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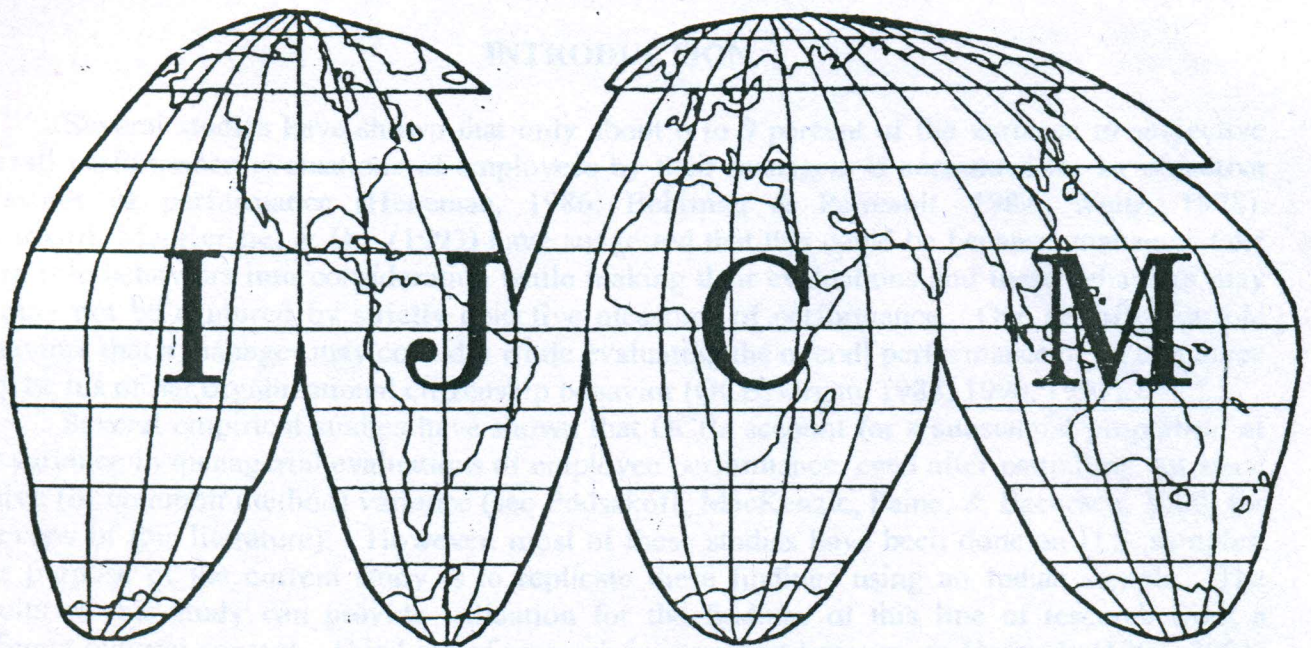


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RELATIONSHIP OF ORGANIZATIONAL CITIZENSHIP BEHAVIOR AND OBJECTIVE PRODUCTIVITY TO MANAGERIAL EVALUATIONS OF PERFORMANCE IN INDIA

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ABSTRACT

This paper replicates with a unionized, Indian sample, the well-established finding that managerial evaluations of employee performance are affected by both objective productivity and organizational citizenship behavior. Data from the managers of 104 Indian pharmaceutical sales representatives and company records replicated the findings of previous research. While objective productivity alone accounted for 9 percent of the variance in subjective performance, objective productivity and organizational citizenship behavior together accounted for 41 percent of the variance. Implications of the findings for future research and managerial practice are discussed.

INTRODUCTION

Several studies have shown that only about 6 to 9 percent of the variance in subjective overall performance evaluations of employees by their managers is accounted for by objective measures of performance (Heneman, 1986; Behrman & Perreault, 1982; Weitz, 1978). Podsakoff, MacKenzie, & Hui (1993) have suggested that this could be because, managers take extra-role behaviors into consideration while making their evaluations and these behaviors may or may not be captured by strictly objective measures of performance. One set of extra-role behaviors that a manager may consider while evaluating the overall performance of an employee may be his or her organizational citizenship behavior (OCB; Organ, 1988, 1990, 1997).

Several empirical studies have shown that OCBs account for a substantial proportion of the variance in managerial evaluations of employee performance, even after partialling out same source (or common method) variance (see Podsakoff, MacKenzie, Paine, & Bachrach, 2000, for a review of this literature). However, most of these studies have been done on U.S. samples. The purpose of the current study is to replicate these findings using an Indian sample. The results of this study can provide validation for the findings of this line of research from a different cultural context. This kind of research is important because, as Hofstede (1993, 2001) argues, management practices need to be congruent with the prevailing cultural norms of a country.

Further, the current study is based on data collected from a sample of unionized pharmaceutical sales representatives. Most of the previous studies are based on non-unionized samples (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). Since unions generally require that all personnel decisions must be based on seniority or objective measures of performance, it would be interesting to see if supervisory evaluations are affected by OCB in unionized settings. The next section of the paper discusses the nature of OCB and some of the reasons for managers considering these behaviors in their subjective evaluations of overall employee performance.

ORGANIZATIONAL CITIZENSHIP BEHAVIOR

Organ defines OCB as 'behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the efficient functioning of the organization' (Organ, 1988, 4). Examples of OCB include, helping co-workers who are behind in their work, attendance and punctuality beyond requirements, informing others before taking action that would affect their work, gracefully tolerating the minor inconveniences that are an inevitable part of organizational work, and appropriate participation in the governance and affairs of the organization.

From the above examples it is clear that OCB can contribute to organizational performance in many ways. Podsakoff and MacKenzie argue that OCB may enhance organizational performance "by 'lubricating' the social machinery of the organization, reducing friction, and/or increasing efficiency" (Podsakoff & MacKenzie, 1997, 135). OCB may also contribute to organizational success by enhancing co-worker and managerial productivity, promoting better use of scarce resources, improving coordination, strengthening the organization's ability to attract and retain better employees, reducing variability of performance, and enabling better adaptation to environmental changes. Though limited, existing research indicates that OCB has a positive relationship to several indicators of organizational performance (Podsakoff & MacKenzie, 1997; Koys, 2001).

ORGANIZATIONAL CITIZENSHIP BEHAVIOR AND MANAGERIAL EVALUATION OF EMPLOYEES

While it seems self evident that subjective managerial evaluations of overall employee performance will be influenced by the objective performance of the employee, we need to consider why such evaluations will be influenced by employee's OCB. Podsakoff, Mackenzie, and Hui (1993) suggest several reasons for why managers include OCBs in their subjective evaluations of employees. One reason they suggest is the norm of reciprocity (Gouldner, 1960) and a sense of fairness (Organ, 1988). Because organizational citizenship behavior benefits both the manager and the organization, managers may reciprocate by giving higher evaluations to employees who exhibit these behaviors. Another reason that managerial evaluations are influenced by OCBs may be related to schema triggered affect (Fiske, 1981, 1982; Fiske & Pavelchak, 1986). Schema triggered affect is the process of automatically applying the affect associated with a category to any object that is identified as an example of that category. One way in which managers evaluate employees may be by trying to determine the extent to which the employee matches the category of the "good employee" or the "bad employee." In the

minds of many managers "good employee" may be the one who exhibits citizenship behaviors apart from performing well on prescribed tasks. The more an individual employee matches the manager's concept of a good employee by exhibiting citizenship behaviors, the more the positive affect associated with this category will be triggered. This positive affect is then used to evaluate the employee positively.

A third reason for the influence of OCBs on managerial evaluations may be the search for distinctive information while making judgments (DeNisi, Cafferty, & Meglino, 1984). Because OCBs are not formally required by the organization, managers may see them as distinctive forms of behavior requiring special consideration while making evaluations. DeNisi et al. also note that information that is easily accessible is given the greatest weight by evaluators. Further, behavior that is attributed to internal causes are most likely to be retained in the memory, recalled, and considered in the final evaluation (DeNisi et al.). Since, OCBs are discretionary behaviors and individuals choose to engage in them, managers are likely to attribute their occurrence to internal causes rather than to external causes. In other words, managers are likely to assume that individuals are engaging in OCBs out of their own volition. Because of this, performance of OCB will be more accessible and therefore exert a greater influence on the judgments of managers.

The above discussion indicates that apart from objective measures of performance, OCBs are also likely to influence the overall subjective evaluations that managers make of their subordinates. Previous empirical research has also shown that OCBs explain a significant amount of the variance in overall subjective performance evaluations, in addition to that of objective performance measures (MacKenzie, Podsakoff, & Fetter, 1991, 1993; Podsakoff, MacKenzie, Paine, & Bachrach, 2000; Podsakoff & MacKenzie, 1994; Podsakoff, MacKenzie, & Hui, 1993). Thus, we propose the following hypotheses:

H1a: Both objective productivity and organizational citizenship behavior will each be significantly positively related to subjective performance ratings.

H1b: OCB will explain a significant amount of variance in subjective performance ratings beyond what is explained by objective productivity.

METHODS

Sample

The data for this study was collected as part of a larger study of the sales representatives of the Indian subsidiary of a multinational pharmaceutical company. The sales representatives were based in different parts of India and surveys were mailed to individual representatives from the Human Resources department of the company. The respondents were told that the purpose of the survey was to study the job related attitudes and behavior of sales representatives and that it was being conducted with the approval of the management and the union. Confidentiality was assured. The sales representatives were given the option to identify themselves on the survey.

Of the 385 surveys mailed, 185 were returned for a response rate of 48 percent. Of these, 107 representatives (27.8 percent) identified themselves on the survey. Approximately six months later, a survey containing items measuring organizational citizenship behaviors and subjective performance ratings were mailed to the supervisors of these representatives. All of these surveys were returned, however due to missing data only 104 surveys could be used in the analysis. For these 107 sales representatives, we obtained from the company, data on the percentage of the sales target achieved (objective productivity) for the two-month period just

before the supervisory surveys were mailed. The data for this study consisted of the supervisory ratings and the measure of objective productivity. Of the 107 sales representatives, 97.2 percent were males and 68.2 percent were married. Almost two thirds of the sales representatives (63.6 percent) had worked for the company for at least five years. The ages of 70.1 percent of the representatives were 35 or less. Demographics of the population were not available for comparison with sample demographics. Discussion with company officials indicated that employees in this group had at least undergraduate degrees, were relatively young, and predominantly men. Demographic data was not collected from the supervisors.

Measures: Organizational Citizenship Behavior

We measured OCB using the sportsmanship (4 items) and civic virtue (4 items) dimensions of the OCB scale developed by Podsakoff, MacKenzie, Moorman, and Fetter (1990). We chose these two dimensions because our employee sample consisted of field sales representatives who work independently and are not in day-to-day contact with their supervisors. Sportsmanship consists of behavior demonstrating tolerance of less than ideal conditions at work without complaining (e.g. 'always focuses on what is wrong rather than the positive side'). Civic virtue consists of responsible participation in the affairs of the organization (e.g. 'attends meetings that are not mandatory, but are considered important'). In the case of our employee sample, the supervisors are most likely to have accurate information about these dimensions of OCB. This is because first-line supervisors are the usual recipients of employee 'gripes' and they can easily observe employee participation in organizational affairs. The reliability (Cronbach's alpha) of the sportsmanship dimension and civic virtue dimension were 0.90 and 0.77 respectively. The responses for these items ranged from strongly disagree (1) to strongly agree (7). Since the four sportsmanship items were negatively worded, the responses were reverse coded.

Subjective Performance Rating

We measured subjective overall performance rating with 4 items developed for this study (e.g. 'is one of my best PSRs (Pharmaceutical Sales Reps); is very good at increasing sales in his/her territory; maintains good relations with customers; has excellent communication skills'). The reliability for this scale was 0.78. The responses for this scale ranged from strongly disagree (1) to strongly agree (7).

Objective Productivity

Objective productivity was measured as the percentage of sales target achieved in the two-month period just before the supervisory surveys were mailed. These targets are proposed by the regional managers and negotiated with the sales representatives. The targets are based on historical sales data of the region and the total sales target for the year. The regional managers get monthly updates on the target achievement of the sales representatives. These updates are discussed with the sales representatives and their incentives are based on their achievements.

Analysis

Scale items were subjected to principal components factor analysis with oblique (Promax) rotation to test the dimensionality of the scales. Next, descriptive statistics, correlations, and reliabilities were calculated. The hypotheses were tested using hierarchical regression analysis. In the first step, subjective performance was regressed on objective

productivity alone. Sportsmanship and civic virtue were entered in the second step. Finally, regression diagnostics were conducted to detect departures from the usual regression assumptions.

Results

Factor analysis of the scale items yielded three factors with eigenvalues greater than one. As expected, items measuring subjective performance, sportsmanship, and civic virtue loaded on separate factors with no significant cross-loadings. The three factors together accounted for 67.3 percent of the variance (detailed results are available with the first author). Table 1 shows the descriptive statistics, correlations, and reliabilities. Table 2 shows the results of hierarchical regression analysis. All coefficients are significant, indicating that both forms of organizational citizenship behavior have a positive relationship to subjective performance, in addition to objective productivity. Objective performance explained approximately 9 percent of the variance in subjective performance. Sportsmanship and civic virtue together explained an additional 32 percent variance in subjective performance beyond what is explained by objective productivity. Thus, the data provides support for the study hypotheses. Examination of the VIF statistic indicated that multicollinearity was not present. Normal probability plot supported the normality of error terms. Plot of standardized residuals versus fitted values showed a random pattern indicating constancy of variance of error terms (homoscedasticity). Thus, it appears that there was no major departure from regression assumptions.

TABLE 1

Descriptive Statistics and Correlations

Variables	N	Means	S.D	1	2	3	4
1. Objective Productivity	107	88.56	22.27	NA			
2. Sportsmanship	104	4.20	1.37	0.13	(0.90)		
3. Civic Virtue	104	5.37	0.94	0.03	0.31*	(0.77)	
4. Subjective Performance Rating	104	5.36	1.11	0.30**	0.46**	0.48**	(0.78)

* $p < 0.05$. ** $p < 0.01$.

Reliabilities are on the diagonal in parentheses.

NA: Not Applicable.

The response categories for age were: 1=21-25 years, 2=26-30 years, 3=31-35 years, 4=36-40 years, 5=41-50 years, and 6=51 years or more.

Objective Productivity is measured as a percentage of the sales target achieved. Sportsmanship, Civic Virtue, and Subjective Performance Rating have been transformed to a 7-point scale.

TABLE 2

Results of Hierarchical Regression Analysis
Dependent Variable: Subjective Performance Rating

Variables	Parameter Estimates	
Intercept	16.2450**	3.3291**
Objective Productivity	0.0588**	0.0476**
Sportsmanship		0.2712**
Civic Virtue		0.4342**
R squared	0.0880	0.4085
$\Delta\Delta$ R squared		0.3205
F	9.791**	23.020**

* $p < 0.05$. ** $p < 0.01$.

DISCUSSION

The purpose of this research was to replicate with a unionized, Indian sample, the well-established finding (Podsakoff, Mackenzie, & Hui, 1993) that both objective productivity and OCB will be significantly related to subjective performance evaluations. The results of this study replicated the findings of previous research. Objective productivity and sportsmanship and civic virtue dimensions of OCB together accounted for approximately 41 percent of the variance in subjective performance. Objective productivity alone accounted for about 9 percent of the variance in subjective performance. These figures are comparable to those of previous research. The results of the current study extend this line of research by replicating these findings with a unionized, Indian sample. Thus, these findings appear to be robust across cultures.

A unique feature and the primary strength of this study is that we used a unionized, Indian sample. While there are OCB studies on non-U.S. samples (Lam, Hui, & Law, 1999; Van Dyne & Ang, 1998), very few of them have been on Indian samples. The results of this study make it possible to generalize the findings of this line of research to unionized, Indian contexts. The major limitation of this study is that both subjective performance and OCB were measured from the same source (managers). This raises the issue of common method variance as an alternative explanation for the findings. However, the un-rotated factor solution for the items constituting the three variables indicated that, three factors (with eigenvalues greater than one) were required to adequately account for the variance in these variables. Although this is not a definitive test, according to Podsakoff and Organ (1986), it does give some assurance that the relationships among the variables are substantive.

In order to collect information on objective productivity, it was necessary to request the respondents to identify themselves on the survey. Only about 28 percent of the original respondents identified themselves. Thus, in this sample, while confidentiality was maintained, anonymity was compromised. Identifying oneself on the survey can be considered a citizenship behavior. It is also possible that those who identified themselves were the high performers. These special characteristics of the sample must be kept in mind while interpreting the results.

Research indicates that OCB influences not only subjective performance evaluations, but also reward allocation decisions (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). Results of this study show that even in unionized settings, supervisors take OCB into consideration while subjectively evaluating performance. It would be interesting to see how OCB affects reward allocation decisions in unionized settings. Generally unions demand that reward allocation decisions are based on seniority or objective measures of performance. It is therefore reasonable to suppose that in unionized settings, while supervisors may take OCB into account when subjectively evaluating performance, they may consider only objective measures while making reward allocation decisions. This supposition could be tested through future research.

There are important practical implications for the results of this study. Since managers consider OCB in their evaluations of employee performance, it is important that employees are made aware of this. Otherwise, employees may perceive a contradiction between official evaluation criteria (which are based on objective productivity) and actual evaluations (which consider both objective productivity and OCB). This may affect their motivation and undermine their belief in the fairness of evaluations.

If managers consider OCB to be important, they must take steps to promote these behaviors. Research indicates that OCB is enhanced when employees are treated fairly, when they have good relationships with their supervisors, and when their jobs provide them with autonomy and challenge. These findings provide ample scope for managers to devise specific practices that will enhance OCB among their employees.

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