

Impact of Motivation on Organizational Citizenship Behaviors in Nepalese Non-Life Insurance Companies

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Abstract

This paper attempts to examine the impact of motivation on organizational citizenship behavior in Nepalese non-life insurance companies. Data are collected through a structured questionnaire from 325 respondents of 20 non-life insurance companies of Kathmandu valley. Descriptive and causal-comparative research design are used to achieve the objectives and descriptive as well as multiple regression models have been used to analyze the data. Organizational citizen behavior is the dependent variable and authority, autonomy, promotion, salary, recognition, career opportunity are independent variables. It is observed that all independent variables have a positive and significant relationship with organizational citizenship behavior.

Keywords: Organizational citizen behavior, Authority, Autonomy, Promotion, Salary, Recognition, Career opportunity

Paper Type: Research Paper

Introduction

Organizational citizenship behavior (OCB) is one of the researchable issues for practitioners and researchers for the last few decades. Prior research has linked organizational citizenship behavior with different predictors. Among them, motivation is one of the important predictors. Chiang and Hsieh (2012) stated that OCB helps in enhancing productivity, facilitates the organization to compete regardless of limited resources, helps in better coordination among employees, helps an organization to overcome employees turnover, enhances organization adaptability, increases profitability and customer satisfaction. OCB is a job behavior which is neither compulsory on the part of the individual nor the part of the formal reward system of organizations, yet it contributes to the overall effectiveness of the organizational (Bateman & Organ, 1983). OCB increases performance quality of employees by influencing intra-organizational factors such as organizational atmosphere, morale improvement, increase of organizational commitment, job satisfaction, reduction of turnover on tents and reduction of absences and detrimental job behavior and by influencing extra-organizational factors such as job satisfaction, services quality and customer loyalty (Castro, et al. 2004). According to Hieu and Cham (2020), there is the impact of motivation factors on commitment factors. Similarly, Meyer et al. (2002) revealed that the influence of normative commitment on organizational success has received less attention because of its relatively weaker influence than other aspects of commitment, however, Kim et al. (2019) observed that normative commitment significantly

influenced employee consideration, civic virtue, and conscientiousness.

To support organizational goals and values employee recognition, the acknowledgement of an individual or team's behavior, is important and if employees and their work are valued, their satisfaction and productivity rise and they are motivated to maintain or improve their good work. Sharma and Agrawal (2014) found a positive and significant relationship between reward and recognition with the performance of employees. Likewise, Sinnappanand Amulraj (2014) revealed that recognition and reward have a significant relationship with all the four dimensions of OCB (Altruism, conscientiousness, teambuilding and loyalty). Employees are motivated when if they feel their career opportunity is good and they do better to achieve organizational goal. Pujiwati (2016) concluded that performance assessment has a positive and significant impact on career development. Similarly, Nawayand Haris (2017) stated that career development, perception of organizational justice, and job satisfaction had a direct effect on employees' OCB. Therefore, they recommended improving employees' OCB through career development, perception of organizational justice and job satisfaction. Likewise, Biswakarma (2016) revealed that the organizational career growth dimensions negatively related to employees' turnover intentions and also focused that promotion speed and remuneration growth are the foremost factors which have a direct high impact on employees' turnover intentions, followed by career growth progress. Furthermore, Nepal (2016) examined the positive relationship between career development and human resource planning.

Researchers have focused autonomy as a component for OCB. Gagne(2003) revealed that autonomy orientation was strongly related to engagement in prosaic behavior, while autonomy support was modestly related. Similarly, Newburssy et al. (2008) indicated that autonomy increases employees' willingness to do whatever it takes (including citizenship) to accomplish the task. Employees in highly autonomous jobs dictate their job rather than being instructed by their bosses. Likewise, Nam and Yoo (2016) found that the effectiveness of the autonomy-supportive motivating style is partly due to its association with volitional deference to authority. Furthermore, promotion, an important motivational factor, has a positive relationship with satisfaction (Yaseen, 2013). Further, encouraging ethical leadership and leader-member exchange within organizations supports OCB among the employees (Arshad et al., 2020). Therefore, the research on the impact of motivational factors on OCB is of greater importance. Moreover, research has been done concerning the issue of the impact of motivational factors on OCB in western context; however, there are some research has been done in the context of Nepal. Hence, this paper attempts to examine the linkage between motivational factors and OCB of non-life insurance companies in Nepalese context. The next section of this paper is concerned with the research hypotheses.

Research Hypotheses

This study has set the following alternative hypotheses:

- H1: There is a positive relationship between recognition and organizational citizenship behavior
- H2: There is a positive relationship between salary and organizational citizenship behavior
- H3: There is a positive relationship between promotion and organizational citizenship behavior.
- H4: There is a positive relationship between autonomy with organizational citizenship behavior.
- H5: There is a positive relationship between authority and organizational citizenship behavior.
- H6: There is a positive relationship between career opportunity and organizational citizenship behavior.

Methods

This study has used descriptive research design for facts finding and to identify information about the impact of motivation on organizational citizenship behavior in Nepalese non-life insurance companies and also has adopted the causal-comparative research design to establish the cause and effect relationship of authority, autonomy, promotion, salary, recognition and career opportunity on OCB. Self-administered structured questionnaires were distributed to 400 respondents (20 respondents from each 20 non-life

insurance companies), however, only 325 usable questionnaires are collected (the response rate is 81.25 per cent). The questionnaire is divided into two sections where the first section is related to the basic information of the respondents and next section is concerned with five-point Likert type questions about the quality variables that affect organization citizenship behavior which scale ranges from 1 (Strongly agree) to 5 (Strongly disagree). Multiple regression models are used in this paper that is presented as:

$$OCB = \alpha + \beta_1 A + \beta_2 AU + \beta_3 S + \beta_4 P + \beta_5 R + \beta_6 CO + \epsilon$$

Where, *OCB* = Organizational citizenship behavior, *A* = Authority, *AU* = Autonomy, *S* = Salary, *P* = Promotion, *R* = Recognition, *CO* = Career opportunity, ϵ = error term, α = intercept, $\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 are the beta coefficient of explanatory variables to be estimated.

Limitations

This study aims to widening the understandings and narrowing the knowledge gap about the impact of motivation on organizational citizenship behavior in Nepalese non-life insurance companies. Despite sincere efforts made for arriving at the meaningful conclusion from the study, some limitations deserve consideration to obtain a reliable interpretation of the results. Limitations of this paper are summarized as follows:

- This paper predominately based on the primary source of data regarding the impact of motivation on organizational citizenship behavior in Nepalese non-life insurance companies. Hence, the reliability of the findings of this paper depends on the degree of accuracy of the information provided by the respondents.
- The sample size in this study is only from the non-life insurance companies in Kathmandu valley. The survey is conducted within limited respondents of non-life insurance companies.
- It is based on the assumption of the linear regression between the dependent and independent variables. The paper excluded the non-linear regression assumptions.
- This study is based on non-life insurance companies in Kathmandu valley. So, this study contains a small area under the study.
- The data has been gathered using a questionnaire method only.

Data Analysis

Descriptive analysis

The mean of authority ranges from a minimum value of 1.68 to a maximum value of 2.47 and a weighted average is 2.02 that reveals that authority leads to motivation on organizational citizenship behavior on non-life insurance companies. Similarly, the mean value of autonomy ranges from a minimum value of 1.79 to a maximum value of 2.11 and a weighted average is 1.99 which states that autonomy also leads to motivation on OCB. Likewise, the mean value of salary ranges from a minimum value of 1.78 to a maximum value of 2.11 and a weighted average is 1.91 that indicates that employees are satisfied by the impact of motivation on OCB by salary. Additionally, the mean value of promotion as a motivational factor ranges from 1.79 to 1.91 and a weighted average is 1.85 that shows employees are satisfied by the motivation on OCB by promotion.

Furthermore, the mean value of recognition ranges from a minimum value of 1.73 to a maximum value of 1.93 and weighted is 1.83 which concludes that employees are motivated as they are recognized. Similarly, the mean value of career opportunity ranges from a minimum value of 1.73 to a maximum value of 1.93 and a weighted average is 1.84 that indicates employees are motivated they get career opportunities. Moreover, the mean value of organization citizenship behavior ranges from a minimum value of 1.74 to maximum value of 1.92 and a weighted average is 1.83 that reveals employees are motivated on organizational citizenship behavior on non-life insurance companies of Nepal.

Correlation analysis

Table 1

Correlation matrix

Variables	Mean	SD	A	AU	S	P	R	CO	OCB
A	2.02	0.484	1.000						
AU	1.99	0.456	0.357	1.000					
S	1.91	0.472	0.427	0.429	1.000				
P	1.85	0.443	0.361	0.361	0.463	1.000			
R	1.83	0.389	0.347	0.411	0.407	0.497	1.000		
CO	1.84	0.419	0.338	0.329	0.311	0.362	0.374	1.000	
OCB	1.83	0.348	0.368	0.288	0.321	0.343	0.359	0.351	1.000

The result shows that all independent variables are positively correlated to motivation on organizational citizenship behavior of non-life insurance companies that reveals higher the level of authority, higher would be the employee motivated, higher in autonomy, higher would be the employees motivated, incrementssalary increases employees' motivation, promotion motivates the employees, increases in recognition helps to increase employeesmotivation, and increase in career opportunities motivates the employees.

Regression analysis

Table 2

Regression Results

This table presents the regression results using the regression model: $OCB = \alpha + \beta_1 A + \beta_2 AU + \beta_3 S + \beta_4 P + \beta_5 R + \beta_6 CO + \epsilon$, where, OCB = Organizational citizenship behavior, A= Authority, AU= Autonomy, S = Salary, P = Promotion, R = Recognition, CO=Career opportunity, ϵ = error term, α = intercept, $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ and β_6 are the beta coefficient of explanatory variables to be estimated.

Model	Intercept	regression coefficient of						Adj.R2	SEE	F value
		A	AU	S	P	R	CO			
1	1.205 (10.112)**	0.37 (5.298)**						0.445	0.365	28.334
2	1.315 (9.763)**		0.316 (4.721)**					0.385	0.346	22.335
3	1.27 (9.403)**			0.352 (5.719)**				0.449	0.322	32.225
4	1.205 (9.283)**				0.334 (4.987)**			0.413	0.333	24.711
5	1.123 (7.654)**					0.443 (6.172)**		0.52	0.323	38.315
6	1.318 (8.703)**						0.375 (5.402)**	0.432	0.322	28.889
7	0.998 (7.201)**	0.233 (3.654)**	0.196 (2.814)**					0.225	0.321	19.21
8	0.919 (6.487)**	0.161 2.405	0.123 1.617	0.203 2.342				0.254	0.311	14.712
9	0.903 (5.897)**	0.154 2.332	0.99 1.397	0.299 1.652	0.112 1.365			0.244	0.317	11.445
10	0.711 (4.234)**	0.157 1.887	0.03 0.411	0.082 0.998	0.006 0.059	0.315 2.441	0.153 1.937	0.34	0.312	10.216

Notes:

Figures in parentheses are t-values.

*The asterisk signs (**) and (*) indicate that the results are significant at 1 percent and 5 percent level respectively.*

The positive and significant beta for authority indicates that it has a positive impact on organizational citizenship behaviors and this result is similar to the findings of Shaaban (2018). Similarly, the beta coefficients are positive and significant for autonomy with organizational citizenship behaviors which states autonomy has a positive impact on organizational citizenship behaviors and this finding is consistent to Morgeson et al. (2005). Likewise, the positive and significant beta for salary reveals a positive impact on organizational citizenship behaviors and it is similar to the findings of (Vanscoter, 2000). Additionally, the beta coefficients are positive and significant for a promotion that shows it has a positive impact on OCB and this result is consistent with the findings of Yaseen (2013). Furthermore, the beta coefficients are positive and significant for recognition with OCB that indicates recognition has a positive impact on organizational citizenship behaviors and it is similar to the study of Sharma and Agrawal (2014). Moreover, the positive and significant beta for a career opportunity with OCB indicates that career opportunity impacts positive OCB. This result is consistent with the findings of Kraimer et al. (2011).

Conclusion and Implications

It is observed that most of the respondents believe that OCB is essential for motivation. All independent variables (authority, autonomy, salary, promotion, recognition, and career opportunity) are positively correlated with OCB that reveals these variables have a positive impact on organizational citizenship behavior. Hence, Nepalese non-life insurance companies should provide adequate authority, autonomy, promotion, sufficient salary, recognition, and career development opportunities to motivate the employees. Further studies can be conducted by considering other motivational factors like training and development, learning, love, points of rewards, belonging which affect the motivation on organizational citizenship behaviors.

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