps organizations to increase their effectiveness. OCB is all about the behavior of employees so that employees are treated as key players to increase the effectiveness/productivity of an organization. Poncheri, (2006) defined OCB as behaviors that have positive impact on the organizations productivity. Their attitude and behavior affects the performance of an organization (Koster & Sanders, 2006). The rapid growth in the Banking industry has posed several challenges such as OCBs which is a natural phenomenon that has both negative and positive impacts on employee performance depending on how well it is managed. Empirical evidence of links between OCBs and measures of individual and organizational performance is gathering in the management and marketing literatures (Barksdale and Werner, 2001). Many studies have examined the relationships between personal characteristics and employee attitudes, and employees' citizenship behaviors (Podsakoff *et al.*, 2000). Few comprehensive studies of the possible antecedents of OCBs in marketing and retail contexts are reported in the literature. However, the OCBs and employee performance in banking sector are not well documented and represent a significant gap in the literature.

The variables were represented as shown in figure 1 below;

**Figure 1: Conceptual Framework**



**The study tested the following null hypotheses:**

**Ho<sub>1</sub>:** Altruism has no significant effect on employee performance

**Ho<sub>2</sub>:** Courtesy has no significant effect on employee performance

## 2.0 Methodology

Explanatory research design was used in this study. The total population of 748 employees drawn from 25 selected banks in Eldoret Kenya. Nassiuma (2000) formula was used to select 173 employees. A stratified random sample was a useful blend of randomization and categorization, which enabled both a quantitative and qualitative process of study to be undertaken (Cohen, 2003). The study used a questionnaire in data collection. The Cronbach's coefficient alpha was applied on the results obtained to determine how items correlate among them in the same instrument. Cronbach's coefficient Alpha of more than 0.7 was taken as the cut off value for being acceptable which enhanced the identification of the dispensable variables and deleted variables.

**Table1: Sample Size**

Index	B a n k s N a m e s	No. of Employees	
		Population	Sample
1	K C B ,	3 8	9
2	B a r c l a y s	4 2	1 0
3	E q u i t y ,	5 6	1 3
4	T r a n s n a t i o n a l ,	2 9	7
5	N a t i o n a l B a n k ,	3 0	7
6	C F C S t a n b i c ,	3 2	7
7	Commercial Bank of Africa	2 8	6
8	D i a m o n d T r u s t b a n k ,	2 7	6
9	I m p e r i a l b a n k ,	2 8	6
1 0	B a n k o f B a r o d a ,	2 5	6
1 1	F a m i l y B a n k	2 7	6
1 2	C o o p e r a t i v e B a n k	4 2	1 0
1 3	Equatorial Commercial Bank	2 4	6
1 4	S t a n d a r d B a n k	3 7	9
1 5	Investments and Mortgage Bank	3 8	9
1 6	Eco Bank Kenya Limited	4 7	1 1
1 7	National Industrial Credit	2 8	6
1 8	K - R e p B a n k	3 7	9
1 9	B a n k o f A f r i c a	2 2	5
2 0	P r i m e B a n k	1 9	4
2 1	Oriental Commercial Bank	1 7	4
2 2	G T b a n k	2 0	5
2 3	Africa Banking Corporation	1 6	4
2 4	C h a s e B a n k	2 2	5
2 5	G u a r d i a n B a n k	1 7	4
	T o t a l	7 4 8	1 7 3

Source: Survey Data (2013)

### 3.0 Data Analysis and Presentation

b

$\varepsilon$

Where,  $Y$  = employee performance

$\alpha$  = Constant

... = the slope representing degree of change in independent variable by one unit variable.

$X_1$  = altruism

$X_2$  = courtesy

$\varepsilon$  = error term

Sciences (SPSS), version 21. All tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at  $p < 0.05$

### 3.1 Results and Discussions

Out of 173 questionnaires distributed to the respondents, only 155 questionnaires were returned, which gives a response rate of approximately 87.57% percent.

### 3.2 Factor Analysis

Principal Component Analysis (PCA) was used to reduce the number of variables and to detect structure in the relationships between variables. The Kaiser Criterion of retaining only factors with eigen value greater than 1 was employed. To check the adequacy of the data for extraction of principal components, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity were used. Consequently, a value of 0.632 and above for the KMO statistic and a significant measure of sphericity were acceptable as suggested by Tabachnick and Fidell (2001).

**Table 2: KMO statistics**

	<b>Altruism</b>	<b>Courtesy</b>
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0 . 6 3 2	. 5 8 4
A p p r o x . C h i - S q u a r e	1671.374	2138.448
S i g	0 . 0 0 0	0 . 0 0 0

Source:(survey data, 2014)

**Table 2.1: factor analysis**

1 . E m p l o y e e p e r f o r m a n c e	y	x 1	x 2	x3	x4
I am willing to perform all my duties in the firm	0.800				
I make sure that I am always the first one to arrive in the office	0.502				
I observe the rules of the firm on tasks I am supposed to finish	0.882				
I have received recommendation for the good quality of my work	0.715				
I have been rated as one of the performing employees in the firm	0.892				
I apply a lot of effort when performing my task	0.900				
I leave the office late trying to do more work for the firm	0.909				
2 . A l t r u i s m					
I give my time to help employees with work-related problems.		0.936			
I support employees who have problems at work.		0.973			
I take time out of my day to help train new employees.		0.977			
I talk to other employees before taking actions that might affect them		0.899			
I share my knowledge and expertise with other employees		0.781			
I help out other teammates if someone falls behind in his/her practice		0.938			
I highly welcome and assist new employee in the firm		0.774			
3 . C o u r t e s y					
I try to act like a peacemaker when other teammates have disagreement			0.974		
I take steps to try to prevent problems with other teammates.			0.948		
I willingly give my time to teammates who have sport-related problems			0.968		
I discuss with other teammates before initiating actions that might them			0.964		
I encourage my teammates when they are down			0.97		
I am always available when any of my colleagues need someone to speak out their problem			0.953		
I take step to try to solve problems between supervisors and my colleagues			0.994		
<b>Extraction Method: Principal Component Analysis.</b>					

Source: (survey data, 2014)

Table 2.1 shows the factor loading for each item, they are sorted by size. Any item that fails to meet the criteria of having a factor loading value greater than 0.5 and loads on one and only one factor is dropped from the study (Liao et al., 2007; Toh Tsu Wei *et al.*, 2008). The study requested that all loading less than 0.5 be suppressed in the output, hence providing blank spaces for many of the loadings. Thus from the findings all values for all the factors were more than 0.5 reflecting the accepted value of factor loading. The principal component analysis with varimax rotation churned out six factors with Eigen values greater than 1.0. The six factors extracted accounted for cumulatively 87.51% of the variance explained in employee performance.

**Table2.2: Total Variance Explained**

Source: (survey data, 2014)

	Component			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Eigen values	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
<b>1</b>	17.033	48.666	48.666	17.033	48.666	48.666	14.78	42.227	42.227
<b>2</b>	5.406	15.447	64.113	5.406	15.447	64.113	4.847	13.85	56.077
<b>3</b>	3.528	10.08	74.193	3.528	10.08	74.193	4.058	11.594	67.671
<b>4</b>	3.213	9.181	83.374	3.213	9.181	83.374	3.702	10.578	78.249
<b>5</b>	1.856	5.302	88.675	1.856	5.302	88.675	3.241	9.261	87.51
<b>6</b>	1.806	5.161	93.836	1.806					
Rotation Method: Varimax with Kaiser Normalization.									

**3.3 Descriptive Statistics**

The findings in table 2.3 provide descriptive statistics for all variables. Results showed that courtesy had the highest mean of 3.7. This implies that employees demonstrated more courtesy with less demonstration on altruism (2.3). Further, to test the normality distribution the study examined the Skewness and kurtosis values. Skewness is used to measure the symmetry of a distribution while kurtosis is used to measure the peakness or flatness of a distribution (Tabachnick and Fidell, 2007). Based on the results, the values of Skewness and kurtosis revealed that the data was normally distributed where the Skewness values was in the range of -0.356 to 0.574. The value for kurtosis, on the other hand, was in the range of -0.452 to -1.462 well below the threshold of +/- 10

**Table 2.3: Descriptive Statistics**

	N	Mean	Std. Deviation	Skewness	Kurtosis
Employee Performance	155	3.3502	0.85221	0.574	-0.452
Altruism	155	3.1387	0.95749	0.58	-0.634
Courtesy	155	3.7502	0.91583	0.085	-1.441

Source : (survey data, 2014)

The normality tests are supplementary to the graphical assessment of normality. Kolmogorov-Simonov test and Shapiro Wilk was used to test normality of the data. The test statistics are shown in table 2.4. In this study, the p-value is more than 0.05. Therefore the study rejects the alternative hypothesis and concludes that the data comes from a normal distribution.

**Table 2.4: Test of Normality**

	Kolmogorov-Smirnov (KS) test			Shapiro - Wilk		
	Statistic	d f	Sig.	Statistic	d f	Sig.
Employee Performance	0.243	155	0.061	0.849	155	0.841
Altruism	0.136	155	1.141	0.912	155	0.072
Courtesy	0.158	155	0.067	0.887	155	0.205
a Lilliefors Significance Correction						

Source: (survey data, 2014)

**3.4 Correlation Results**

Correlation analysis is a technique of assessing the relationship between variables: altruism, and courtesy, with employee performance. Thus, the study analyzed the relationships that are inherent among the independent and dependent variables. The results regarding this were summarized and presented in Table 2.5.

Findings revealed that altruism was positively and significantly associated with employee performance (r = 0.831, p<0.01) indicating 83.1% positive relationship with employee performance. Further, courtesy was positively and significantly correlated to employee performance (r = 0.800, p<0.01) showing that courtesy has 80% positive relationship with employee performance.

**Table 2.5: Correlation Results**

	Employee Performance	Altruism	Courtesy	Civic Virtue	Sportsmanship
Employee Performance	1				
Altruism	.831**	1			
Courtesy	.800**	.664**	1		
** Correlation is significant at the 0.01 level (2-tailed).					

Source: (survey data, 2014)

**3.5 Regression Results**

Table 2.6 illustrates the model summary of multiple regression model, the results showed that all the predictors (courtesy, and altruism) explained 83.5 percent variation of employee performance. This showed that considering the four study independent variables, there is a probability of predicting employee performance by 83.5% (R squared =0.835).

**Table 2.6: Model Summary**

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.914	.835	.83	0.35088	2.017
a Predictors: (Constant), Altruism, Courtesy				
b Dependent Variable: Employee Performance				

Source: (survey data, 2014)

**3.6 ANOVA Model**

Study findings in ANOVA table 2.7 indicated that the above discussed coefficient of determination was significant as evidence of F ratio of 189.605 with p value 0.000 < 0.05 (level of significance). Thus, the model was fit to predict employee performance using altruism, and courtesy.

**Table 2.7: ANOVA Model**

	Sum of Squares	D	f	Mean Square	F	Sig.
Regression	93.377	4		23.344	189.605	.000
Residual	18.468	15	0	1.23		
Total	111.845	15	4			
a Dependent Variable: Employee Performance						
b Predictors: (Constant), Altruism, and Courtesy						

Source: (survey data, 2014)

**3.7 Test of Hypotheses**

Hypothesis 1(H<sub>01</sub>) stated that altruism has no significant effect on employee performance. Findings showed that altruism had coefficients of estimate which was significant basing on β<sub>1</sub> = 0.482 (p-value = 0.000 which is less than α = 0.05). The null hypothesis was thus rejected and it was concluded that altruism had a significant effect on employee performance. This suggested that there was up to 0.482 unit increase in employee performance for each unit increase in altruism. The effect of altruism was more than 10 times the effect attributed to the error, this was indicated by the t-test value = 10.609. Hypothesis 2 (H<sub>02</sub>) stated that courtesy had no significant effect on employee performance. However, research findings showed that courtesy had coefficients of estimate which was significant basing on β<sub>2</sub>= 0.271 (p-value = 0.000 which was less than α = 0.05) hence the null hypothesis was rejected. This indicated that for each unit increase in courtesy, there was 0.271 units increase in employee performance. Furthermore, the effect of courtesy was stated by the t-test value = 5.003 which implied that the standard error associated with the parameter was less than the effect of the parameter. The rule of thumb was applied in the interpretation of the variance inflation factor. From table 2.8, the VIF for all the estimated parameters was found to be less than 4 which indicated the absence of multicollinearity among the independent factors (Hair, et al., 2010). This implied that the variation contributed by each of the independent factors was significant independently and all the factors were included in the prediction model.

**Table 2.8: Regression Test Results**

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
(Constant)	0.153	0.132		1.156	0.250		
Altruism	0.429	0.04	0.482	10.609	0.000	0.533	1.875
Courtesy	0.253	0.05	0.271	5.003	0.000	0.374	2.674
a Dependent Variable: Employee Performance							
Source (survey data, 2014)							

**4.0 Conclusion**

The results of this study have delivered insights on the effect of altruism, courtesy, sportsmanship and civic virtue on employee performance. Overall, the results showed no support for the study hypotheses. Sportsmanship, altruism, civic virtue and courtesy were found to have a positive and significant effect on employee performance. Altruism enables employees to go beyond the job requirements resulting to accomplishment of difficult task.

Also, through altruism, employees are able to share their knowledge and expertise with other employees as well as support those with problems at work. Further, altruism makes it possible for employees to help out other teammate in case they experience work-related problems as well as assisting new employees in the organization. Furthermore, employees that display courtesy are more likely to engage in citizenship behaviour that is deemed beneficial for the organization. Specifically, they are likely to encourage their teammates when they are down and they are the ones that take steps to prevent problems with other teammates. As such, they discuss with other teammates before initiating an action that might affect them.

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