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Hunting For a New Direction on the Link of Organizational Citizenship Behaviour and High Performance Organization: the Mediating Effect of Trust

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ABSTRACT

Human capital is the most important asset in an organization, including monetary and other tangible and intangible assets that ensure an organization to run its activities smoothly and maintain its performance at high level. Due to the political and economic changes, as well as global competition; it is hard for any organization to maintain its effectiveness and efficiency, particularly for the public organizations. Limited resources, complexity of social issues, changes in demographic and globalization are among other limitations that need to be concerned by the organizations, therefore, the urgency to take proactive steps must be done by organizations in order to sustain their performance. Furthermore, public organizations need to face the fact of increasing demand by the public, to be more responsive towards the changing environment and serve high quality public services as promised.

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INTRODUCTION

Organizational Citizenship Behavior (OCB) is one of the work behavior engages with the employees' commitment and responsibilities towards organization. According to Organ (1988), organizational citizenship behavior is defined as "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 organizations", or more famously known as the term "good soldier". In simpler words, organizational citizenship behavior can easily be understood as various forms of cooperation and helpfulness to others that support the organizational social and psychological context (Organ, 1997).

Organizations excel when their employees are willingly to do more than what they are supposed to do, whether it is directed towards individuals or towards the organization (McShane, Olekalns, & Travaglione, 2013). Thus, Dennis W. Organ (1988) had outlined five common types of organizational citizenship behavior, known as; altruism, courtesy, sportsmanship, conscientiousness and civic virtues. These common behaviors occur naturally, perceived by the surroundings and the feeling of belongingness between the employees and the organization.

Gephardt and Van Buren (1996) defined organizational performance as the achievement of organizational goals in pursuit of business strategies that lead to sustainable competitive advantages. Therefore, High Performance Organization is a scientific framework that measures an organization performance by using balanced scorecard. How does the organization maximizing their outputs and minimizing the use of inputs, producing high quality of services, developing employee empowerment and maintains its standard performance over the years.

Andre de Waal defined High Performance Organization in his work, *The Characteristics of High Performance Organization* (2007), "a High Performance Organization is an organization that achieves financial results that are better than those of its peer group over a longer period of time, by being able to adapt well to changes and react to these quickly, by managing for the long-term", by setting up an integrated and aligned management structure, by continuously improving its capabilities, and by truly treating employees as its main asset.

Achieving high performance organization in public sector has been heavily discussed by the scholars in the past years. Various programs and attempts been conducted in order to achieve great performance among the public sectors organization.

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There is growing number of demands for methods that enable organization to achieve sustainable high performance, predominantly; the demands were made by the private sectors (de Waal, 2010).

Therefore, the public sector must stay aligned with the highly active private sector as well as to achieve sustainable high performance. The public sector main customer is the public, and its main service is to serve the people. Fulfilling the people satisfaction is the main business for the public service organization.

Trust is another element of beliefs that organizations need to obtain from the employees. It has been tested by several researches that trust has a strong influence on the organizational performance in the form of effectiveness and efficiency, as well as in building a good relationship between the employees and employers (Starnes, Truhon & McCarthy, 2005).

Thus, trust has the mediating role between Organizational Citizenship Behavior and High Performance Organization. Trust is linked with OCB and HPO, as one of its elements related to the human working behavior, such as in trust is one elements of quality management, whereas it is also one the criteria that proved one employee engaged into OCB.

Problem Statements:

Organizations must know how to coordinate and focus the behavior in ways that differentiate them from other competitors. They need to understand the capabilities requirement by creating appropriate organizational designs and management system (Lawler, 2005). The skill to adapt in changes is important for organization to meet high performance standards (Azmi Ali, 2010).

Therefore, it depends on the organization itself to make changes and set the performance standards for organization and its employees. The biggest achievement of an organization in the process of change is when the employees are willing to accept and follow the new changes according to the standard set by the organization.

High Performance Organization (HPO) has outlined its five factors; one of it is openness and action orientation. An organization must be willingly to accept and adapt any change occur in the environment, as well as letting the employees to know about the current situation of the organization. Through this process, it will help to develop emotional sentiment from the employees toward the organization, which leads to employee engagement, goes beyond their respective job description and responsibilities.

In order to facilitate the change in the organization, trust must come into the frame. Trust helps to ease the process of accepting new changes within organization. During change, employees' trust is one of the key factors that measure organization's success and failure to change.

Under the New Public Management (NPM) (Pollit, 2003), one of the main goals is to be transparent, applying the performance management

set as the benchmark for the public sector organization in serving the people. Serving the people is the core business for the public sector organizations, as the executors for the government.

Therefore, a growing number of demands to improve the service and performance of the public sectors organization has been emerged rapid, especially in coping up with the advancement of the technology and era of globalization, means that the competition does not arise only in between the country's boundary, but as well as other foreign countries.

Research Questions:

This study aim to answer these following questions:

1. What is the dimension of Organizational Citizenship Behavior (OCB) and High Performance Organization (HPO)?
2. Do organizational citizenship behavior relates to high performance organization?
3. Do the dimension of organizational citizenship behavior relates to high performance organization, together with the mediating effect of trust?
4. To what extent which trust mediates among organizational citizenship behavior affects towards high performance organization?

Research Objectives:

Overall, the objectives of this study are to determine the relationship between the organizational citizenship behavior and high performance organization among the public servants. Particularly, this study has four main objectives:

1. To explore the dimensions of organizational citizenship behavior and high performance organization.
2. To determine the relationship between organizational citizenship behavior and high performance organization.
3. To investigate the relationship between organizational citizenship behavior and high performance organization, together with the mediating effect of trust.
4. To determine the extent in which trust mediates among the organizational citizenship behavior and high performance organization.

Literature Review:

Organizational Citizenship Behavior:

In the mid of 1960s, Katz (1964) identified three basics types of behavior that are crucial for an organization to function well; (a) people must be induced to enter and remain within the system; (b) they must carry out specific role requirements in a dependable time frame; and (c) there must be innovative and spontaneous activity that goes beyond designated role prescriptions. These three basic behaviors are called for daily acts of cooperation, helpfulness, suggestions, gestures of goodwill, and altruism (Katz, 1964). Thus, organizations is said need to promote these spontaneous acts to maintain a

form of equilibrium that includes accommodating to the work needs of others (Katz, 1964).

Later in 1980s, Bateman and Organ (1983) used the term organizational citizenship behaviors (OCB) for Katz's extra-role behavior category. Therefore, Organ (1988, p.4) defined Organizational Citizenship as "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." Thus, it implies that OCB is an act out of the job or task responsibilities of an individual, but merely done as an act of help towards others, without any intention of receiving any credits or bonus pay. The definition was constructed on the premise that organization can improve their efficiency and effectiveness by contributing to innovativeness, adaptability, and resource allocation of their employees (Organ, 1988).

According to Katz and Kahn (1978), OCB is important for organization, as it is not only related on job performance of an individual, but it also takes place in the overall performance of an organization (Bateman & Organ, 1983). Thus, it proved that OCB studies are important for organization, as employees are the main asset for organization; having employees with full dedication and loyal, are the criteria that essential for organizational efficiencies.

Organizational Citizenship Behavior (OCB) is known as a science that studies human behavior in an organization and how these behaviors affect their organization. OCBs are also be meant as intentional employees behaviors that are discretionary and typically not recognized or rewarded, but nonetheless improve the functioning of the organization, for instance, exceeding the role expectations in attendance and work; and helping others with their job (Organ, 1997). Then, Organ (1988) introduced the five dimensions of OCB; altruism, conscientiousness, sportsmanship, courtesy and civic virtue.

William and Anderson (1991), in their empirical study suggested that OCB be categorized into two, which are Organizational Citizenship Behavior-Organization (OCB-O) and Organizational Citizenship Behavior-Individual (OCB-I). Organizational Citizenship Behavior-Organization (OCB-O) behavior is said to be benefitting the organization as a whole, whereas, Organizational Citizenship Behavior-Individual (OCB-I) behavior is said to directly benefitting certain individuals and indirectly contributing to the organization as well.

OCB-O includes the dimensions of sportsmanship and civic virtues, which directly linked with overall organizational performance, OCB-I, on the other hand, covers the dimensions of altruism, conscientiousness and courtesy, which these behavior directly linked with individual's job satisfaction and performance.

According to Evans & Davis (2005), in their empirical studies on the relationship between high performance work system and organizational performance, they found that employees whose are "good citizen" are likely to devote their time and

energy to ensure knowledge is exchanged, understood and integrated.

Moreover, these two dimensions in OCB-O seen as suited to reduce the effects of casual ambiguity. For example, employees exhibiting civic virtue keep abreast of industry developments, monitor the external environment, and participate in organizational planning.

High Performance Organization:

The ability of an organization to sustain the delivery of quality products and services is essential to its long-term success (Owen *et al.*, 2001). According to de Waal (2005) defined "a High Performance Organization is an organization that achieves financial and non-financial results that are exceedingly better than those of its peer group over a period of time of five years or more, by focusing in a disciplined way on that which really matters to the organization."

The definition shows that how an organization performs its operations effectively and efficiently over certain period, better than its competitors.

Andre de Waal (2010) has underlined five major factors of High Performance Organization (HPO), such as: Management Quality; Openness and Action Orientation; Long-term Orientation; Continuous Improvement; Workforce Quality.

Furthermore, the organization will help to inspire the employees to develop and enhance their own skills in order to accomplish their own work with great results, as well as be accountable for their own performance so that they could be creative in their own productive ways to obtain desired results.

High Performance Work System:

High Performance Work Systems can be defined as high involvement or high commitment organizations, which use a distinctive managerial approach, enable high performance through the employees. According to Lawler (1992), High Performance Work Systems also called as "high-involvement" or "high-commitment" (Arthur, 1992) practices, that are a set of human resource management practices that gives employees the skills, knowledge, and motivation to help an organization gain a competitive advantage.

Wang & Verma (2008), a high performance organization must have a High Performance Work System, which it is a system of human resources management practices that offers employees the skills, knowledge and motivation to improve productivity in order to help an organization achieve competitive advantage.

Moreover, Cooke (2001) stated that HPWS practices contribute to improvements in employee performance as well as organizational performance through three interrelated causal routes, which are; (a) developing employee skills and abilities; (b) increasing employees' motivation for discretionary effort; and (c) providing employees with the opportunity to make full use of their knowledge, skills and other attributes in their jobs.

Whereas Danford *et al.* (2008), the management which adopts high commitment, high performance work practices are expectedly results in “mutual gain” for workers and employers. Hence, just being aligned with the organizational goals; it is not enough to ensure HPWS will be successful. Therefore, HPWS must have the interest of the employees in the organization as well (Azmi Ali, 2010)

Past researchers argued that HPWS must be depending on the initiatives and ideas from highly committed workforce in order to succeed (Osterman, 1995, pg 685). Moreover, employee involvement provides an example of one type of HPWS that need to be aligned with both the interests of the organization and its employees.

Thus, organizations which initiating to implement employee involvement programs for improving efficiency and increasing productivity need to find alternatives to encourage employee loyalty and commitment, as well as work-life balance benefits (Azmi Ali, 2010).

Various arguments have been developed to explain the relationship between HPWS and organizational performance. For instance, Pfeffer (1998) argued that HPWS reduce administrative expenses by empowering employees further down in the hierarchy, thus eliminating levels of management.

Organizational Performance:

Organizational Performance (OP) is measured by some profit or market value-related measures (Muduli, 2014). Most of the researchers have been using market based measures of financial performance as accounting-based profitability indicators seem to be subject to numerous biases (Huselid, 1995). Organizational performance is measured by testing how efficient an organization managed its operation and management.

Efficiency is basically about on how an organization do the right things, instead of doing things right. Efficiency helps organization to achieve better financial performance, as improved organizational efficiency is achieved through the reduction of administrative overhead costs (Evans & Davis, 2005).

Trust:

Trust has a mediating role between Organizational Citizenship (OCB) and High Performance Organization (HPO). Trust is one of the main elements in both OCB and HPO, as it is a part of human behavior that is inseparable between the relationship of human being and organization.

The concept of trust was first introduced during late 1940s on the study of the effects of trust within the labor field, between the managers and union workers (Wilson & Sichelsteil, 1949) Later in the 1960s, researchers began to show interest on the importance of many different dimensions of superordinate-subordinate relationship (Real, 1962).

Thus, laboratory experimenters began to research how these relationships could influence training and development programs and strengthen interpersonal and group functions within an organization (Zand, Steele & Zalkind, 1969). The effects of the training programs on trust between superordinates and subordinates lead researchers to find that the level of trust the subordinate held towards his superordinate directly influenced how much information was communicated in regard to the workplace actions, such as workplace problems, updates or concerns (Real, 1962). Since then, the study on the effects of trust has been developed by many researchers on various fields.

Trust is a part of social science study, that referred as to a situation characterized by the few aspects, which are; a trustor is willing to rely on the actions of another party (trustee); the situation is directed to the future; the trustor (voluntarily or forcedly) abandons control over the actions performed by the trustee (Mayer, Davis & Schoorman, 1995; Bamberger & Walter, 2010).

Trust is crucial for organization to motivate productive working relationships and leading to a competitive advantage for the organization (Braddach & Eccles, 1989; Creed & Miles, 1996; Ring & Van de Ven, 1994; Wicks, Berman & Jones, 1999). Thus, it shows that trust is also related to employee attitudes such as job satisfaction (Andeleeb, 1996; Rich, 1997) and organizational commitment (Yamagichi, Cook & Watabe, 1998) and last but not least, customer satisfaction (Chow & Cholden, 1997; Swan, Bowers & Richardson, 1999).

Trust is a psychological state with both effective and motivational components and crucial for organization performance and efficiencies (Kramer, 1999). Moreover, high commitment associated with higher levels of perceived fairness in how employees are being treated, management delivers on promises, strong job security feelings and higher level of trust (Guest, 1999).

Mayer, Davis & Schoorman (1995), proposed a new definition of trust after considers few of the implications from the previous definitions of trust by past researchers. They defined trust as, “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action to the trustor, irrespective of the ability to monitor or control that other party.” Thus, this definition is said to be applicable to a relationship with another party who is perceived to act and react with will toward the trustor.

Petrella (2013) outlined three types of trust referents, known as interpersonal trust, organizational and overall trust. Interpersonal trust emphasized on the individual’s perceptions of trust that exist towards leaders, negotiators, coworkers, or subordinates (Caldwell & Hansen, 2010). Organizational trust is a part of the individual’s level of trust with the organization itself (Altuntas & Baykal, 2010).

Lastly, overall trust focuses on any measurement that includes studies assessing more than one definition of trust (Dirks & Ferrin, 2002).

Methodology:

For this study, the research proposed to use descriptive and quantitative approaches. Descriptive study is “designed to collect data that describe the characteristics of persons, events, or situations”, while the causal study is a study whereby the “researcher is interested in delineating one or more factors that are causing the problem” (Sekaran & Bougie, 2013, p. 97-98).

On the other hand, the quantitative approach is used to answer the relationships of the measured variables with the aim to explain, predict and control the situation (Leedy & Omrod, 2005).

Conclusion:

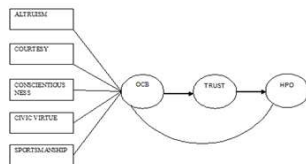


Diagram 1 above shows the research framework of the mediating effect of trust in the link of organizational citizenship behavior (OCB) and high performance organization (HPO). This conceptual framework shows on how the trust (MV) mediates the two variables of organizational citizenship behavior (IV) and high performance organization (DV).

Other than that, from the framework, it shows the direct relationship between organizational citizenship behavior and high performance organization.

This proposed framework shows on how the trust (MV) mediates the two variables of organizational citizenship behavior (IV) and high performance organization (DV). Other than that, from the framework, it shows the direct relationship between organizational citizenship behavior and high performance organization.

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