THE LINK BETWEEN ORGANIZATIONAL CITIZENSHIP BEHAVIOR (OCB) AND SUSTAINABILITY

Dhiman Deb Chowdhury, MBA
Doctor of Business Administration (DBA) Studies
Department of Management,
Aberdeen School of Business, The Robert Gordon University, UK
&
Director of Technical Program & Project Management,
Allied Telesis, Inc, San Jose, CA, USA
Email: dhiman.chowdhury@yahoo.com
Blog: http://dhimanchowdhury.blogspot.com
Homepage: http://dhimanchowdhury.com

ABSTRACT

Corporations are the DNA of modern economic life and their unparallel success in transforming earth’s resources into wealth has shaped the physical and social world we live today. However, problems arise when corporations through their behavior causes upheavals in global economy, society and environment. Despite the global legislative measures, an increasing numbers of corporations and their leaders demonstrated disdain on issues related to society and environment.

The issue here is multifold; first, corporations are lacking an understanding that “Pareto Efficiency” of competition defined in Walrasian model of economics is obsolete. Secondly, resources cannot be consumed without having regards for it’s consumption as resources are not infinite, and third, economy, society and environment are entwined. Thus concentrating on one attribute of sustainability e.g. economics is absurd and detrimental to the corporations’ own survival. Nonetheless, little has been achieved thus far to address sustainability issues. This is due to the fact that the very essence of Brundtland statement bringing together institution and human values are poorly emphasize or lost in the more complex definition of sustainability.

Initiatives of sustainability give hope to human species to exist and foster in our common biosphere. Essential to this pensiveness of hope is the integration of institutions and human values, and without corporation such integrative purview is incomplete. However, much of corporate sustainability approach is about reactive and compliance than creative and proactive competence of meeting multiple stakeholders’ needs and demands towards economic, social and environmental equity.

This paper presents a different perspective of corporate sustainability approach emphasizing the benefits of the sociological paradigm incorporating a bottom up method by means of value ingrained culture that fosters creative and proactive competence and builds capability. It is a departure from the notion of sustainability in business that is much about compliance and reactive in response.

For corporation, it means developing organizational citizenship behavior and integrating “sustainability value culture” to the integrative framework of corporate sustainability. My contention is that OCB (Organizational Citizenship Behavior), the derivatives of ingrained human values can excerpt significant influence corporate sustainability allowing the enterprise to meet multiple stakeholders’ needs and demands towards economic, social and environmental equity.

OCB has the potential to improve firm’s sustainability performance and in the very essence of being inner drive will serve dual purposes: first, it will build capability and values in an organization to effectively face endogenous and exogenous threats and secondly, it will significantly improve organization’s sustainability performance, long term growth and profitability.

The paper presents a theoretical argument that can serve as the basis for further research on OCBS (Organizational Citizenship Behavior towards Sustainability).

Keyword: Organizational Behavior, Sustainability, Corporate Sustainability, Economics, Society, Environment, OCB (Organizational Citizenship Behavior), sustainability values and Sustainability culture.
INTRODUCTION

There is a recognized and unrecognized corporate influence in our lives. Such corporate influence may happen through mass media advertisements, job opportunity, influence on public policy, governments and international economics and political agreements. Yet the greater influences come through corporation’s economic contribution to the global economy.

“Of the 100 largest economies in the world, 51 are corporations and only 49 are countries” (Anderson & Cavanagh, 2000). The revenues of fewer than top 200 corporations are bigger than combined GDP of all countries of the world excluding the top ten countries (Anderson & Cavanagh, 2000). Corporations for that matter are the DNA of modern economic life and their unparalleled success in transforming earth’s resources into wealth has shaped the physical and social world we live today (Dunphy, Griffiths & Ben, 2003). However, if they debase human life, plunder earths resources and cause economic upheaval, the actions draws serious concern.

Just as there has been interest and concern for corporate influence in global economy, so there has been a similar interest and concern for corporate influence in society and environment. The Sarbanes Oxley (SOX) act and it’s international legislative convergence efforts depicts a growing concern of corporate survival and socially responsible behavior. Romano (2004) claims that legislative measure alone is not enough to curtail corporate misbehavior towards intergenerational equity in the context of economic, social and environmental concern.

These concerns led to the creation of Brundtland Commission [formerly known as World Commission on Environment and Development (WCED)] in 1983 convened by United Nations. The report of Brundtland commission, “Our Common World” brings closer the institutions and human values in working towards intergenerational equity to support our common biosphere. The concept and hope expressed in the report defines the notion of “sustainability” as it known today.

However, without the concern for corporations and economic prosperity, environmental integrity and social equity, sustainability concept remains incomplete. These concerns led WCED to coin the term “sustainable development” in the Brundtland statement, which defines “development that meets the needs of today without comprising the ability of future generation to meet their needs” (WCED, 1987). Based on WCED’s definition and with influence from strategy and management literatures, eclectic definitions of sustainability emerged in relation to organizations and also referred to as “corporate sustainability”. Scholars purview of “corporate sustainability” thus varies, some view it from standpoint of ecological concerns (Shrivastava, 1995) or social equity concerns (Carroll, 1991) whilst other have an integrative purview of economic prosperity with organizational concern towards environmental and social equity (Dunphy, Griffiths & Ben, 2003; Dyllick & Hockerts, 2002; van Marrewik, 2003). This integrative purview of economic, ecological and social aspects is an important departure from orthodox management theory and known as “triple-bottom line” of sustainability (Dyllicks & Hockerts, 2002).

However, central to sustainability issue today is how to integrate institution and human values to derive economic, social and environmental intergenerational equity. Whether current models of the corporations are to be modified to the continuing contribution to the health of planet, survival of human and other species, the development of just and humane society” and the creation of value ingrained work that is self fulfilling to those undertaking it, is a challenge of the century (Dunphy, Griffiths & Benn, 2003).

Social science since long observed certain altruistic behaviors that seem to integrate human values with service to be endowed. Schwartz (1977) argued that altruistic behavior occurs when individuals holds personal norms with regard to specific behavior. These norms are moderated by the awareness of the result of engaging or not engaging with specific behavior. Therefore, values influence behavior when moderated by situational concern (Karp, 1996 P113). Scholars (Hopper & Nielsen, 1991; Vining & Ebree, 1992) found that recycling behavior can be predicted applying Schwartz’s altruism model. Interestingly, Dennis Organ & his colleagues also found a similar behavior that is influenced by values and moderated by situational concern in an organizational setting. Organ called it OCB (Organizational Citizenship Behavior) and defined it as “individual behavior that is discretionary, not directly or explicit recognized by the formal reward system, and that in the aggregate promotes the effective functioning of organizations” (Organ, 1988). Organ’s taxonomy of OCB included following factors: a) altruistic or pro-social behavior, b) Conscientiousness, c) Sportsmanship, d) Courtesy and e) Civic Virtues. Schwartz (1992; Schwartz & Bilsky, 1987) and his colleagues explained that behavior such as OCB are influenced by, among others, two distinct value dimensions: a) self enhancement to self transcendence and b) Intellectual and emotional realization.

“These value dimensions and motivational types may be predictive of behavior pertaining to collective good in general and environmental behavior in particulars” (Karp, 1996).

Linnenluecke & Griffiths (2009) also advocated human values and civic virtues while coining the term “sustainability culture”. Many sustainability literatures have put emphasis on organizational culture as it provides an entry point to human resources and organizational behavior to examine organization’s sustainability performance.

The challenge, Linnenluecke & Griffiths (2009) adds, is to integrate a unified set of “sustainability values” in the organizational culture. In many cases, such basic assumptions are overlooked to implement sustainability mandate for given organizations. This is due to the fact that organization’s approach to sustainability is much about a
mandate which implemented from top down. The action is more about compliance and reactive than fostering a creative, proactive competence and capability i.e embed sustainability in the values and culture of an organization. It is thus essential to foster sustainability values and pro-social behavior of working together in an organizational culture. Our contention is that OCB to this abstraction does a better job.

We believe corporation has to gain much from our proposal by linking OCB to their approach of sustainability. It serves two purposes; first, OCB builds rapport within organization and develop not only sense of belonging but improves innovation and encourages human values to develop. Secondly, it builds an organization from within to meet multiple stakeholders’ needs and demands thus addressing much of the sustainability issues. We contend that OCB (Organizational Citizenship Behavior) will influence how employee understand and enact corporate sustainability. OCB has the potential to improve firm’s sustainability performance from the purview of meeting multiple stakeholders’ needs and demands. This very essence of inner drive will serve dual purposes: first, it will build capability and values in an organization to effectively face endogenous and exogenous threats and secondly, it will significantly improve organization’s sustainability performance.

THEORETICAL UNDERPINNINGS

Our enquiry to corporate sustainability including firms’ socio-economic and environmental performance begins with due analyses of firm’s capability to address multiple stakeholder’s needs and expectations around social equity, financial and environmental demands.

The understanding and contention of the sustainability begins in the 1987 with the report, “Our Common Future” by the World Commission on Environment and Development (WCED). “The Earth is one but the world is not. We all depend on one biosphere for sustaining our lives…..yet some consume the earth’s resources at a rate that would leave little for future generations” the reports states (WCED, 1987). The report otherwise known as Brundtland statement gave birth to the concept of “sustainability”. According to Toman (1994), “Brundtland statement focuses on two issues that seem to be the common themes of sustainability”: the intergenerational equity and social capital. The later explains physical investment, investment knowledge and institutions as embodied within human capital (Toman, 1994). This very definition of sustainability in it’s uncertain, holistic and organic form was later endorsed by business leaders, politicians and NGOs at the Rio de Janeiro earth summit in 1992.

Embodied within the report are two essential elements of sustainability that central to the issue of intergenerational fairness and threat to global resources: institutions and human values.

Entities are by themselves do not make decision that detrimental to social capital and natural resources but human that drives them do. Recently, a forum namely “2010 – Human Values” was formed by FAST (Fulbright Academy of Science and Technology) and ISE (Institute for Sustainable Enterprise) to discuss relationship between human values and sustainability with a particular focus on values and sustainability in business/ corporate world and other large organizations. The forum is yet to establish this theme, however, the fact that such an initiative is taken, speaks in volume about the importance of value driven OB (Organizational Behavior) for a sustainable organization.

According to a survey (Wirtenberg, Harmon & Fairfield, 2007) on nine of the most sustainable corporations in the world, researchers found deeply ingrained values are among the top qualities required to become sustainable. The study finds values, herein those can be associated with sustainability, were deeply ingrained in the DNA of corporations (i.e. one can assume ingrained in the organizational behavior) under research.

Hansen & Wernerfelt’s (1989) variance decomposition study on the determinants of organizational performance is thus indicative that organization’s endogenous qualities are of great importance to firm’s performance as well it’s ability to meet multiple stakeholders’s needs and demands. Linnenluecke & Griffiths (2009) found cultural orientation and corporate sustainability are inseparable for which values moderates behavioral response. Thus one can easily perceive that values are essential element in the development the endogenous qualities of organization. Organization’s internal values that drive organizational behavior are imperative in social interaction and the creation of humane work environment.

However, an organization may have one or more competing value frameworks influencing it’s action and cultural environment. The analyses of CVF (Competing Value Framework) depicts “human relation framework” relatively effective in pro-social behavioral response and organizational performance than other framework within the CVF system. This “human relation value” framework reflects Barely & Kunda’s (1992) human relation ideology, which emphasizes on pro-social behavior, work condition and group affiliation. This assumption also parallels Scott’s (2003) classification of closed-natural systems models that can able to align “diffusing and conflicting goals” in an informal structural settings (Linnenluecke & Griffiths, 2009). In their hypothesis, Linnenluecke & Griffiths (2009) put much emphasis on social interaction and interpersonal relations, proposing that organizations that facilitate human relation culture will “place greater emphasis on internal staff development, learning and capacity building in their pursuit to corporate sustainability”.


Shields, Solar & Martin (2002) also agree that approach to sustainability should be value driven. The theoretical underpinnings of CVF (Competing Value Framework) suggest that culture-performance models have proven to be popular in sustainability literatures where the concept was used as a means for greener corporate management, strategy and marketing (crane, 1995) and to improve environmental performance (Dodge, 1997).

Such culture-performance models often are often the prescription for organizations to develop and foster pro-social citizenship behavior that creates sense of belonging and unites corporate members to serve common goals of sustainability (e.g. Dodge, 1997). Nonetheless, the research of Appelbaum et al (2004) establishes that OB (Organizational Behavior) and for that matter behavior of employees are correlated to Organization’s culture. Many other scholars (George & Jones, 1997; Katz, 1964, George & Jones, 1997; Brief & Motowidlo, 1986; Organ, 1988) also argued the importance of citizenship behavior in organization in team building, decision making and capability building. Such attributes are essential elements for sustainability-oriented values of an organization.

Giacalone & Jurkiewicz (2006) emphasized on the seven organizational consciousness levels and argued the influence of those attributes in organizational value alignment. They explained that value alignment allows a organization to better prepare for its survival and capable of addressing environmental challenges and meeting multiple stakeholder demands and needs.

Chowdhury (2008) finds that as organization’s behavior can be influenced by culture so does organization’s culture is influenced by collective behavior of employees. The figure below depicts correlation between organization’s culture and behavioral response.

Figure 1. Influence of organizational culture in the behavioral response of constructive norms and defensive norms (Chowdhury, 2008).

The fact that organizations are increasingly abandoning dominant design and assumption of the bureaucratic organization signifies organization’s preferences on open system values thus emphasizing more on OCB and improved ingrained value system.

A number of authors in other studies also made similar claims (e.g. Linnenluecke & Griffiths, 2009; Stead & Stead, 1992; George & Jones, 1997; Organ, 1988; Borman & Motowidlo, 1993; Motowidlo & Van Scotter, 1994).

Giacalone & Jurkiewicz (2006) emphasized on the seven organizational consciousness levels and argued the influence of those attributes in organizational value alignment. They explained that value alignment allows a
organization to better prepare for it’s survival and capable of addressing environmental challenges and meeting multiple stakeholder demands and needs.

Balthazard, Cooke and Potter (2006) examined impact of organizational culture on individuals and concluded that the constructive norm of the “context” herein “organizational culture” will have positive outcome at both individual and organizational level.

Researchers such as Patterson, Warr & West (2004) and Kopelman, Brief & Guzzo (1990) argue that organizational climate can excerpt strong contextual influence on employees’ behavior.

Highlighting the importance integrative culture where values, pro-social behavior, team work and human relations are fostered, Linnenluecke & Griffiths (2009) argues that such culture could be the prelude of further research in the pursuit of corporate sustainability.

Interestingly, hierarchical model of resource management developed by Shields & Mitchell (1997) depicts “peoples’ objectives are a reflection of a contextual application of their held value sets”.

Those values are often influence by culture, social, institution and ecological framework in which people lives (Shields, Šolar & Martin, 2002) and through that development those values become an “ordered value set”.

The ordered value set are the held values that influenced by cultural, social, institutional and economic framework and assumes to be the primary element influencing individuals’ actions as depicted in figure 3 below.

Figure 2. Impact of the context to individual and organizational outcome (Balthazard, Cooke & Potter, 2006).
Scholars (e.g. Hart & Milstein, 2003), however, emphasize organizations need to consider their exposure to sustainability in socio-economic and environmental perspectives for present and future as means of generating sustainable values that could act as an ordered value set for employees.

Whether ordered value set drives OCB towards sustainability or bureaucratisation of sustainability value facilitates such organizational behavior, an integrative purview is thus imperative to further investigate on the impact. Researchers often compared OCB towards sustainability or similar behavioral response as altruistic behavior which is a common phenomenon in social psychology.

Though few researchers questioned link between value set, behavioral response and sustainability, others (e.g. Boiral, 2008; Daily, Bishop & Govindarajulu, 2009) depicted significant correlation between OCBE (Organizational Citizenship Behavior directed toward Environment) and organizations’ environmental and social performance (Daily, Bishop & Govindarajulu, 2009). It is not always necessary to enforce certain sustainable values e.g. OCBE through corporate mandates Daily, Bishop & Govindarajulu (2009) argues.

Many scholars points out that as a response to public, customer and governments’ environmental concerns, corporations are taking required measures for environmental management (Berry & Rondinelli, 1998; Bhushan & MacKenzie, 1994; Hillary, 2000), however, despite these efforts, many organizations are experiencing significant human resource challenges (e.g. Chinander, 2001; Daily, Bishop, & Steiner, 2002; Daily & Huang, 2001).

Such challenges are stemmed from the fact that employees are unclear of their rule in sustainability effort e.g. environmental mandates. Chinander’s (2001) research shows that managerial steps not necessarily encourage employees’ action to improve the sustainability performance of the organization. Adding to this, Denton (1999) found in his research of most environmentally concerned organizations worldwide that reward system has little to do with organization’s environmental or social performance. The finding points out that a different approach is required to motivate employees to fulfill corporate sustainability mandates. This finding support the notion that top down sustainability approach is relatively ineffective.

Therefore, a bottom up approach integrating employees and fostering a culture of sustainability is imperative. Such action would not be complete without allowing the development of values encouraging employees to perform discretionary act through extra role behavior or citizenship behavior towards achieving sustainability goals.

Daily, Bishop & Govindarajulu (2009) adds that discretionary act that are not directly or explicitly recognized by reward system is called OCB (Organizational Citizenship Behavior) and is useful serving sustainability needs of the organization.
Patterson, Warr & West (2004) explains behavior is a function both of a person’s characteristic and the nature of his or her environment. Therefore, behavioral response will impact organizational performance as well it’s capability to meet multiple stakeholders’ needs and demands towards social and environmental equity.

Though there is lack of research linking OCB to sustainability, few researchers (e.g. Daily, Bishop & Govindarajulu, 2009) found that organizations’ sustainability performance can be linked to OCB.

Organ and his colleagues since long presented convincing argument about OCB as improving organizational effectiveness and performance (e.g. Bateman & Organ, 1983; Organ, 1988; Podsakoff & Mackenzie, 1997; Borman & Motowidlo, 1993; George & Bettenhausen, 1990; Karambayya, 1990; MacKenzie et al., 1991, 1993; Organ, 1988; Podsakoff & MacKenzie, 1997; Podsakoff, MacKenzie, & Hui, 1993; Smith et al., 1983). There are few variable correlations to this abstraction are of immense importance to understand the impact of OCB in an organization setting:

a) Civic Virtue correlates to index of sales performance (.52; p <.01); Podsakoff & Mackenzie, 1997 and consumer complain (-.76; p<.01)

b) Helping behavior correlates to quantity produced (.397; p<.01) and customer satisfaction (.42; P<.01)

A table presented in the work of Podsakoff & Mackenzie (1997) depicts OCB significantly contributes to the followings:

a) enhances coworker and managerial productivity,
b) may free resources up for productivity purposes,
c) may reduce the need to devote scarce resources to purely maintenance functions,
d) may serve as an effective means of coordinating activities between team members and across groups,
e) may enhance the organization’s ability to attract and retain the best people by making it a more attractive place to work, and
f) enhance the stability of organizational performance and ability to adapt to environmental changes etc.

So when Organ (1988) asserted that OCB “in the aggregate, promote the effective functioning of the organization”, one might have wondered whether the assertion was a testable hypothesis or simply part of the definition. However, later many classic organizational theorists found the relation between employees’ acts towards OCB and organizational effectiveness (Barnard, 1938; Katz & Kahn, 1966; Roethlisberger & Dickson, 1939). A number of empirical studies also found positive correlation between OCB and individual-level performance (MacKenzie, Podsakoff, & Fetter, 1991, 1993; Werner, 1994), aggregated individual performance (George & Bettenhausen, 1990; Podsakoff & MacKenzie, 1994), group-level performance (Karambayya, 1990; Podsakoff, Ahearne, & MacKenzie, 1997), and organizational-level performance (Walz & Niehoff, 2000). In a meta-analytical study of 2417 samples to measure OCB at group level Nielsen, Hrivnak & Shaw (2007) found positive correlation (.32) between OCB and organizational performance i.e. positive financial outcome.

Similarly OCB also influence organization’s social and environmental performance. To support this argument, we can analyze the OCBE model (figure 4) presented by Daily, Bishop & Govindarajulu (2009).

![Figure 4. OCBE Model: Outcomes of OCBE (Daily, Bishop & Govindarajulu, 2009)](image-url)
The discretionary acts towards environment that can be considered as OCBE explains organization’s CSP (Corporate Social Performance) and Environmental performance. The fact to be noted here is that OCBE is not a behavioral response to reward or corporate mandates rather it’s an outcome of ordered value set.

Research in sociology and social psychology has examined the link between individual level behavior towards specific aspect of sustainability e.g. environment (Hopper & Nielsen, 1991; Nielsen & Ellintong, 1983). According to Robert (2000) over the last decade there is increasing concern from society about the current non-sustainable development and growing willingness to deal with the situation. Such behavioral response seems to be prevailing and increased among consumers. In fact research found that growing segment of stakeholders - “including customers, employees and investors choose to be connected with corporations that are eco-leaders on all fronts” (Swarnaker, 2009).

Therefore, the link between OCB and sustainability thus can be argued applying afore mentioned theoretical underpinning. On the basis of the literature support, I present the model of OCBS (Organizational Citizenship Behavior towards Sustainability) as depicted below.

**Note: Solid lines indicate concentration of my argument**

**Figure 5.** The OCBS (Organizational Citizenship Behavior towards Sustainability) model presented herein depicts contextual purview of our argument presented in this paper.

The figure above presents a contextual model of OCBS in which value ingrained sustainability culture fosters OCB at individual and group level which in turn influences organization’s sustainability performance. The model presents a value ingrained organic support system that blends different proven models together to form a coherent whole.

It is a modest attempt at offering a methodology for change in the purview of corporate sustainability approach; departing from the notion of compliance and reactive approach a more bottom up creative and proactive value ingrained organic insinuation is presented.

This methodology incorporates the benefits of the sociological paradigm incorporating a bottom up approach by means of valued ingrained culture that fosters creative and proactive competence and builds capability.

Time and again, it is proven that corporate mandate on sustainability not necessarily fulfills the obligation and capability to meet sustainability goals including stakeholders’ needs and demands. A corporation should, therefore, engage in developing values within it’s culture that foster OCBs. Sustainability, after all, is intimately engrossed with human values and institutions, and not simply in ecological functions.
Henceforth, my contention of OCBS thus provides a valid argument and serves basis for further research.

CONCLUSION

Survival of human species and the existence of our common biosphere innately depend on corporations’ survival and capability to meet multiple stakeholder’s needs and demands towards economic, social and environmental intergenerational equity. Corporations are essential to the modern economic life. However, without a value ingrained response, corporation may find as much as threat to itself as it is to our common biosphere.

Many advocates of sustainability and sustainable development, therefore, recognize the need to integrate human values and institutions to achieve sustainability goal. This abstraction is in fact central theme of Brundland statement that defines sustainability. For corporation, it means developing organizational citizenship behavior and integrating “sustainability value culture” to the integrative framework of corporate sustainability. Although sustainability definition clearly focuses on values, institution, physical resources and knowledge of physical investment as embodied within human capital, much of the emphasis addressing sustainability till date remain on physical rather than previewing a value ingrained integrative model of approach.

In this paper, we presented an argument that without “value” ingrained approach to develop OCBS, initiatives that are much about top down will not produce effective result. I, therefore, present a theoretical contention for further research of OCBS in regards to corporate capability building addressing multiple stakeholder’s needs and demands towards economic, social and environmental equity. I do not discount existing sustainability frameworks rather present an integrative purview emphasizing on proactive competence than reactive approach. The argument on value ingrained behavioral normative presented here is a modest attempt at offering a methodology for change in organizations, a purview of creative and proactive competence in sustainability approach. This methodology incorporates the benefits of the sociological paradigm incorporating a bottom up approach by means of valued ingrained culture that fosters creative, proactive competence and capability. It is a departure from the notion of sustainability in business that is much about compliance and reactive in response.

The work presented in this research therefore contributes to the sustainability body of knowledge and serves the basis for further research in the influence of OCB and value ingrained culture in corporate sustainability approach.

REFERENCE


Andrews, K., 1971. The concept of strategy, Irwin. IL.


Aras, G. & Crowther, D., 2007b; Sustainable corporate social responsibility and the value chain; in D Crowther & M M Zain (eds), New Perspectives on Corporate Social Responsibility; Kuala Lumpur; MARA University Press; pp 119-140.


Chowdhury, 2008. STRUCTURED APPROACH TO IMPROVE PASSIVE AGGRESSIVE ORGANIZATIONAL BEHAVIOR: AN EMPIRICAL RESEARCH. Dhiman Deb Chowdhury. University of Liverpool.


Jones, D., 2009. DBA research theme email exchange. Aberdeen School of Business, RGU.


Karambayya, R. 1990. Contexts for organizational citizenship behavior: Do high performing and satisfying units have better 'citizens'. York University working paper.


