

## Relationship between Leader-Member Exchanges with Organizational Citizenship Behaviour

**E. S. Jaya** (edojaya@hotmail.com)  
University of Indonesia, Depok, Indonesia

**W. L. Mangundjaya** (wustari@yahoo.com)  
University of Indonesia, Depok, Indonesia

### Abstract

An organization's success is influenced by its performance and one way of enhancing organizational performance is by improving the workers' rate of Organizational Citizenship Behavior (OCB). In this regard, most research on OCB has been done in the West and there has been little research on Indonesian specific OCB, even though Organ, Podsakoff, & MacKenzie (2006) have stated the frailness of OCB theory in the face of cultural differences. Consequently, Team 9 compiled a set of Indonesian specific dimensions of OCB in 2009 from both the Western (Podsakoff, MacKenzie, Paine, & Bachrach, 2000) and Eastern dimensions (Farh, Earley, & Lin, 1997; Farh, Zhong, & Organ, 2004) of OCB. The objective of this research was to examine the relationship between OCB and leader-member exchange (LMX) - the importance of the leader's relationship with the workers, by using the newly composed OCB Questionnaire. The sample consisted of 235 permanent staff who worked at financial institutions in Jakarta, Indonesia. The results showed a significant and positive correlation between LMX and OCB. The result suggests that the leader plays an important role in the employee's OCB in Indonesia.

**Key words:** Organizational Citizenship Behavior, Leader-Member Exchange, Indonesian OCB.

Along with the trends of globalisation and fast technological progress, competition between organisations has intensified. Such intense competition drives organisations to keep improving in every aspect. To have an edge in performance, human resources and organisational management are key. Cascio (2003) stated that the staff's performances are directly linked to the organisation's performance.

Katz and Kahn (1966) categorised worker's performance as in-role and extra-role (Organ, Podsakoff, & MacKenzie, 2006) behaviours. In-role work behaviours are about workers' completing tasks that are listed formally in their job descriptions. On the other hand, extra-role work behaviours are other work behaviours beside in-role behaviours that also help and promote the success of the organisation. Organ (1988) developed a more precise construct to explain extra-role work behaviours and called it Organisational Citizenship Behaviours (OCB) (Podsakoff, MacKenzie, Paine, & Bachrach, 2000).

The definition of Organisational Citizenship Behaviours (OCB) involves three main criteria; the behaviour must be discretionary, not explicitly acknowledged by the organisation's formal reward system, and when amassed, it must promote the efficient and effective functioning of the organisation (Organ et al., 2006). To operationalize the definitions for research and other purposes, researchers often develop the dimensions of OCB. There are many sets of OCB dimensions. Podsakoff et al. (2000) classify nearly 30 potential sets of dimensions and Organ et al. (2006) found 11 sets of OCB dimensions and measures. Although many of them have overlapping features or dimensions, they focus on different aspects and have been developed in different settings. Organ et al. (2006) summarize the various sets of dimensions into seven common dimensions: helping, sportmanship, organizational loyalty, organizational compliance, individual initiative, civic virtue, and self-development.

OCB is closely linked with culture in the work/organisational context (Organ et al., 2006). Different cultural or work/organisational settings may emphasize different aspects of OCB. Farh, Earley, and Lin (1997) were one of the first to investigate OCB in a global context and to develop an indigenous OCB measure in Taiwan. Their findings showed both universal (etic) and particularistic (emic) aspects of OCB. The emic dimensions of OCB were very much rooted in Chinese culture that emphasizes family collectivism and interpersonal

harmony. Farh et al. (2004) again attempted an inductive and indigenous approach to develop OCB dimensions in China. Many of the dimensions were related to their previous findings, and the exact behaviours that constructed these dimensions were specific to the Indonesian cultural settings. For instance, helping dimensions in China unlike in the United States included helping that occurs in the non-work contexts as well as the work contexts.

Research on OCB has mostly been concerned with its relationship to other constructs, that is its antecedents and consequences (Podsakoff et al., 2000). Leader-Member Exchange (LMX) is one of the strong OCB antecedents (Organ et al., 2006). LMX is a leadership construct that explains to leaders' behaviours in terms of the quality of relationships with their subordinates (Schriesheim, Castro, & Cogliser, 1999). Even though different researchers have different definitions of LMX, most agree that it is about the quality of relationship between leaders and subordinates (Schriesheim et al., 1999).

The dimensionality of LMX has been debated. Graen and Uhl-Bien (1995) stated that the LMX dimensions are highly intercorrelated, and therefore appropriately measured with a single, unidimensional measure. In contrast, Dienesch and Liden (1986) showed that LMX dimensions are independent from each other, thus supporting a multidimensional measure of the construct. This debate is probably solved by Liden & Maslyn's (1998) research which showed that LMX dimensions are independent and LMX is better measured using their multidimensional measure. The four dimensions are professional respect, loyalty, affect, and contribution. Unlike OCB, little concern has been expressed regarding LMX and culture so far, perhaps because LMX is a relatively new construct and reflects very general behaviours. Nevertheless, the antecedents and consequences of OCB are also likely influenced by culture.

There has been no published study, to our best knowledge, regarding the relationship between LMX and OCB in Indonesia although research has shown that they are related in the West. There are some reasons to doubt that such a relationship exists in Indonesia. First, good leader-member relationships are very much taken for granted in Indonesia due to the strong social norm. Thus, to be in just a 'normal' relationship with the leader could imply having a negative relationship. Second, Indonesians believe that most people are materialistic, in the sense that they only work or exert effort for something that they are paid for; thus being in a good relationship with one's supervisor is not enough to stimulate extra effort. The objective of this research was to examine the relationship between OCB and LMX by using a newly developed OCB Questionnaire.

## Method

### Participants

The participants were permanent staff who had worked for a minimum of 2 years in their respective financial organisations in Jakarta, Indonesia. It was important that participants were permanent staff because temporary staff do not have the same OCB (Moorman & Harland, 2002). The age of participants was limited to those between 25-45 years old because this is considered the productive age. At a younger age, choices are not very stable, while at an older age (above 45) people are usually preparing for their pension. To avoid mismatches of OCB theories with non-profit staff work behaviours (Doyle, 2006) the chosen organisations were profit oriented.

The gender distribution was quite even; 52.3% men and 47.7% women. Participant work positions were mostly general staff (87.7%), with only a few employed at the managerial level (12.3%). The highest level of education obtained ranged from masters degree (4.3%), bachelor degree (82.6%), 3 years Diploma (9.4%), 1 year Diploma (0.4%), High school/vocational (2.1%), to others (1.3%). The participants' work length ranged from 2-10 years (75.7%) and above 10 years (24.3%).

### Procedure

The researcher prepared questionnaires to be sent to four organizations. The contact person in each organisation then distributed the questionnaires in his/her office to those who were permanent staff and had worked at the organization for a minimum of 2 years. Out of the 500 questionnaires distributed, 291 were returned, of which 235 could be used for analysis.

## Measures

The survey comprised a demographic section, LMX measure, and OCB scale. The demographic section asked the participants' gender, age range, work length in the organisations, work positions (staff or managerial), and highest level of education.

The LMX questionnaire was adapted from Liden & Maslyn (1998). Some items were changed to be more related to the Indonesian context, but were still consistent with the definition of each dimension. Due to technical problems, only 10 items were retained for the analysis. Responses were made on a 6 point Likert-type scale. The reliability of the measure was quite good (Cronbach  $\alpha=.90$ ).

The OCB items were developed with respect to the Indonesian cultural setting. In attempting to develop an indigenous OCB questionnaire, the researcher looked for all the OCB dimensions ever published in the literature by looking at OCB reviews (Podsakoff et al., 2000; Organ et al., 2006) and the Eastern version of OCB (Farh et al., 1997; Farh et al., 2004). The researcher with expertise in psychometry and several students that are doing their thesis on this topic discussed all the dimensions and decided several points. First, to integrate all dimensions while avoiding redundancy, the similarities and differences among dimensions were to be established. Each dimension's precise relevance to Indonesia was the criterion used for choosing between two or three similar dimensions. Second, dimensions that were considered irrelevant to Indonesian settings were discarded. This was judged by independent consultation with practitioners (ie. Managers in profit based organisations) and researchers' past experiences in Indonesia. The resulting dimensions were a combination of Podsakoff et al. (2000), Farh et al. (1997), and Farh et al. (2004). The dimensions retained were altruism towards colleagues, identification with the company (Farh et al., 1997), sportivity (Podsakoff et al., 2000), taking initiative, self-development, protecting company resources, and interpersonal harmony (Farh et al., 2004). The OCB questionnaire consists of 21 items including three items for each dimension, with a 6-point Likert-type response format. The reliability for the OCB questionnaire was quite good ( $\alpha=.95$ ).

Survey research in Indonesia, particularly within organisations, must always be cautious about high concerns with social desirability, due to the strong social norms to look good and kind. To deal with this issue, social desirability of the measures was examined using an Indonesian version of Strahan-Gerbasi Short Form Social Desirability Scale, comprising 10 true/false statements (Jaya, Hartana, & Mangundjaya, 2010). The resulting correlations from 41 participants (sharing the same characteristic as the participants mentioned above) showed that neither the LMX nor OCB measured social desirability; correlation coefficients were lower than .20 (Aiken & Groth-Marnath, 2006).

## Results

First, the analysis examined the descriptive statistics of the LMX and OCB measures. Means were computed by averaging the scores from each item on the relevant dimension. From the means (see Table 1), it can be observed which dimensions are particularly characteristic of Indonesians. For the OCB dimensions, altruism towards colleagues is the highest scored, while taking initiative and self-development is the lowest. With the LMX, loyalty is the highest and contribution is the lowest scored dimension.

**Table 1**  
*Descriptive Statistics for the LMX and OCB Questionnaires*

	Mean	SD
Overall OCB	3.77	0.75
Self-development	3.64	1.40
Interpersonal harmony	3.78	1.18
Altruism towards colleagues	3.94	1.05
Identification with the company	3.81	1.10
Sportivity	3.83	0.96
Taking initiative	3.66	1.34
Protecting company resources	3.73	0.83
Overall LMX	4.02	0.75
Professional Respect	3.96	0.75
Loyalty	4.21	0.88
Affect	4.08	0.96
Contribution	3.80	0.92

Next, we conducted a multiple correlation analysis of the LMX dimensions to the overall OCB scores, as LMX was multidimensional and OCB unidimensional. A multiple correlation between the four LMX dimensions and the overall OCB score showed a positive and significant relationship ( $r=.34, p<.01$ ). To find out which of the four dimensions of OCB contribute the most, a partial correlation was conducted. There was no significant relationship between OCB and professional respect ( $r=.10, p>.05$ ), loyalty ( $r=.08, p>.05$ ), and affect ( $r=.08, p>.05$ ). However, the contribution dimension of LMX correlated significantly and positively with OCB ( $r=.17, p<.05$ ).

## Discussion

This research showed that LMX and OCB are correlated in Indonesia. This suggests leader behaviours are important for OCB in Indonesia as well as in other cultural settings, such as North America. Our result strengthens a view that OCB elements are universal.

The different levels of means in the dimensions of OCB and LMX may reflect the unique Indonesian culture. Altruism towards colleagues (i.e., helping colleagues who are experiencing some difficulty) emerged as the highest level dimension of OCB. This is in line with the Indonesian philosophy of *gotong royong*. *Gotong royong* emphasizes the importance of helping each other as the most important factor in living in the society (Bowen, 1986). Suyono (2008) also observed that the *gotong royong* philosophy of life is manifested in helping behaviours toward others in need. Another interesting finding was that self-development and taking initiative had the lowest means. A common element in all three (altruism towards colleagues, self-development, and taking initiative) is taking the initiative to contribute to the organisation. The word 'initiative' (or a lack thereof) has always been a feature of Indonesian work culture that is particularly noted by expatriates, especially those from Western countries (Whitfield, 2009). Barr (1996) observed that Indonesians do not like to take initiative, especially for difficult tasks. This phenomenon might also be explained by Moorman and Blakely's (1995) findings that collective cultures tend to score low on OCB dimensions that reflect initiative.

Unlike previous OCB research in Indonesia which may not have captured all OCB dimensions (e.g., Purba & Seniati, 2004), this research successfully captured all OCB dimensions by using OCB items specific to Indonesian. The independent consultations with practitioners was fruitful as this allowed us to identify aspects of OCB that have been assumed relevant in the West but are nonetheless perceived by cultural experts

to be impractical or unusable in Indonesia (i.e. Courtesy dimensions). Courtesy is something that is expected in Indonesian culture; failure to show courtesy or 'correct' behaviours are punishable by the institution. Thus, courtesy is closer to in-role work behaviours rather than something extra in Indonesian culture.

This research is the first attempt in Indonesia to develop an Indonesian measure of OCB. Though many limitations exist in this project, the good reliability of the new measure of OCB suggested some success in this approach. More research using the Indonesian and Eastern versions of OCB is needed to advance our understanding of OCB in particular cultural contexts and further, to reveal the universal dimensions of OCB.

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