EMPLOYEES’ ORGANIZATIONAL COMMITMENT AND THEIR CIVIC BEHAVIORS: A STUDY ON LOGISTICAL LAND HAULAGE PROVIDERS IN THE EASTERN SEABOARD INDUSTRIAL ESTATES, THAILAND

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Abstract

Given the vulnerabilities of present businesses, logistic solutions have to be crafted and aimed at, in order to get excellent service quality. As a labor intensive sector, the performance of logistic organizations lies in the hands of employees. The research aimed to investigate whether organizational citizenship behaviors (OCB) were positively influenced by four variables: the organizational commitment, the transformational leadership behavior, the organizational culture and the goal setting. Only the innovative (B-value = 0.333, p < 0.001) and the bureaucratic organizational cultures (B-value = 0.170, p < 0.001), the employees’ normative commitment (NC) (B-value = 0.290, p < 0.001), and the employees’ continuance commitment (CC) (B-value = -0.059, p < 0.05) entered the equation. The data were gathered from the logistic land haulage providers servicing the Eastern Seaboard Industrial Estate (ESIE), one of Thailand biggest automotive industrial estates, through distributions of questionnaires.

Keywords: Organizational citizenship behavior (OCB), organizational commitment (OC), organizational culture, goal setting and transformational leadership behavior.

INTRODUCTION

Organizational commitment (OC), according to Allen & Meyer (1990), consists of three components: the affective commitment (AC), the continuance commitment (CC) and the normative commitment (NC). These commitments have been proven to cause the organizational citizenship behaviors (OCB) (Meyer, Stanley, Herscovitch & Topolnytsky, 2002) and make the implementation of the organizational goal effective (Soriano, 2008; Vigoda-Gadot. & Angert, 2007; Wright, George, Famsworth & McMah, 1993). For organizations to achieve their goal, the management has to
take into consideration the employees’ involvement, influence and the levels of impacts that employees face in their performances (Latif, & Abdullah, 2003; Lupton, 1991). Kuo, Chag, Hung and Lin, (2009) also confirmed that employees who could think strategically, are trained and equipped with appropriate tools would be self-motivated and generate quality performances. This study aimed to examine the influences of the three OCs, the organizational culture, the goal setting and transformational leadership behaviors towards the OCB of the logistic employees in ESIE, Thailand.

LITERATURE REVIEW

The Organizational Commitment (OC)

OC refers to the levels of interest, connection (Huang, You, & Tsai, 2012) and involvement that employees willingly contribute to their organizations (Moshref Javadi, & Yavarian, 2011; Curry, Wakefield, Price, & Mueller, 1986) so as to share the organization’s goal and value, maintain their membership, exert their effort, commit to their organization and show their loyalty (Meyer, & Allen, 1991; Bateman, & Strasser, 1984). As management cannot control qualities of services to customers at the time of service provided, it is these degrees of commitment that will induce the employees’ behavior (Malhotra, & Mukherjee, 2003). For an organization to achieve its objective under current business competition, analyzing and relating the causal factors of employees’ OCs need to be continuously performed (Brimeyer, Perrucci, & MacDermid, 2010). It is undeniable that good employees’ performances are desirable by organizations (Allameh, Amiri, & Asadi, 2011) and to achieve such standards, organizations need to consider proper interactions and match employees’ personal desirable needs to the organizations’ objectives (Meyer, Irving, & Allen, 1998). Even though many researchers have been conducted, the pathways of causes and effects which are linked among OCs and their cross-sectional factors are still unconfirmed (Kuruuzum, Çetin, & Irmak, 2009, Meyer, Irving, & Allen, 1998). It is agreed, however, that OC is a multi-dimensional construct (Meyer, Irving, and Allen, 1998; Bateman, & Strasser, 1984). In conclusion, the congruence between personal and situational variables influences the OCs (Meyer, Irving, & Allen, 1998). Meyer, Irving and Allen (1990) categorized OC into three distinguishable categories: the “want-to” commitment attitude of employees refers to the willingness and cooperation that employees render to the organization, Meyer, Irving, & Allen (1998) called this, the affective commitment (AC). The normative commitment (NC) is an “ought to” attitude, which could originate from various sources; the organization might have sponsored an individual in his or her education/ training and as such, the individual felt morally obligated to the organization and stayed to repay this debt. The “has-to” attitude referred to the continuance commitment (CC). It is a cost and benefit based commitment (Snape, & Redman, 2003) employees perceive that they earn their living, welfare and income from the employment and would face financial difficulties if they did not have the earnings (Kuehn, & Al-Busaidi, 1993). Research evidences had shown that OC is positively and significantly related to the OCB (Huang, You, & Tsai, 2012; Watrous-Rodriguez, 2010; Pohl, & Paille, 2011; Allameh, Amiri, & Asadi, 2011; Kuehn, & Al-Busaidi, 2002; Meyer et al., 2002) and is the best predictor of the OCB (Pohl, & Paille, 2011). Huang, You and Tsai (2012) believed that employees who have the OC attitude have high tendencies in recognizing the organizations’ objectives and goals. The study therefore posits that:

H1a: AC has influence upon the employees’ OCB.
H1b: CC has influence upon the employees’ OCB.
H1c: NC has influence upon the employees’ OCB.

Goal Setting

A goal is a target of action that needs to be achieved with applications of proper skills and under a specific time frame (Locke & Latham, 2002). Locke and Latham (2002) conceptualized that a well-defined and hard to achieve goal would get higher results under constant feedback and scrutiny from management. Individual’s consciousness was one of the key factors that determined the individual’s actions, behaviors and performances (Latham & Yukl, 1986). With constant monitoring on the assigned goals, organizations can
provide clear and proper direction that would minimize the deviations in performances (Lee, Bobko, Earley & Locke, 1991). Failures in goal setting would harm performances of the organization (Cochran, & Kleiner, 1993). Goal setting is one of the most important means of employees' motivation (Wright, George, Farnsworth, & McMahan, 1993; Erez, & Kanfer, 1983; Ronan, Latham, & Kinne III, 1973). Through studies of Ronan, Latham and Kinne III (1973), it was found that if employees have clear understanding and knew what the expectations are on the goals set for them, they would put in effort and try to achieve the goals. Results of the projects showed that goal setting could yield maximize results under supervision and encouragement by superiors. Locke and Latham (1975) stated that goal setting to employees would impact the behavior of employees only when they consciously accepted the assigned task. Naveh and Erez (2004) confirmed that a quality management goal impacted employees' goal achievement. Therefore,

H2: Goal setting has influence upon the employees’ OCB.

Transformational Leadership Behaviors

Over time, leaders’ behaviors had gained ample attention from researchers as one of the major generators for organizations’ achievement (Larsson, & Vinberg, 2010; Daft, 1999). Despite numerous of discussions, there is still a lack of theoretical integration and consensus in leadership behavior theories (Derue, Nahrgang, Wellman & Humphrey, 2011; Daft, 1999). In consequence, scholars continuously exerted factors which contributed to aspects of leaders’ behaviors (Larsson & Vinberg, 2010; Lee, & Bin Ahmad, 2009, Dvir, Eden, Avolio, & Shamir, 2002; Barrow, 1977). Transformational leaders have the ability to cope with changes in organizations (Lussier & Achua, 2001, Daft, 1999). They boost their followers’ morale (Yukl, 1998), build up confidence and cater to the basic needs of their followers in order to reach the organizational set goals and objectives (Daft, 1999). Avolio, Bass and Jung (1999) concluded that components of transformational leaders were: 1) idealized influence (charismatic), 2) inspiration motivation, 4) intellectual stimulation and 5) individualized consideration. Jiao, Richards, and Zhang (2010) added that the inspirational should be through the followers’ self-worthiness, self-efficacy and meaningful contributions generated by followers both from their works and lives. To gain intellectual stimulation, leaders need to constantly discuss with followers using two-way communication, encourage followers openly and constantly to share their initiatives, ideas and participate in problem solving. Individualized consideration was required as followers had their own needs and requirements and to fulfill the charismatic nature, leaders would have to see and understand such needs. Matching the followers’ needs with the organizational goals can instill the followers’ authentic interests toward the leaders and their organizations - a shift from personal goals to collective goals (Jiao, Richards & Zhang, 2010). The individualized consideration through recognitions of the followers’ achievement that the leaders exert creates intrinsic rewards for the followers (Jiao, Richards & Zhang, 2010). Both Banki (2006) and Scheeleter and Engelbrecht (2006) confirmed that transformational leadership behavior is one of the factors that enhances OCB.

H3: Transformational leadership behaviors have influence upon the employees’ OCB.

Organizational Culture

Wallach (1983) had broadly defined culture as ways in which people in an organization do things in their context. It is a mutual perception that people in the organization share their values, beliefs and norms (Yukl, 1998; Wallach, 1983). Schein (1990) viewed that there was little agreement on how an organizational culture should be defined and that the difficulty of defining organizational culture was on the fact that the organization was ambiguous (Schein, 1990). Wallach (1983) categorized organizational culture into three stereotypical dimensions – bureaucracy, innovative and supportive. Bureaucratic culture refers to organizations that have well defined structure, sound establishment and hierarchically clear divisions in the scalar chain of command (Wallach, 1983). Innovative culture was more in a fast, challenging and dynamic market context. Supportive culture is seen a work-place that had a “family” atmosphere (Wallach, 1983). Khan and Abdul Rashid (2012) indicated that organizational culture was positively related to OC and OCB. Lee
and Bin Ahmad (2009) argued that organizational culture could influence employee performance. Therefore,

H4a: Bureaucratic organizational culture has influence upon the employees’ OCB.

H4b: Supportive organizational culture has influence upon the employees’ OCB.

H4c: Innovative organizational culture has influence upon the employees’ OCB.

Organizational Citizenship Behavior (OCB)

Organ (1990) defined OCB as behaviors that members of an organization discretely perform with such performances not in the scope of the organization’s formal rewarding system but which aggregate more promote efficiency (Organ, 1990; Farh, Zhong & Organ, 2004), and effectiveness of the organization’s activities (Turnipseed & Mulkison, 2000). Even though, OCB incorporated the phenomena that described the extra-role and out-role beyond job descriptions that members of organizations voluntarily performed (Graham, 1991), a consensus for the definition had not been reached (Turnipseed & Mulkison, 2000). As one of the most referenced topics of employee cooperative behavior (Koster & Sanders, 2006), several researches have examined OCB in depth (Huang, You & Tsai 2012; Bolino, Turnley & Bloodgood, 2002; Farh, Zhong & Organ, 2004), but these researches only brought in more terms and valences to the behavior (Van Dyne, Graham & Dienesch, 1994). Hui, Law & Chen (1999) incorporated altruism, conscientiousness, interpersonal harmony, protection of company resources as dimensions of OCB. Yoon and Suh (2003) included sportsmanship, civic virtue and altruism while Yu and Chu (2007) – altruism, conscientiousness, civic virtue, sportsmanship and courtesy. Organ (1990) includes altruism, civic virtue, conscientiousness/ compliance, courtesy and sportsmanship: Altruism refers to discretionary behavior and assistance that an individual renders to colleagues, civic virtue refers to appropriate participation in organization governance, conscientiousness referred to performances that an individual renders beyond the requirement standards, courtesy are marks of respect which an individual shows in consideration of others before taking action and sportsmanship is defined as tolerance that a person shows when faced with annoyances without complaints and/or appeal of such dissatisfaction (Organ, 1990).

The Conceptual Framework

The framework consists of the three OCB components: AC, CC and NC, goal setting, the transformational leadership behavior and organizational culture: bureaucratic, innovative and supportive cultures, which were hypothesized to having significant influence on the employees’ OCB. (Figure 1).

**Figure 1: Conceptual Framework**

**Source:** Developed for this Study
RESEARCH METHODOLOGY

This study postulated that the all independent variables (IVs) should influence the employees’ OCB. The forward multiple regression method was applied as the analytical tools in this study, that is, the entrances of IVs into an equation are solely based on a set of statistical influences and the criteria that the IVs have with the dependent variable (DV) (Arttachariya, 2010; Ho, 2006; Pedhazur, 1982). Those variables that are not statistically shared and correlated with the DV will be excluded from the equation (Ho, 2006; Pedhazur, 1982).

RESPONDENTS, SAMPLING AND DATA COLLECTION

The 403 logistic organizations were drawn from a list of The Industrial Estates Authority of Thailand (IEAT), Rayong branch and the two monthly logistic directories: the Air-Sea Guide and Logistic Manager. The selected samples were categorized according to the validity of their ISO 9000 certification and their services in and out of ESIE. A total of 650 questionnaires were distributed. 466 samples were verified and used in the statistical analysis.

The questionnaire was based on four main questionnaires and one index: 1) OC Questionnaire (OCQ), 2) the Management Leadership Questionnaire (MLQ), 3) the Organization Culture Index proposed by Wallach (1983), 4) the OCB questionnaire based on OCB antecedents proposed by Organ (1990) and the Organizational Citizenship Behavior Questionnaire (OCBQ) was applied from McCook (2002) in his study - the Supervisory Survey Measures. 5) the goal setting questionnaire employed by Lee, Bobko, Earley and Locke (1991). Adaptations and modifications had been made to fit the Thailand logistic industry practices and Thai contexts.

The reliability and the validity were obtained. The Cronbach Alpha demonstrate the inter-correlation and internal consistency of the data items in a scale (Ho, 2006, Hair et al., 2006). The rules of thumbs is that the means of the alpha should not be lower than 0.6 (Antachariya, 2010). The validity of data items refers to the correctness of items in measuring a phenomenon, that is, how well the items can define the phenomenon (Hair et al., 2006). Even though, there are many forms of accepted validity concepts, there are no statistical processes used in the assessment of validities; all assessments are subjective and the final judgment of the validity rests on the researchers’ assessments (Arttachariya, 2010, Hair et al., 2006). The overall alpha of the item-measures was reported at 0.933: the highest was the transformational leadership behavior (0.955) and the lowest alpha was the goal setting, at 0.628.

SUMMARY OF THE FINDINGS

Through the forward multiple regression statistical method, the paths of IVs toward the OCB showed four entrances: 1) the employees’ innovative organizational culture, 2) the employees’ CC, 3) the employees’ NC, and 4) the bureaucratic organizational culture. The multiple correlations (R) between the IVs and the OCB are reported at 0.793 and the correlations of determination (R²) of 0.629. This indicates that the IVs that entered the equation explain 63.0% of the OCB. The constant and the unstandardized correlation coefficients (B-values) are reported at constant = 1.151 and 0.333, p < 0.001 for the innovative organizational culture with the strongest influence with the OCB, 0.290, p < 0.001 for the NC, 0.170, p < 0.001 for the bureaucratic organizational culture and -0.059, p < 0.05 for the CC (See Figure 2).

![Figure 2: The Result of the Unstandardized Regression Coefficient (B-value) in Relation to the OCB](image)

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The variables that are excluded are: 1) the supportive organizational culture, 2) AC, 3) NC 4), the goal setting and the transformational leadership behaviors, i.e. the variables have no influences on OCB. One negative influence was found on the continuance organizational commitment and OCB. This indicates that the higher the levels of CC, the lower the employees’ OCB. That is the higher the employees concern of their costs and benefits, the lesser they will sacrifice for their organizations beyond their assigned duties: at F (4, 461) = 195.432, p < 0.001, we reject the null hypotheses and there are influences between the IVs entered and the OCB. The summary of the research hypotheses could be concluded as per the table 1 below:-

<table>
<thead>
<tr>
<th>Hypothesis Statement</th>
<th>B-value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1b: CC has influence upon the employee’s OCB.</td>
<td>-0.059</td>
<td>&lt;0.05</td>
</tr>
<tr>
<td>H1c: NC has influence upon the employees’ OCB.</td>
<td>0.290</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>H4a: Bureaucratic organizational Culture has influence upon the employees’ OCB.</td>
<td>0.170</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>H4c: Innovative organizational Culture has influence upon the employees’ OCB.</td>
<td>0.333</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

DISCUSSION & IMPLICATIONS

The findings showed that the innovative organizational culture has the strongest influence upon the employees’ OCB: under the tight operational situations of the automotive industry and under the Just-In-Time environment, the employees need to constantly cope with rush and tight time-frames of work procedures, locate and pick the right inventories, ensure the arrival of the automotive manufacturers’ facilities at the right place and on time. As the manufacturers operate their assembly lines 24/7, staff members on duty need to be trusted and empowered in making instant decisions. Blending the innovative culture with the bureaucratic organizational culture, it can be interpreted that a clearly defined chain of command is also needed to be set, announced and understood in order to gain employees’ acknowledgement and acceptance. For example, who is going to be contacted if there is an operational and unforeseen event, which manager/leader shall have to be called, etc. An organizational culture is similar to human beings’ personality, complex, illusive and dedicated, to achieve what needs to be achieved, leaders need to understand both the dominant and the sub-culture of the organization (Wallach, 1983).

The employee’s Normative Commitment (NC) enters the equation with positive correlation and as one of the strong factors related to the employees’ OCB. Meyer, Becker and Vandenbergh (2004) confirmed and proved through theoretical evidence that the employees’ NC is associated with reciprocal attitude that the employees have for their organizations which influences the employees’ OCB. Being a function of the organizational culture and socialization (Meyer, Becker & Vandenbergh, 2004), organizations can encourage employees’ NC through both official and on-the-job trainings. Employees’ realize that their career paths with the organizations are promising and subsequently, would develop the NC attitude (Meyer et. al., 2002). A negative influence was found from the employees’ Continuance Commitment (CC) can be explained that if the employees have high concern for their investment, the costs and benefits that they invest into the organization, they will possess the lower employee’s OCB, i.e. seldom or they will not exert extra-role efforts. Similar to the employees’ NC, it was proved through the meta-analysis of Meyer et. al., (2002) that the employee’s CC is one among the three components that influences and impacts the employees’ OCB. Judging from the ratio of the job positions of the respondents (48.93% were general clerks, warehouse workers, drivers and porters, 33.69% were supervisors and 5.15% were others), the employees’ costs and benefits generate substantial impacts on the employees’ OCB. Similar comments were also from a human resource manager of a world-wide international logistic provider with approximately 1,000 employees who said that “roughly about 70% of the employees of the organization were with CC attitude, 20% were NC and 10% were AC”. With a big proportion of the employees’ CC and NC, it is likely that the AC is omitted from the statistical equation.

Goal setting and the transformational leadership behavior have no significant unfluence in this
study. The rationale for this is if the organization have successfully planned and implemented clear chains of command, the employees will be able to carry out their operational work routines, cope with unforeseen circumstances hence, the organizational goal setting has no influence on the employees’ OCB (minimum requirements to perform the extra-role activities). Similar to the transformational leadership behaviors, through a phone interview with a manager in ESIE, it was commented that “when organizations expand, clearly defined organizational charts and work processes are effectively, officially, jointly drawn and accepted, the operation manager in the facility is just a mere facilitator, many of my staff members know their details of the operations better than managers”. For the rejection of supportive culture, an interview session was held with a group of long service staff members. These staff members commented on the virtue of family-like work-place socialization in that: “when the company was small and we had to work in a small shop-house, the boss worked with us and gave support, all of us sometimes, remained and worked happily till midnight, came to work on holidays, just to finish the work on time. These conditions disappeared as the company grew bigger”.

FUTURE RESEARCH

There are wide opportunities to explore Thailand’s is logistic contexts and to improve the service quality so that practitioners and players in the logistic will be equipped with more tools to cope with the market demand. It is recommended that more thorough investigations are needed on the IVs that were rejected from the equation.

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edge contribution from an OCB perspective. 

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