

## Leadership and Personality Traits as Determinants of Organizational Citizenship Behaviour (OCB) in Banking Sector of Pakistan

<sup>1</sup>Muhammad Ehsan Malik, <sup>2</sup>Muhammad Mudasar Ghafoor and <sup>3</sup>Hafiz Kashif Iqba

<sup>1</sup>Institute of Business Administration (IBA), University of the Punjab, Lahore,  
Dean Economics and Management Sciences, University of the Punjab, Lahore, Pakistan

<sup>2</sup>University of the Punjab Gujranwala Campus,  
School of Business, University of Dundee, Scotland, United Kingdom

<sup>3</sup>University of the Punjab Gujranwala Campus,  
School of Business and Economics, University of Management and Technology, Lahore, Pakistan

**Abstract:** Human resource can be the strength of any organization. Employees who are involved in Organizational Citizenship Behaviours (OCB) and do work without considering their schedules are necessary for every firm in order to remain competitive. So behaviours regarding OCB can be the competitive advantage for firms in the present era. This paper studies the determinants of OCB namely leadership and personality traits in the banking sector of Pakistan. The objective of this study is to get in depth knowledge about the behaviour of employees regarding organizational citizenship and to what extent leadership and personality traits affect OCB. This study was conducted in the banking sector of Pakistan in various cities of Punjab province. 225 questionnaires were distributed in different banks out of which 174 were received. After applying different techniques namely regression and correlation analysis, results shows that leadership qualities and positive personality traits significantly enhance Organizational Citizenship Behaviour.

**Key words:** Organizational Citizenship Behaviour • Leadership • Personality Traits

### INTRODUCTION

The economic recession that is prevailing all over the world not only have adverse impacts on the economic conditions of developed countries, but it also has drastic effects on the economies of developing countries like Pakistan. This economic recession has resulted in many challenges like electricity shortfall, inflation and unemployment. Besides these challenges, a common phenomenon of layoffs and downsizing is also observed in different segments of the economy. The organizational success is poorly affected due to the challenges that arise as a result of adverse economic conditions which is ultimately cracking the competitive advantage of the organizations. There exists a great competition among different banks in the banking sector of Pakistan and in order to be successful in such a competition, the banks not only need to be efficient in their functions but it is also necessary for them to have efficient and loyal

employees who go beyond their official routine work and put some extra effort and energy to the work. According to [1] this phenomenon is referred to as Organizational Citizenship Behaviour (OCB). The purpose of this paper is to analyze the impact of various organizational performance measures on OCB through various hypotheses based on determinants of organizational citizenship behaviour in the banking sector of Pakistan. The determinants of OCB are widely spread but the determinants used in the present study include: leadership and personality traits. It seems that leadership has a well-built influence on an employee's willingness to engage in OCBs. Leadership is positively related to OCB. Leadership as one of the determinants of OCB enhances team spirit, morale and cohesiveness of the employees which in turn leads to organisational commitment. It also indirectly influences employee perception of fairness or justice in the workplace. According to [2,3] transformational leadership theory is based on the

statement that certain leader behaviours lead followers to a higher level of thinking. By engaging to followers' ideals and values, transformational leaders increase commitment to a well-expressed vision and motivate followers to build up new ways of thinking about problems. Undeniably, the positive relationship between transformational leadership and follower behaviours is in fact well acknowledged [4-6].

Personality is a psychological way in which different individual represents themselves in different social settings in a unique way. King, George and Hebl [7] conducted a study to show relationship between personality and OCB. "The results of the survey conducted among 374 respondents showed that there was a strong relationship among conscientiousness, agreeableness, extraversion, and emotional stability with OCB. There are many types of personality defined by different scholars and physiologists which include extravert, introvert, rational and irrational. there are also many theories and models defining the personality and the characteristics of the personality which include theory X and Y, Big Five Model, Type A and Type B personality theory. Personality of an individual has a great impact on his life, on the society in which he lives and the place where he works so others are related to one's personality directly or indirectly. In organizational setting, organization performance is dependent on the personality of the employees working there. Likewise, personality is correlated with the organizational citizenship behaviour.

**Literature Review:** Katz [8] first introduced the term Organizational citizenship behaviour (OCB). Bateman and Organ [9] define OCB as "individual behaviour that is discretionary, not directly or expressly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization". OCB enhances performance by eliminating the time required for monitoring and managers can use this free time in a productive way such as scheduling and problem solving [10].

Leadership has an important role in organizational citizenship behaviour. According to Podsakoff's review [11], directive leadership is negatively associated, and supportive leadership is positively associated to OCB. Organ *et al.*, [12] suggest that there is also a positive relation between supportive leadership and different forms of OCB. Additionally, transformational leadership [11], charismatic leadership [13], and quality of leader-member exchange [14] all endorse OCB. According to Podsakoff *et al.*, [11] transformational leadership predominantly has attained a lot of attention.

Transformational leadership has emerged as one of the most accepted approaches in order to understand the effectiveness of leader over the past two decades. According to Smircich and Morgan [15] as leaders define and shape the "reality" in which followers work, "management of meaning" is one of the more commanding influences a leader can have on followers. Variety, identity, significance, autonomy, and feedback which are the five core job characteristics offer one means of capturing key facets of that reality [16]. The level of human conduct of both leader and follower is increased by transformational leadership [17]. According to Podsakoff *et al.* [18] there is expectation of a positive relationship between transformational leadership and OCB which has been supported empirically. Deluga [19] provided empirical data which signify that the increased outcomes that are related with transformational leadership are due to the individualized dyadic relationship between a given subordinate and leader.

Personality plays an important role towards OCB. Personalities represent those means through which an individual can think, feel, and behave in certain ways and as organizational citizenship behaviour is discretionary, there is a strong relationship between organizational citizenship behaviour and personality characteristics [11]. Personality can produce organizational citizenship behaviours in the working environment through various interdependent processes. First, difference in personality produces effect on how the individuals are motivated. Thus, motivation is another way by which personality gives creation to organizational citizenship behaviour. Personality characteristics are also affected by the way through which an individual interprets a particular situation that arises and obviously one will tackle and interpret that situation according to his personality. Those individuals who are low in emotional stability will view situations in a negative light [20]. Personality is directly related to the factors like efficiency, organizational, reliability, and thoroughness, which manages and controls the behaviours. Personality has dimensions like extraversion and introversion. Individuals having extraversion personality can be defined as "active, assertive, energetic, sociable, enthusiastic, and outgoing [21]. Though, there is some evidence that extraversion is attributed by assurgency to a much greater degree than sociability so those individuals having high degree of extraversion tend to be highly social, talkative, and affectionate and commonly have numerous friendships and good social skills. An extraversion individual has been found to relate positively to training proficiency [20].

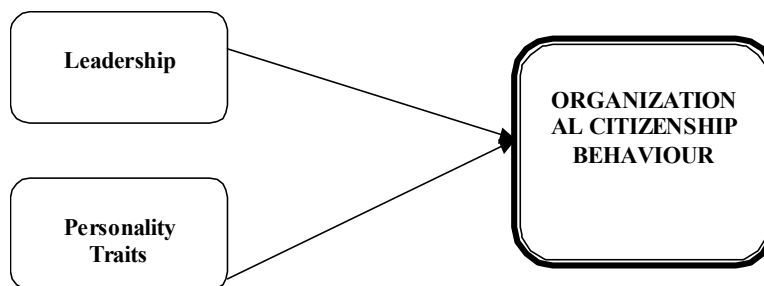


Fig. 1: Model of Organizational Citizenship Behaviour

### Theoretical Framework

**Hypotheses:** Following hypotheses are developed to reveal the impact of the two factors i.e. leadership and personality as determinants of organizational citizenship behaviour.

**H1:** Leadership has positive impact on Organizational Citizenship Behaviour.

**H2:** Personality traits have positive impact on Organizational Citizenship Behaviour

### Participants, Measures and Methodology

**Participants:** Participants in our study were the employees of different banks in the cities of Gujranwala, Kamoke, Ali Pur Chatha and Wazirabad. The research was conducted in the province of Punjab, Pakistan where the employees of banks were provided with the questionnaires to be filled in. A total of 225 questionnaires were distributed out of which 174 usable questionnaires were received having a response rate of 77.33% which is highly desirable in behavioural studies. The study we conducted is cross sectional as the data is collected only once.

**Measures:** In order to rate the responses of employees a Likert scale format was used ranging from 1 to 5 (1 =Never and 5 =Always). The questionnaire was adopted in which we use OCB measure developed by Motowildo and Van Scotter (1994), leadership measures developed by Muhammad Kashif *et al* (2011) and the personality measures were taken from NEO-FFI questionnaire which was originally developed by Costa and McCrae (1992). There was a random selection of participants from departments of various banks and each participant was provided with detailed explanation of the questionnaire in order to guarantee the fairness of responses.

**Methodology:** After the collection of data a demographic analysis was performed in order to find out the levels of age, gender, qualification and experience of employees. The ANOVAs, correlation and regression analysis were also performed the purpose of which was to determine the relationship between OCB and its determinants i.e. leadership and personality traits.

### RESULTS

Total 225 questionnaires were distributed out of which 174 were received. The statistics is shown in Table 1.

**Demographic Analysis:** Following table shows the demographic analysis of respondents with respect to their gender, age, qualification and experience and also includes their frequencies and percentages. Total 225 questionnaires were distributed out of which 174 were received. The number of male respondents was very high. Out of 174 respondents 144 were males and comprise 82.8% of our sample. There were only 30 female respondents in our study and comprises only 17.2% (Table 2). It shows that in the banking sector of Pakistan majority of the positions are held by males whereas females are in a minority group. Females showed a great response and interest while filling the questionnaires which shows that presently females see banking sector as one of their priorities in selecting career.

Table 3 shows that majority of the employees were 20-30 years old i.e. 124 respondents which comprises 71.3% of our sample. 23% were in an age group of 30-40 years and only 5.7% were above 40. This shows that banking sector of Pakistan attracts young and energetic people and in turn Pakistani youth are very keen to get a job in banking sector.

Table 1: Statistics

Description	Age	Gender	Qualification	Experience
N	Valid	174	174	174
	Missing	0	0	0

Table 2: The Demographics

Description	Frequency	Percent
Gender		
Male	144	82.8
Female	30	17.2
Total	174	100.0

Table 3: The Demographics

	Description	Frequency	Percent
Age	20-30	124	71.3
	30-40	40	23.0
	Above 40	10	5.7
	Total	174	100.0

Table 4: The Demographics

	Description	Frequency	Percent
Qualification	Less than 16 years	48	27.6
	16 years	88	50.6
	18 years or more	38	21.8
	Total	174	100.0

Table 5: The Demographics

Description		Frequency	Percent
Experience	Less than 2 years	87	50.0
	More than 2 but less than 5 years	60	34.5
	More than 5 years	27	15.5
	Total	174	100.0

Most of the respondents had 16 years of education i.e. more than 50% of our sample. 27.6% of the employees had less than 16 years of education and 21.8 % of respondents had more than 18 years of education (Table 4). This shows that most of the employees in banking sector of Pakistan are highly educated.

50% of the responds had less than 2 years of experience and only 15.5% of employees had more than 5 years of experience. Remaining respondents were falling under the category of more than 2 years but less than 5 years (Table 5). As we see almost 71% of employees fall under the category of 20-30 years of age and this may be the reason that most of the employees had less than 2 years of experience.

## ANALYSIS AND DISCUSSION

SPSS and Microsoft Excel are mainly used for correlation and regression analysis. Column 2 of table 6 shows the means and column 3 shows the standard deviation of responses.

To determine the degree of the Organizational Citizenship Behaviour in the banking sector of the Pakistan leadership and personality traits were selected as determinants of OCB. Although at some points during the initial studies when questionnaires were distributed among the individuals working in banking sector it was expected that the results should vary because of the other variables which determine the value of OCB but among others the leadership and personality traits are also having a good positive relationship with the OCB. The results so far are also immensely in line with the previous studies conducted in different cultural and contextual settings of the banking organizations of Pakistan.

To achieve the purpose of this study two determinants of an employee's citizenship behaviour towards his or her work activities are selected. It is already drawn from the previous researches that there is a positive relationship between OCB and the performance of the organization [22, 23]. So investigating similar studies in the developing country like Pakistan is worthwhile because banking sector in Pakistan is emerging and currently having some real challenges restricting the growth of this sector. This study will highlight and help employees and managers to mitigate some of these challenges.

The first variable selected for this study was Leadership style of the employees working in the banking sector. There is a positive correlation between the leadership and citizenship behaviour of the employees in the banking sector of Pakistan with a value of 0.560 (Table 7). It means that 1% change in leadership will result in 0.56% change in OCB. After this it can be said that H1 is accepted as leadership has positive impact on organizational citizenship.

Our main focus is on the second column which shows the relationship between OCB and its determinants. The last two columns are depicting

Table 6: Descriptive Statistics

Description	Mean	Std. Deviation	N
OCB	3.8404	.56370	174
Leadership	3.8383	.57472	174
Personality Traits	3.5678	.46669	174

Table 7: Correlation Matrix

Description		OCB	Leadership	Personality Traits
OCB	Pearson Correlation	1	.560(**)	.508(**)
	Sig. (2-tailed)		.000	.000
	N	174	174	174
Leadership	Pearson Correlation	.560(**)	1	.528(**)
	Sig. (2-tailed)	.000		.000
	N	174	174	174
Personality Traits	Pearson Correlation	.508(**)	.528(**)	1
	Sig. (2-tailed)	.000	.000	
	N	174	174	174

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

Table 8.1: model summary<sup>b</sup>

Model	R	R Square	Adjusted R square	Std. Error of the estimate	Durbin-watson
1	.613 <sup>a</sup>	.376	.369	4.03027	1.171

a. Predictor: (Constant), personality constraints, leadership

b. Dependent Variable: OCB

Table 8.2: Anova

	sum of squares	df	mean square	F	sug.
Regression	105.497	5	21.099	51.745	.000
Residual	68.503	168	.408		
Total	174.000	173			

Dependent Variable: OCB

Predictors: Leadership personality constraints

Table 8.3: coefficients<sup>a</sup>

Model	unstandardized coefficients		standardized coefficients			Collinearity statistics	
	B	Std. Error	Beta	t	sig.	Tolerance	VIF
1 (Constant)	9.431	2.547		3.702	.000		
leadership	.510	.090	.404	5.681	.000	.721	1.387
personality traits	.321	.077	.295	4.147	.000	.721	1.387

a. Dependent variable: OCB

the interrelationship between OCB and the selected determinants, as well as their relationships among themselves.

All the correlation values are positive and significant at the 0.01 level. The second variable in our study is Personality Traits. The correlation between OCB and Personality traits is .508 (Table 7), this shows positive correlation so H2 is accepted.

To test the relationship of leadership and personality traits with OCB linear regression is applied while to test the normality of data and nature of correlation Durbin-Watson is also applied.

R = .613 shows that there is a variation of 61.3% between leadership, personality traits and OCB where R Square is the coefficient of determination which shows

that 37.6% total variation in OCB is due to leadership and personality traits. Durbin Watson test is used to test the nature of correlation whether it is positive autocorrelation, negative autocorrelation and zero autocorrelation. Since the value of “d” is less than 2 it means there is positive autocorrelation.

Table of ANOVA shows level of significance since the value of “P” is less than .05 so it is accepted that leadership and personality traits has a strong impact on organizational citizenship behaviour.

A = 9.431 is the average of organizational citizenship behaviour when leadership and personality traits are zero whereas .510 is the value of “beta” that shows one unit increase in leadership factor will bring .510 unit increase in OCB while the “beta” value of personality traits is .321

that shows one unit increase in personality traits will results in .321 unit increase in OCB. If tolerance value exceeds than 5 and VIF exceeds 10 it means Collinearity in data exists. Table 8.3 indicates .721 tolerance values which are much less than 5 that show there is no Collinearity. According to the results, the function of the OCB can be estimated as follow:

Organizational Citizenship Behaviour =  $9.431 + .510L + .321PT$  (L= Leadership and PT= Personality traits) Linear equation shows that one percent change in leadership will bring 51% change in organizational citizenship behaviour and personality traits will bring 32.1% change in organizational citizenship behaviour.

**Practical Implications:** This study shows that organizational citizenship behaviour is affected by leadership and personality traits. OCB could promote effective working of an organization by improving the leadership skills of leaders in an organization. The study also suggests an insight for the managers to understand the personality traits of employees so that the aggregate functioning of an organization could flourish without any hurdle. The research findings imply that managers should put emphasis on the continuous improvements in leadership skills and personality traits to make the concept of OCB more effective within an organization.

**Limitations:** There are various limitations regarding the research as it was limited to only four cities. The result would be different if the research was to be conducted at a much wider and broader scope i.e. comprising of more cities or may be a whole province rather than on four cities. This limitation in conducting the research at broader level is due to scarcity of resources (Time and Cost). Also the research is conducted by having leadership and personality traits as determinants of OCB. Involvement of other variables such as job satisfaction, employee commitment and others would have different results for the research.

## REFERENCES

1. Muhammad Kashif, Yousaf Khan and Muhammad Rafi, 2011. An exploration of determinants of OCB in the telecommunication sector of Pakistan, Asian Journal of Business Management, 3(2): 91-97.
2. Bass, B.M., 1985. Leadership and performance beyond expectations. New York Free Press.
3. Burns, J.M., 1978. Leadership. New York: Harper and Row.
4. Fuller, J.B., C.E.P. Patterson, K. Hester and D.Y. Stringer, 1996. A quantitative review of research on charismatic leadership. Psychological Reports, 78: 271-287.
5. Judge, T.A. and R.F. Piccolo, 2004. Transformational and transactional leadership: A meta-analytic test of their relative validity. Journal of Applied Psychology, 89: 755-768.
6. Lowe, K.B., K.G. Kroeck and N. Sivasubramaniam, 1996. Effectiveness correlates of transformational leadership and transactional leadership: A meta-analytic review of the MLQ literature. Leadership Quarterly, 7: 385-425.
7. King, E.B., J.M. George and M.R. Hebl, 2005. Linking personality to helping behaviors at work: An interactional perspective. Journal of Personality, 73: 585-607.
8. Katz, D., 1964. Motivational basis of organizational behavior. Behav. Sci., 9: 131-146.
9. Bateman, T.S. and D.W. 1983. Organ 'Job satisfaction and the good soldier: The relationship between affect and employee citizenship. Academy of Management Journal 26), pp: 587-95.
10. Podsakoff, P.M., M. Ahearne and S.B. MacKenzie, 1997. Organizational citizenship behavior and the quantity and quality of work group performance. Journal of Applied Psychology, 82: 262-270.
11. Podsakoff, P.M., S.B. Mackenzie, J.B. Paine and D.G. Bachrach, 2000. Organizational citizenship behavior a critical review of the theoretical and empirical literature and suggestions for future research. Journal of Management, 26(13): 513-563.
12. Organ, D.W., P.M. Podsakoff and S.B. Mackenzie, 2006. Organizational citizenship behavior. Its nature, determinants, and consequences. Thousand Oaks, CA: Sage.
13. Deluga, R.J., 1995. The relationship between attribution charismatic leadership and organizational citizenship behavior. Journal of Applied Social Psychology, 25: 1652-1669.
14. Wayne, S.J. and S.A. Green, 1993. The effects of leader-member exchange on employee citizenship and impression management behavior. Human Relations, 46: 1431-1441.
15. Smircich, L. and G. Morgan, 1982. Leadership: The management of meaning. Journal of Applied Behavioral Science, 18: 257-273.

16. Hackman, J.R. and G.R. Oldham, 1974. The Job Diagnostic Survey: An instrument for the diagnosis of jobs and the evaluation of job redesign projects. *Catalog of Selected Documents in Psychology*, 4: 148-149.
17. Krishnan, V.R., 2005. Transformational leadership and outcomes: role of relationship duration. *Leadership and Organization Development Journal*, 26(6): 442-457.
18. Podsakoff, P.M., S.B. MacKenzie, R.H. Moorman and R. Fetter, 1990. Transformational leader behavior and their effects on trust, satisfaction, and organizational citizenship behaviors. *Leadership Quarterly*, 1: 107-142.
19. Deluga, R.J., 1992. The relationship of leader-member exchanges with laissez-faire, transactional, and transformational leadership. In K.E. Clark, M.B. Clark, and D.R. Campbell (Eds.), *Impact of leadership*, pp: 237-247. Greensboro, NC: Center for Creative Leadership.
20. Costa, P.T. and R.R. McCrae, 1992. Revised NEO Personality Inventory (NEO P1-R) and NEO five-factor Inventory (NEOFFI): Professional Manual.
21. McCrae, R.R. and O.P. John, 1992. An introduction to the five-factor model and its applications. *Journal of Personality*, 60: 175-215.
22. Cardona, P., B.S. Lawrence and P.M. Bentler, 2004. The influence of social and work exchange relationships on organizational citizenship behavior. *Group and Organization Management*, 29(2): 219-247.
23. Hodson, R., 2002. Management citizenship behavior and its consequences. *work and occupations*, 29(1): 64-96.