

The Relationships Among Trust and Organizational Citizenship Behavior

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ABSTRACT. *With its many contributions to national GDP and employment opportunities, the distribution industry has played an important role in Taiwan's overall economic development. Despite the fact that management in this industry relies more and more on automation and computerization, human labor is still indispensable especially vis-à-vis customers. There is no denying that "people" are the most important asset in the distribution industry. Due to the characteristic of labor-intensive industries, the optimization of human resources has become a key factor for industry competitiveness. In view of enhancing organizational effectiveness, it is worthwhile to study how to efficiently utilize human resources and to stimulate their spontaneous cooperation in order to achieve maximum productivity. The present research studied employees in the distribution industry based on theories related to human resources. A questionnaire survey was used in this study. Seven hundred questionnaires were sent out, among which 491 were effective. We conducted confirmatory factor analysis under IBM SPSS Statistics 23 to select the best fitting model and then utilized reliability and validity analysis on the whole model. The result reveals that the model withstands the statistics tests and that trust has a causal relation with organizational citizenship behavior. We expect that our findings will provide the distribution industry with concrete and useful suggestions concerning the managerial practices of human resources.*

1. Introduction

Recently, in the context of fierce global competition, along with the diversified economic development, the industry in Taiwan has shifted from being traditional manufacturing-oriented to service-oriented. Since 1996, the service sector has topped the national GDP. And its growth rate climbs year by year. Especially, the growth rates of wholesale, retail, and food & beverage exceed 20%. According to National Income Statistics (2017) by Department of Statistics, Ministry of Economic Affairs, in terms of the gross product of the manufacturing industry and

the service industry in 2015, the growth rate of the manufacturing industry in real terms was -0.9%, accounting for 30.1% of GDP, while that of the service industry was 1.1%, accounting for 63.2% of GDP.

In order to develop the service industry, Service Industry Blueprint planned by Ministry of Economic Affairs in 2012 points out that, by 2020, Taiwan endeavors to build up is wholesale business into the wholesale center of fair-price and quality goods for Chinese, and shopping paradise for the globe. It is estimated that 1,947,000 jobs will be created. 2016 NRF Congress reached the consensus that, digital technology applications such as big data analysis and IoT devices will lead to changes in retail channels. Coupled with the implementation of the policy of at least one day off per week since 2016, scientific innovation and government policies have exerted dual impacts on the service industry which has to schedule shifts to ensure flexible manpower arrangement. Thus, policy on human resource development of enterprises is a major topic for the future development of Taiwan's service industry.

This study probed into the trust of employees in organizations, non-role norms, and OCB expressively stipulated by job specifications. It aimed to help the practitioners and HR departments of the service industry establish favorable HR management system so that organizations and employees can work hand in hand and interact with each other. In a positive and well-organized atmosphere, employees are willing to exert continuous efforts to enterprises sincerely, enhance overall team effectiveness, and drive the service industry to flourish and become the main driving force of national competitiveness. This study is designated to learn the impact of trust in Taiwan's service industry on OCB. With Structural Equation Modeling as the tool of theoretical verification, it verified the goodness-of-fit of "trust-OCB" model and the direct effect of such impact so as to improve OCB of employees in the service industry and serve as the basis for HR management of the industry.

2. Theoretical Description

1) Organizational Citizenship Behavior (OCB)

OCB was first proposed by Katz in 1964 who also put forward the concept of "extra-role behavior" and three necessary behaviors for effective operation of organization: 1) Employees must be willing to participate and stay in the organization; 2) Employees must achieve specific role tasks; 3) Employees can perform spontaneous actions which are innovative and beyond their role specifications. In 1978, Katz & Kahn jointly argued that, in any organization with high performance, the first type of behavior, that is, absence and resignation, is named as "maintenance behavior". The second type of behavior is the behavior of employees required to achieve performance requirements of the organization, which is called "compliance behavior" or in-role behavior. The third type of behavior refers to the spontaneous contribution of employees to the organization, which is called "active behavior" or extra-role behavior. Extra-role behavior proposed by Katz (1964) stresses spontaneous behavior, cooperation, innovation, respect to policies, self-training, and good demeanor. Katz asserted that, with only the first two types of behavior, a social system will simply be fragile.

Based on Katz (1964), Bateman & Organ (1983) defined the third type of work behavior as "citizenship behavior". They assumed that citizenship behavior refers to the behavior required by an organization but not included in formal job specifications. Such behavior is not stipulated in formal regulations or contracts of an organization. It is a type of spontaneous behavior of employees who do not consider the recognition or reward of the organization, which is beneficial for the organization. Such behavior can be defined as: the behavior without express term, not confined by formal reward system, and beneficial for an origination. Organ (1988) believed that, it is impossible for any organizational system design to be perfect. It is extremely difficult to achieve goals by solely relying on the in-role behavior of employees. Employees' active behavior not required by their roles are also necessary. And Organ formally defined organizational citizenship behavior as the behavior which is not included in role norms, job specifications, or formal reward system, but is beneficial to improve organizational effectiveness. If they do not perform extra-role behavior, employees will not be affected by the organization.

2) TRUST

In the face of ever-changing and uncertain environment, people no longer unite and interact with each other like they did in the agricultural age. They gradually turn cocooning with less and less interpersonal contacts. Therefore, the key to arouse the willing of employees to make more commitments and contributions to an organization lies in the establishment of a good relationship between the organization and employees. And trust is the core of such relationship.

To understand organizational trust, we must first explore the literature related to trust. Trust is the most vital basis for interpersonal relationship. Trust in interpersonal relationship refers to a type of expectation expressed by words either spoken or written by an individual or group to another individual or group (Rotter, 1967). Deutsch (1962) deemed that trust as an individual's decision-making in different contexts. In other words, if one chooses to trust or distrust, it is dependent on environmental factors. Zand (1967) held that trust is a psychological property. Different individuals have different trust tendencies. Lane (1998) suggested that trust contains three elements: 1) Risk: One who chooses to trust must be aware of the possibility of loss and is willing to shoulder such risk. 2) Interdependence: Intergroup interests can be obtained by depending on others. The degree of interdependence affects that of trust. 3) Expectation: It is a type of belief or expectation when one chooses to accept risk and put himself/herself at a disadvantage.

Scholars assess organizational trust from different dimensions. Some scholars used the degree of trust in senior management, direct supervisor, and colleagues to assess the trust of an individual to the entire organization. Some considered the trust of employees in the entire organization as target. However, it is difficult to determine which opinion is the most suitable. In order to avoid the influence of the trust in senior management, direct supervisor, and colleagues of the subjects on their trust in the entire organization, this study adopted the single dimension of Robert, SELIM & Jason (1998) and only assessed the degree of trust in the organization of employees, while the trust of the organization in employees is not considered.

3) Relevant Studies on the Relationship between Trust and Organizational Citizenship Behavior

From the viewpoint of OCB, on the basis of trust rather than real-time reward or punishment, members of an organization believe that they will have return from the organization or managers as long as they make efforts and contribute to the organization. And employees raise their willingness to get engaged in OCB (Deluga, 1994). When members fully trust their organizations or managers, besides their due tasks (i.e. in-role behavior), they may actively shoulder some extra tasks or responsibilities (i.e. extra-role behavior) (Yukl, 1989). Hence, trust is a vital influence variable in terms of OCB of members (Podsakoff, et al., 1990).

OCB is a kind of spontaneous behavior not based on immediate return or interest but "expectation of reward" in the future. Studies showed that, when there is trust between organizations or managers and employees, "contribution first, reward later" will come into being. Therefore, with respect to the concept of OCB, the basis of trust will enhance employees' OCB. In other words, only on the basis of trust, employees believe their contribution and efforts will be recognized by their organizations or managers and rewarded with salary increase, promotion, or bonus. Thus, employees will become more willing to engage in OCB. We can see that trust is the cornerstone of the theory of social exchange. The trust of employees in their organizations, supervisors, and peers can effectively enhance employees' willingness to demonstrate OCB. During the exploration of relationship between trust and OCB, Lin Zhengqin (2006) found that, when they have enough trust in their supervisors, employees will be more active to help their colleagues and engage in activities beneficial to their organizations.

3. Research Design and Implementation

1) Research Subjects

All the research subjects of this study are employees of enterprises in the service industry of Taiwan. No matter if they are domestic or foreign, as long as they are registered with the relevant industrial and commercial authority located in Taiwan, enterprises are within the scope

of this study. Purposive selection rather than random selection was adopted to distribute the questionnaire.

2) Trust Questionnaire

This study employed the Organizational Trust Scale proposed by Robert, Selim & Jason (1998) as a single dimension. The Cronbach's α value is 0.8656. The questions in the questionnaire were evaluated with Likert five-point scale. From points 1 to 5, the higher the score is, the higher degree of trust of employees in their organization is, and vice versa.

3) OCB Questionnaire

The OCB Scale used by this study was mainly based on the questionnaire designed by Lin (1992). The OCB Scale referred to the framework of Organ (1988) and Podsakoff et al. (1990). When Lin (1982) developed the scale, the Cronbach's α value was 0.95. The α values of all the dimensions were higher than 0.78. Chen (1996) re-examined the internal consistency of the scale. And the Cronbach's α value was 0.93. The α values of all the dimensions surpassed 0.88. In order to avoid attribution bias, this study utilized colleague evaluation to collect information.

The scale contained a total of 22 questions which were classified into six dimensions as follows:

- (1) Organization identity: It means that employees actively maintain their company's image, participate in relevant activities and corporate meetings, and propose constructive improvement plans.
- (2) Assistance to colleagues: It means that employees are willing to assist colleagues in their work and actively coordinate and communicate with them.
- (3) Not stirring up troubles or fight for personal interests: Employees do not get engaged in political behavior which may undermine organizational harmony so as to seek personal interests.
- (4) Scrupulous in separating public from private interests: Employees do not spend their working hours or use corporate resources to handle their private affairs.

- (5) Dedicated and law-abiding: Employees work earnestly, follow corporate rules like attendance, and perform better than basic standards and requirements of their organizations.
- (6) Self-improvement: In order to enhance the quality of work, employees endeavor to improve themselves.

4. Research Method

After literature discussion and integration, this study developed a trust-OCB framework (Figure 1) and used Structural Equation Modeling Amos23.0 to conduct CFA, and verify the goodness-of-fit of the model.

In addition, it referred to the opinions of Bagozzi & Yi (1988), Jöreskog & Sörbom (1996), and Hair et al. (2009). It utilized goodness-of-fit indicators for the overall model, including a. chi-square value of absolute indicator (χ^2), ratio of chi-square and freedom (χ^2/df), goodness-of-fit (GFI), RMR, and RMSEA; b. IFI and CIF; and c. PNFI and PGFI to obtain the goodness-of-fit of the overall model.

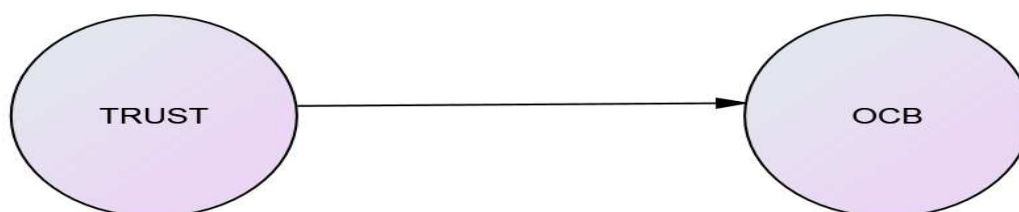


Figure 1. SEM Theoretical Research

5. Research Results and Analysis

1) Overall structural model analysis

In line with literature analysis, trust has one dimension and six questions. All the questions are considered as observation variables (Figure 2). OCB has six observation variables and 22 questions (Figure 3). After sampling and questionnaire survey, this study adopted histogram, a normal verification method for univariate distribution, to observe the normality of data. All the figures generated show a single peak. And the median positions of the single peaks are in line

with normality test. The absolute values of skewness and kurtosis of all the observation variables (28 questions) are less than 2. Then, Mardia coefficient and the number of observation variables were compared. Mardia coefficient is 55.665 less than $p(p + 2)$, indicating that the sample data conform to multivariate normality.

After CFA, the factor loads of all the six observation variables of trust are greater than 0.5, which are described as follows: The company is worth of trust (0.89), It takes care of employees sincerely (0.88), There is job security (0.87), I have access to opportunities for professional development (0.88), I receive support from the company (0.87), and The company cares about its employees (0.81). Among the six observation variables of OCB, only the factor loads of organization identity, assistance to colleagues, self-improvement, and dedicated and law-abiding are more than 0.5. In order to streamline the model and violate the principle of residual independence, the aforementioned four observation variables are retained. Their factor loads are: organization identity (0.66), assistance to colleagues (0.66), self-improvement (0.73), dedicated and law-abiding (0.75) (Figure 4).

Additionally, based on the parameter estimation and observation of the overall model, the normalized regression weighted coefficients of all the parameters do not exceed or get too close to 1. And there are no great standard errors. The variations of measurement errors are positive. Hence, the analysis model does not have offending estimates.

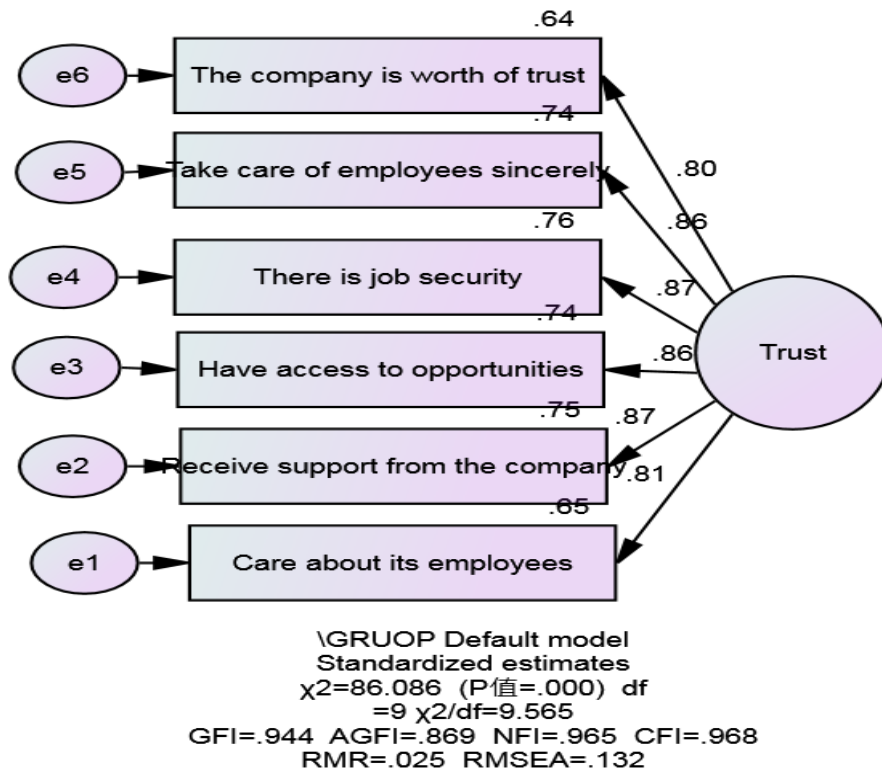


Figure 2. Trust theoretical model

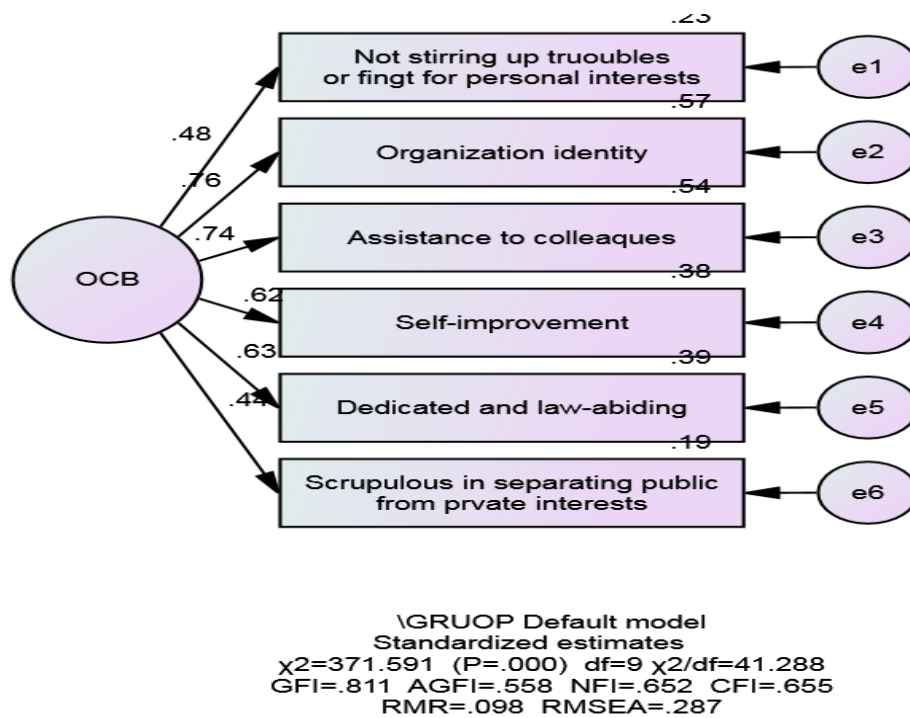


Figure 3. OCB theoretical model

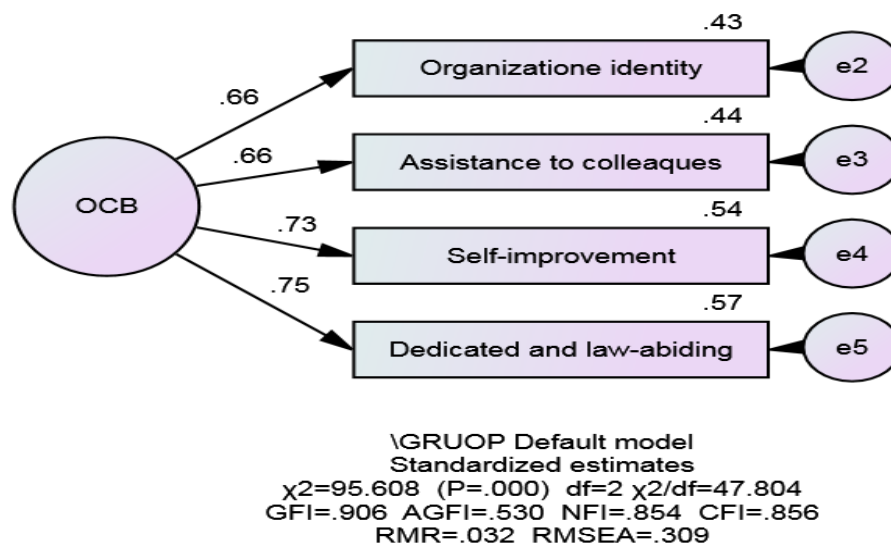


Figure 4. OCB model after deletion of some observation

After deleting some observation variables, absolute value fitness indicators, IFI, and parsimonious fitness indicators have ideal values. And indicators within evaluation indicators are higher than the recommended values, implying favorable goodness-of-fit of the model (Table 1).

Table 1 Fitness indicators and statistics of the overall model

Fitness indicators		Recommended value	Statistics
Absolute fitness indicator	χ^2	The smaller, the better ($P \geq \alpha$)	266.649
	χ^2/df	1 to 5	7.843
	GFI	Greater than 0.9	.901
	AGFI	Greater than 0.9	.840
	RMR	less than 0.08	.036
	SRMR	less than 0.08	.058

	RMSEA	less than 0.08	.118
	NFI	Greater than 0.9	.920
	NNFI	Greater than 0.9(TLI)	.906
IFI	CFI	Greater than 0.9	.929
	RFI	Greater than 0.9	.893
	IFI	Greater than 0.9	.929
Parsimonious	PNFI	Greater than 0.5	.695
fitness	PGFI	Greater than 0.5	.557
indicators	CN	Greater than 200	104

2) Analysis of the effects among potential variables of the structural model

In accordance with the results of model path (Figure 5), the influence coefficient of trust on OCB is 0.6, reaching a significant level. Hence, trust has a significant and direct impact on OCB.

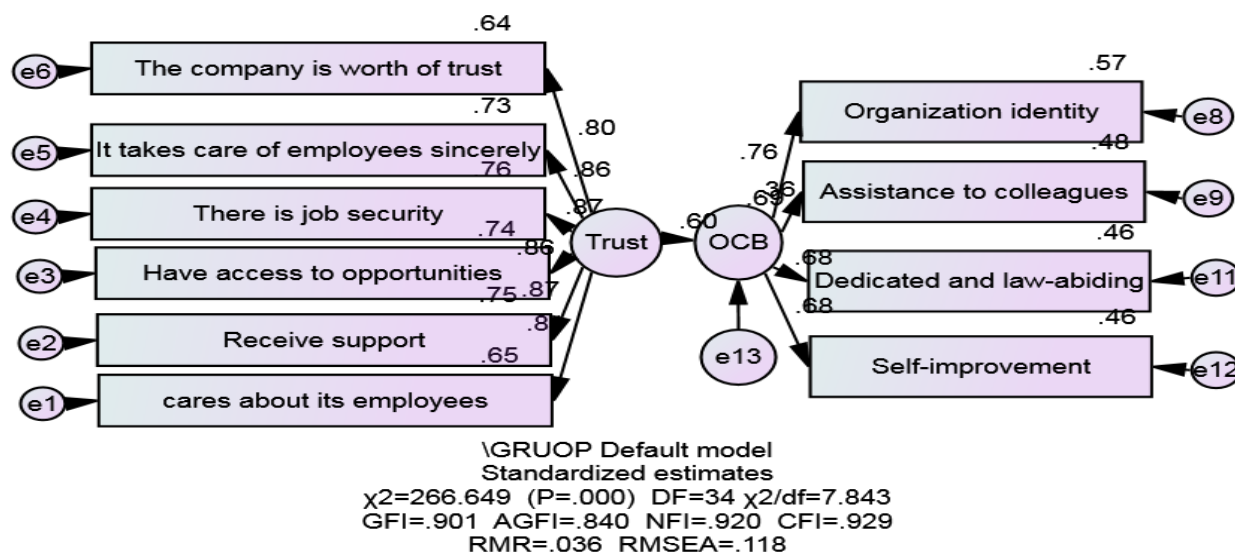


Figure 5. Path structural model coefficient

6. Conclusion and Suggestions

1) Conclusion

Differences in variables of individual and organizational characteristics

(1) Differences in trust and OCB of individual and organizational characteristics

The perception of trust of employees in the service industry of Taiwan may vary significantly by gender, age, marital status, number of children, type of business, and shareholder structure. In terms of gender, there is a significant difference in the dimension of organization identity. The average of male employees is higher than that of female employees, demonstrating that men have higher trust and recognition of their organizations than women. Maybe affected by social preferences to males, men are more valued in organizations. Thus, men's trust and recognition of organizations is higher.

With respect to age, the average degree of trust of employees above 36 years old is higher than that of those younger than 25 years old and between 26 and 30 years old. In other words, employees older than 36 years old trust their organizations more than those younger than 25 years old or between 26 and 30 years old. The value of "organization identity" of employees above 36 years old is higher than that of those younger than 25 years old or between 26 and 30 years old. The value of "self-improvement" of employees above 36 years old is higher than that of those between 26 and 30 years old.

In regard to marital status, the degree of trust of married employees is higher than that of the single. In other words, the married trust their organizations than the single. Also, the married has higher value of "organization identity" than the single.

In terms of number of children, the average values of trust and "organization identity" of employees with children are higher than those without. In other words, employees with children trust their organizations more and have higher "organization identity" than those without.

With respect to type of business, the average degree of trust of employees engaged in logistics and retail is higher than that of those in wholesale. In other words, employees engaged

in logistics and retail trust their organizations more than those in wholesale. Besides, the degree of "organization identity" of employees engaged in logistics and retail is higher than that of those in wholesale. The degree of "organization identity" of employees engaged in logistics and retail is higher than that of those in wholesale. The degree of "assistance to colleagues" of employees engaged in retail is higher than that of those in wholesale. The degree of "not stirring up troubles or fight for personal interests" of employees engaged in logistics is higher than that of those in wholesale. The degree of "dedicated and law-abiding" of employees engaged in retail is higher than that of those in wholesale. The degree of "self-improvement" of employees engaged in retail is higher than that of those in wholesale.

In regard to shareholder structure, there are no significant differences in the OCB variables among employees of Taiwanese funded companies, foreign funded companies, and international joint ventures. However, different shareholder structures have significant differences in trust. And the average of international joint ventures is higher than those of Taiwanese funded and foreign funded companies. After multiple comparison and verification, employees of international joint ventures trust their organizations more than those of domestic companies. Generally speaking, employees of international joint ventures in the service industry enjoy better remuneration and benefits and sounder systems, so they have higher trust in their organizations.

In terms of number of employees: The degree of "assistance to colleagues" of employees of companies with over 300 employees is higher than those between 51 and 100. The degree of "not stirring up troubles or fight for personal interests" of employees of companies with less than 50 employees is higher than those between 51 and 100, and between 101 and 300. The degree of "self-improvement" of employees of companies with over 300 employees is higher than those between 101 and 300. It is not easy to arrange days off and job rotation of employees in the service industry. For an organization with many employees (over 300), it is easier to have one employee cover for another or change shifts without bringing much trouble to others. For an organization with fewer employees (below 50), employees can better perceive the cohesion of the organization and will be less likely to stir up enmity. Additionally, organizations with more

employees (over 300) have more opportunities of promotion as well as more fierce competition. Hence, employees of such organizations are more active to study and improve their competitiveness.

(2) Analysis of the impact of trust on OCB

The influence coefficient of trust on OCB is 0.6, reaching a significant level, so trust has a significant and direct effect on OCB. And all the observation variables of trust can affect OCB. From the above relationship, it can be concluded that the service industry of Taiwan can create an atmosphere of high trust in organizations to raise employees' trust in organizations. In turn, employees will return their organizations in a non-contractual social exchange.

2) Suggestions for follow-up researchers

- (1) There are many methods for measuring trust. This study adopted a single dimension to study trust in organization. It is suggested that other methods can be adopted in future studies.
- (2) The research subjects of this study are full-time employees in the service industry of Taiwan. Due to Labor Standards Law and the policy of at least one day off per week, a number of dispatched and part-time workers are employed. Hence, future studies can compare different types of businesses and analyze full-time and part-time employees.

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