

Leader-Member Exchange and Organizational Citizenship Behavior: A Survey in Iran's Food Industry

DR. ABBAS ALI RASTGAR*, NINA POUREBRAHIMI**, SEYED MEHDI MOUSAVI DAVOUDI***

The current study was conducted in Iran, and aimed to analyze the relationship between Leader-Member Exchange and Organizational Citizenship Behavior of Golfreez food Production Company. The statistical population of the present study includes all employees of the mentioned company. A total of 121 questionnaires were distributed among the employees and 106 usable questionnaires were returned. The research method used for this study is descriptive-correlation. Further, the analysis was carried out utilizing Structural Equation Modeling (SEM) methodology by Lisrel 8.5 software. The factors analysis and the findings show that Leader-Member Exchange has a significant positive influence on Organizational Citizenship Behavior of employees. The results of the present study provide further insight for managers of organizations on improving the quality of their relationships with employees to achieve competitive advantages.

Keywords: Leader-Member Exchange, LMX, Organizational Citizenship Behavior, OCB, Iran.

Introduction

According to Organ (1988), organizational citizenship behavior is discretionary behavior, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization. In other words, according to Davoudi (2012), it is essentially the activities employees take that are above and beyond what is expected of them, and which do not give them any explicit reward. It is accepted that successful organizations have employees who go beyond their formal job responsibilities and freely give of their time and energy to succeed at the assigned job. There is consensus in this particular field that organizational citizenship behavior addresses silent behaviors for organizational enterprises (Barbuto et al., 2001). According to Podsakoff et al. (2000), organizational citizenship behavior helps maximize the organizational performance

of firms and today's organizations could not survive or prosper in such competitive environment without their personnel behaving as good citizens by engaging in all sorts of positive behaviors. Further, Organ (1988) claimed that organizational citizenship behavior can maximize the efficiency and productivity of both the employee and the organization that ultimately contribute to the effective functioning of an organization. Since this is the main goal of all organizations, it benefits managers to understand how various variables influence organizational citizenship behavior.

In this paper, we focused on Leader-Member Exchange. There is little attention given to research on the relationship between Leader-Member Exchange and organizational citizenship behavior especially in food industry. Thus, the present study tries to propose a framework on the mentioned topic among the

*Assistant Professor, Faculty of Management and Economics, Semnan University, Semnan, Iran.

**Master of Business Management, Faculty of Management and Economics, Semnan University, Semnan, Iran.

***Executive Master of Business Administration, Faculty of Management and Economics, Semnan University, Semnan, Iran.

employees of Golfreez food Production Company in Iran.

Literature Review

• **Leader-Member Exchange Theory:** Leader-Member Exchange Theory (LMX) is a leadership theory that focuses on the two-way relationship between a supervisor (manager) and each of their subordinates (employees) and contributes to increasing organizational success by creating positive relations between the leader and subordinate. According to Truckenbrodt (2000), the main concept of LMX theory is that a manager inevitably forms a separate two-way relationship with each of their employees. This relationship between manager and each employee will emerge in the form of either a high quality or low quality LMX relationship. Employees in a high quality LMX relationship are referred to as in-group members, whereas, employees in low quality LMX relationships are considered out-group members. For managers of any organizations is to establish as many high quality LMX relationships with their employees as possible to help increase overall organizational productivity.

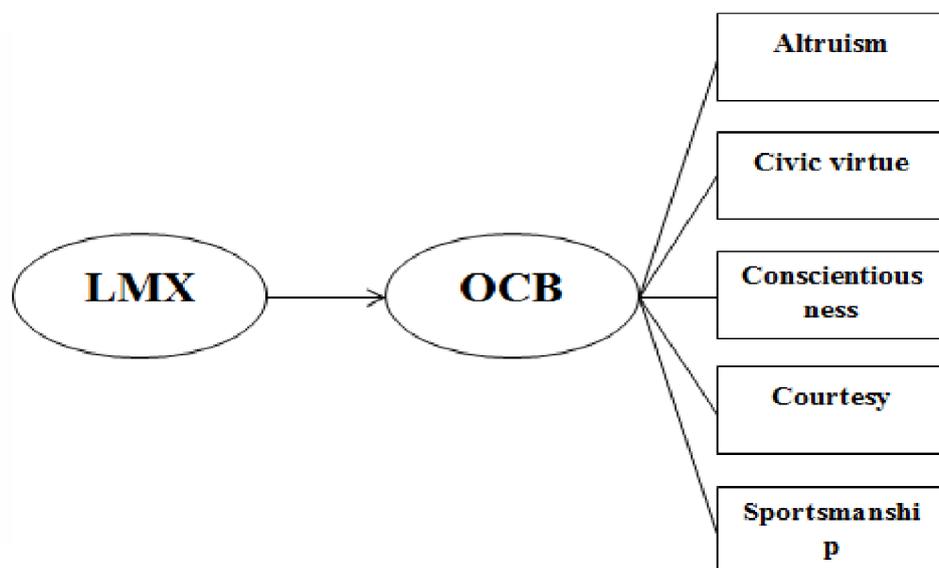
• **Organizational Citizenship Behavior:** According to Davoudi (2012), the concept of OCB has generated considerable amount of attention in today's studies. According to Podsakoff et al. (1997), this widespread interest in OCB stems from the fact that OCB contributes to improved organizational effectiveness. Researchers have theorized that the effectiveness of organizations is likely to be increased when employees go above and beyond the call of duty to aid fellow workers in order to achieve organizational goals (Organ, 1988). Further, according to Organ (1988), organizational citizenship behavior is work behavior that is discretionary and not directly or explicitly recognized or expected of the employee.

Research Hypothesis and Model

Taking into account the above mentioned literature, figure 1 shows the conceptual model of the study which involved the relationship between Leader-Member Exchange as independent variable and Organizational Citizenship Behavior as dependent variable.

H: Leader-Member Exchange has a significant positive influence on Organizational Citizenship Behavior of employees.

Figure-1 Conceptual Model of Research



Methodology

- **Statistical Population:** Statistical population in this research includes all employees of Golfreez food Production Company. After distribution of 121

questionnaires, 106 usable questionnaires were returned. Table 1 shows the descriptive statistics of the respondents.

Table-1 Description of the Respondents

Item	Description	Frequency	Percentage
Gender	Male	84	79%
	Female	22	21%
Age	Below 30	36	34%
	31-40	45	42%
	Above 41	25	24%
Education	Diploma	33	31%
	STP	28	26%
	Bachelor	41	39%
	Master & PhD	4	4%

- **Instrument:** In order to collect the necessary data, a questionnaire was used to test the hypothesis of the study. The questionnaire consists of three sections. The first part includes 3 questions about demographic information of the respondents (table 1). In the second part, we used 10 questions to measure the quality of LMX in company. Further, in the third part, we used 24 questions developed by Podsakoff et al. (1990) to measure organizational citizenship behavior. We used five-

point Likert type scale for all the items. Response categories range from 1 (strongly disagree) to 5 (strongly agree).

- **Reliability and Validity:** The summary statistics of formal survey are shown in Table 2. For reliability evaluation we utilized Cronbach's alpha. The Cronbach's alpha reliability of two scales are more than 0.7 ($\alpha > 0.7$), which indicates the scales demonstrate good reliability.

Table-2 The Summary Statistics of Formal Survey

	N	Mean	Std. Deviation	Cronbach's Alpha
Altruism	5	4.2566	.64306	
Civic Virtue	4	4.0236	1.25477	
Conscientiousness	5	4.2792	.73429	
Courtesy	5	4.1170	.63598	
Sportsmanship	5	4.1509	.66408	
OCB	24	0.824
LMX	10	0.774

For evaluating the validity of the questionnaires, we used content validity and construct validity. Content validity assured us that all aspects and parameters that impact on main content were evaluated. In order to test the content validity after devising a framework for the questionnaire, we asked 10 experts to modify it if needed. These experts evaluated all the implemented criteria in the questionnaire and modified it.

In this research we used factor analysis for considering the structure of research. Confirmatory factor analysis was used to investigate the construction of the questionnaire. Factor analysis depicted that all the mentioned criteria are measured in these questionnaires. Based on Joreskog & Sorbom (1989), Chi-Square/df ≤ 3, p-value < 0.05, and RMSEA ≤ 0.10 show that the

measurement model provides a reasonable fit to the data.

Results

This study tends to investigate the relationship between Leader-Member Exchange and Organizational Citizenship Behavior. The relationship between research variables was tested using the SEM technique that is explained below. For testing our hypothesis, we performed our structural model applying 10 questions of LMX and 24 questions of OCB. Figure 2 shows the results of the SEM analysis which indicates the relationship of LMX and OCB. Moreover, figure 3 shows the t-value of the analysis. Based on the results of SEM analysis, our Hypothesis is confirmed.

Figure-2 Structural Equation Model for Core Competencies

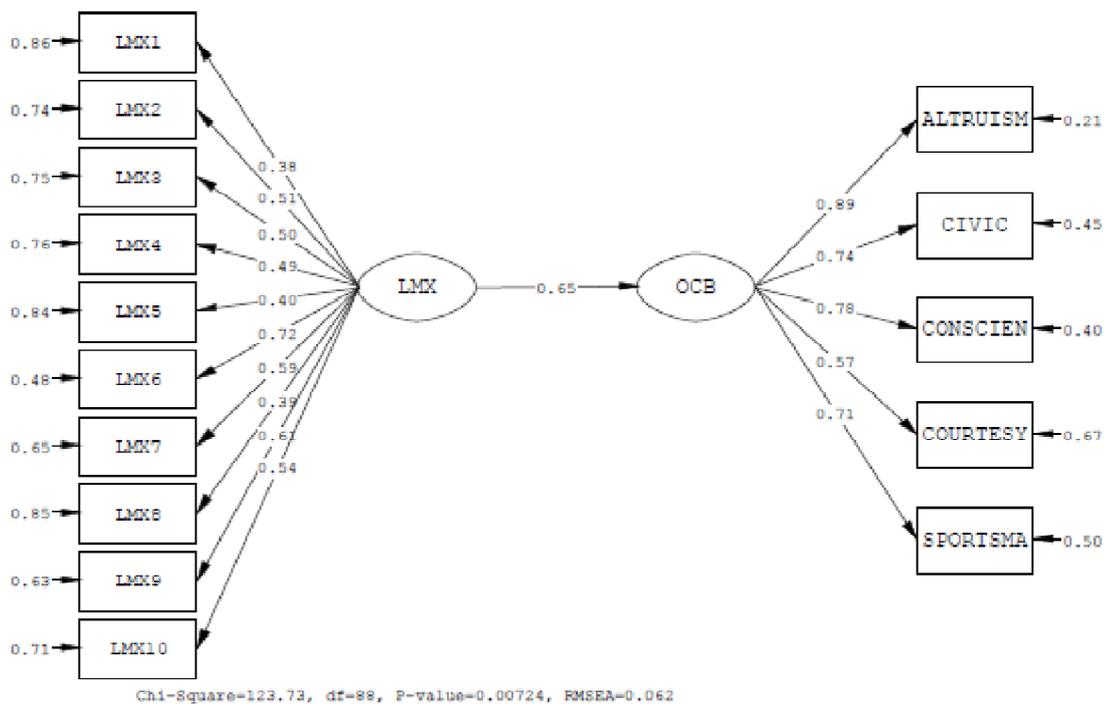


Figure-3 T-value test

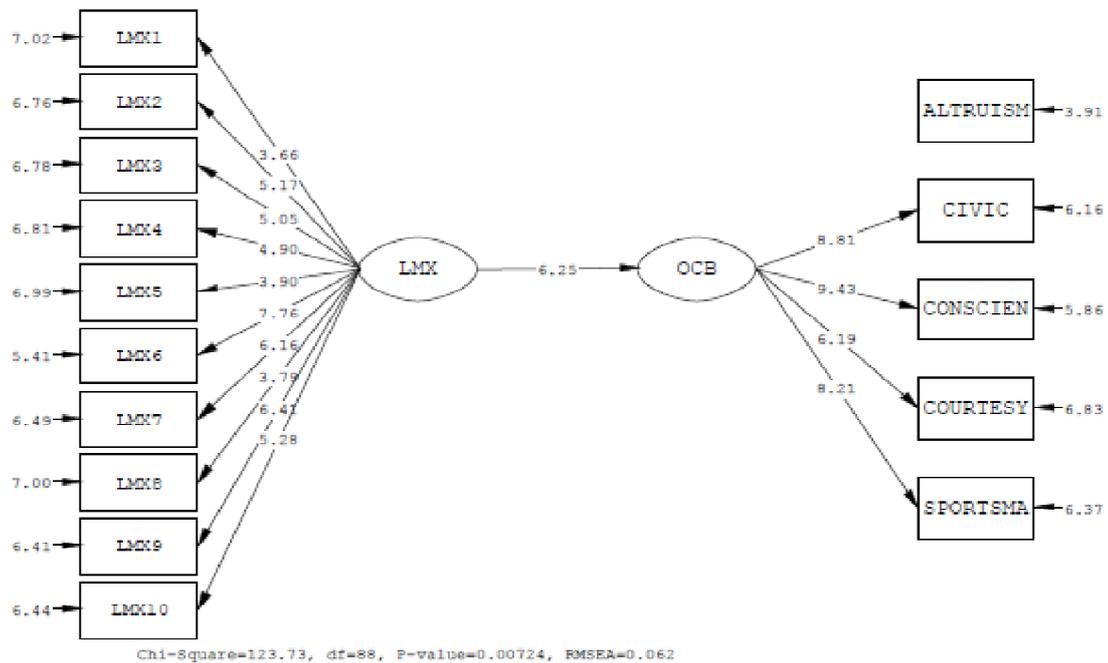


Table 3 summarizes the hypothesis test result in terms of path coefficient (standardized) and t-value.

Table-3 The result of the hypothesis test

No	Hypothesis	Path coefficient	t-value	Result
H	Leader-Member Exchange → Organizational Citizenship Behavior	0.65	6.25	Accept

Moreover, table 4 shows the Pearson correlation among behavior. LMX and five dimensions of organizational citizenship

Table-4 Pearson correlation among research variables

		1	2	3	4	5	6
1. LMX	Pearson Correlation	1					
	Sig. (2-tailed)						
2. ALTRUISM	Pearson Correlation	.460**	1				
	Sig. (2-tailed)	.000					
3. CIVIC VIRTUE	Pearson Correlation	.336**	.696**	1			
	Sig. (2-tailed)	.000	.000				
4. CONSCIENTIOUSNESS	Pearson Correlation	.415**	.679**	.603**	1		
	Sig. (2-tailed)	.000	.000	.000			
5. COURTESY	Pearson Correlation	.374**	.499**	.356**	.411**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
6. SPORTSMANSHIP	Pearson Correlation	.424**	.609**	.453**	.582**	.515**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

Discussion

The aim of the present study is to investigate the influence of Leader-Member Exchange on Organizational Citizenship Behavior of 121 employees of Golfreaz Company in Iran. Because of the positive consequences of organizational citizenship behavior, examining factors which have positive impact on employees' organizational citizenship behavior is an important issue for managers of organizations which was the main reason this research was carried out.

Factors analysis and the findings show that High quality Leader-Member Exchange has a significant positive influence on employees' OCB. Taking into account of the results of the current study, managers of organizations should pay attention to establish high quality relationship with their employees to achieve competitive advantages through employees. As confirmed, LMX has positive correlations with all five dimensions of OCB. Further, LMX has the most to the least correlation with Altruism, Sportsmanship, Conscientiousness, Courtesy, and Civic Virtue of employees.

It is important to note that there might be other factors influence the relationship between LMX and OCB. Thus, future researches can examine the effect of other variables like job satisfaction, organizational culture, organizational justice, organizational commitment and etc. to expand the model of the current research and increase the level of today's knowledge about the topic.

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