

## Pay structure and organisational citizenship behaviour: A study of Telecom sector in India

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### Abstract

Organizational Citizenship Behaviour (OCB) refers to willingly contributions at the work place that are not mentioned in the job roles and job responsibilities. Altruism and Courtesy are dimensions of OCB. Altruism is helping others selflessly at the work place and Courtesy is preventing interpersonal problems from occurring. The present study is focused on studying the salary as a determinant factor for altruism and Courtesy among the employees of telecom sector. Data completed by 650 employees working in various telecom companies of Punjab is considered for evaluation. The study shows that salary is positively related to Altruism and Courtesy where as Altruism and Courtesy has significant relation with one another.

**Keywords:** Organizational citizenship behaviour, Altruism, Courtesy, Salary.

### Introduction

A highly accomplished organization is backed up by highly motivated staff. An organization aiming at high success always tries to provide job satisfaction to its employees so they can perform extra roles that are beyond their job roles. Previous studies have found evidence that satisfaction, while not strongly related to task productivity by individuals, is more closely related to a different kind of contribution, which is formally known as organizational citizenship behaviour (OCB) (Organ, 2018). OCB is initially conceptualised by Smith, Organ, and Near (1983) with two dimensions: altruism (behaviour targeted specifically at helping individuals) and generalized compliance (behaviour reflecting compliance with general rules, norms and expectations). Afterwards Organ (1988) had acknowledged five dimensions of OCB i.e. altruism, courtesy, civic virtue, conscientiousness and sportsmanship.

Altruism refers to helping attitude of the worker towards other employees at the work place. Podsakoff et al. (2000) in his study found that there is significant relation between Altruism and Performance of the employees and it positively affects their productivity. Courtesy is another dimension of OCB which comprised of positive gestures towards other employees. Showing Courtesy behaviour includes situation when a worker tries to avoid the situations that may create interpersonal problems among them. For instance, by providing timely information who is in need of that, discussions with others prior to deciding a plan of action that may affect them. (Organ, 1990). Conscientiousness is related with disciplinary activities which are not imposed by the organisations, however it is willingly adopted by the employees like following companies norms and policies and utilising their time properly (MacKenzie et al, 1993). Sportsmanship is defined as “a willingness to tolerate the inevitable inconveniences and impositions of work without complaining.” (Organ, 1990).

### Salary and OCB

Earlier studies proved that the organisations who are emphasising more on OCB are performing very well and achieving a great success than those organisations where there is no environment of OCB (Podsakoff et al, 2000). The employees think that OCB benefits only employers so it is the manager's role to create awareness among the employees about the benefits the employees can have with OCB. Hence, the management of the organisations should motivate the employees by improving the climate and increasing justice and fairness in the organisation. Getting satisfactory pay infuse a sense of satisfaction among the employees that leads to better employee commitment. Salary is a motivational factor across the world where people are striving hard to meet their requirements. Studies proved that the worker shows citizenship behaviour in the organisation if he is satisfied with the pay. Apart from commitment, level of pay satisfaction also determines employee turnover and absenteeism (Smith, Organ and Near, 1983). The growth of the organisation depends upon the satisfaction of the employees with their pay and they feel motivated to put extra efforts in their organisation to achieve the targets. Previous studies also proved that there is significant positive relationship between Job satisfaction and OCB. Hence, the salary of the employees should justify the efforts employees are putting in the organisation to ensure commitment and continual efforts in the growth of the organisation. To ensure OCB, basic salary should be revised after sometime, seniority allowance must be paid to all staff and salary should be matched with other competitor organizations (Makau et al., 2017).

### Salary and Altruistic Behaviour

Salary should not be limited to the financial compensation of the efforts putting in by employees, however it should include various welfare and beneficial services to create better employee relationship (Burgees, 1989). Hence, salary constitutes basic salary, bonus and welfare for the employees (Byars and Rue, 2004). Altruism is helping behaviour of the employee towards the

organisation as well as towards other employees which help the organisation in employee development (Konovsky and Pugh, 1994). Salary is a significant predicting factor of altruism which further enhances the job involvement among the employees. Altruistic behaviour helps the organisation in increasing their productivity, better coordination among employees, reducing absenteeism and overall improvement of the organisational performance (Robbins, 2001). Altruistic behaviour is positively related with the job satisfaction and Job involvement (Van Scotter, 2000).

### Pay Structures and Courtesy

Courtesy falls under 'Must Be' category using 'Kano model' which implies that courtesy is as important for an organization as a working steering wheel for a vehicle (Salezade, 2015). A hindrance to this dimension could be the practice of pay dispersion in the organization. Although literature and theory of motivation suggested that pay dispersion could accelerate the efforts of organizational productivity (Lawler, 1971). But egalitarian pay structures can undermine the feeling of internal equity and damage co-operation and any sense of common purpose across the work force as a whole (Beaumont and Harris, 2003).

### Empirical Strategy

OCB means working extra mile at work place i.e. beyond the job responsibilities. On a narrow context, it is usually assumed that OCB is beneficial for the employers where as the research says that it is equally important for employees to build their confidence level (Lam et al, 2016). There are various motivating factors for enhancing the OCB level among the employees.

### Objectives

The study has following objectives:

1. To study the impact of Pay Structure on Altruism level of employees.
2. To study the impact of Pay Structure on Courtesy level of employees.
3. To study the relation between Altruism, Courtesy and Pay Structure.

### Hypotheses

On the basis of the objectives, the study has following hypotheses:

**Table 1: ANOVA of employees with various components of altruism based on pay structure**

Factors	Less Than 3 Lakhs per annum			More than 3 Lakhs-6 Lakhs per annum			More than 6 Lakhs -9 Lakhs per annum			Above 9 Lakhs per annum			F	Sig
	Mean	N	SD	Mean	N	SD	Mean	N	SD	Mean	N	SD		
I willingly give of my time to help other employees who have work related problems.	6.34	160	.98	6.24	343	1.12	6.10	70	1.14	6.56	77	.769	2.7	0.04
I am always ready to lend a helping hand to those around me	6.56	160	.92	6.41	343	1.15	6.56	70	.845	6.71	77	.455	2.32	0.07

H<sub>1</sub>: There is significant difference in the level of Altruism among the employees from different pay structure.

H<sub>2</sub>: There is significant difference in the level of Courtesy among the employees of different pay structure.

H<sub>3</sub>: There is Positive relation between Altruism, Courtesy and Salary.

The present study examines the influence of Pay Structure on two dimensions of organizational citizenship behaviour i.e. Altruism and Courtesy using the standardised questionnaire by Podsakoff, Mckenzie, Moorman and Fetter (1990). The study is done on the employees of telecom sector which is the most developing sector but currently going through the transformations of mergers and acquisitions.

### Altruism

This dimension indicates the behaviour of employees for helping others in work related problems, lending a helping hand to those around them, helping the ones who have heavy work load.

### Courtesy

This dimension indicates the behaviour of the employees like they try to avoid creating problems for co workers, preventing problems with other employees, not abusing the right of others and considering the impact of their actions on other's job.

The study is conducted on 650 employees of telecom sector of north India selected through snow ball sampling. The responses are measured on a seven point rating scale from strongly disagree to strongly agree. The results are then evaluated through SPSS 21 and by using one way ANOVA, the significant factors of Altruism and Courtesy are extracted. To understand more, Pearson's correlation is used to find the relation between salary, altruism and courtesy.

### Results

To achieve the objectives, hypotheses of the study are tested and checked whether it is acceptable or not.

**Hypotheses 1:** There is significant difference in the level of Altruism among the employees from different pay structure.

**Pay Structure and Altruism:** To study the altruism level among the employees one way ANOVA has been used and significant factors have been extracted.

I help others who have heavy workloads	6.08	160	.91	6.07	343	1.01	5.93	70	1.09	6.40	77	.765	3.36	0.01
I help others who have been absent	5.76	160	1.42	5.73	343	1.39	5.73	70	1.38	5.82	77	1.27	0.09	0.96
I help orient new employees even though not required	5.02	160	1.60	5.03	343	1.63	4.57	70	1.57	5.06	77	1.73	1.65	0.17

\*p<0.05

Table 1 represents results of one way ANOVA conducted on data collected from telecom sector employees regarding various components of Altruism on the basis of salary. It is tried to find out the variables that affect the altruistic behaviour of employees due to pay structure. The pay structure of employees are categorised into various groups i.e. Less than 3 Lakhs per annum, More than 3 Lakhs-6 Lakhs per annum, More than 6 Lakhs-9 Lakhs per annum and above 9 Lakhs per annum. The descriptive statistics show that among 650 employees, the highest respondents are from More than 3 Lakhs-6 Lakhs per annum group with 343 respondents followed by Less than 3 Lakhs per annum with 160 respondents, Above 9 Lakhs per annum with 77 respondents and More than 6 Lakhs-9 Lakhs per annum with 70 respondents. The mean value shows that for the factor 'I willingly give of my time to help other employees who have work related problems', above 9 Lakhs per annum group has the highest mean value with 6.56, Less than 3 Lakhs per annum with 6.34, More than 3 Lakhs-6 Lakhs per annum with 6.24 and More than 6 Lakhs-9 Lakhs per annum with 6.10 subsequently. The factor 'I am always ready to lend a helping hand to those around me' has the highest mean value among the employees of salary withdrawing above 9 Lakhs per annum with 6.71, afterwards less than 3 Lakhs per annum and More than 6 Lakhs-9 Lakhs per annum with mean value 6.56 and the least is among the salary group of More than 3 Lakhs-6 Lakhs per annum. The respondents fall under above 9 Lakhs per annum group has the highest mean value with 6.40 for the factor 'I help others who have heavy workloads' followed by less than 3 Lakhs per annum with mean value 6.08, More than 3 Lakhs-6 Lakhs per annum with mean value 6.07 and the least is among the employees of More than 6 Lakhs-9 Lakhs per annum with mean value 6.40. For the factor, 'I help others who have been absent', the group which shows more altruistic behaviour is of the highest salary group i.e. above 9 Lakhs per annum with mean value of 5.82 followed by less than 3 Lakhs per annum with mean value of 5.76 and least is among More than 3 Lakhs-6 Lakhs and More than 6 Lakhs-9 Lakhs per annum with mean value 5.73. For another Altruism factor, 'I help orient new employees even though not required', the highest mean value is observed in above 9 Lakhs per annum group with 5.06 afterwards More than 3 Lakhs-6 Lakhs per annum with mean value of 5.03, Less than 3 Lakhs per annum with mean value 5.02 and the least is among More than 6 Lakhs-9 Lakhs per annum with mean value 4.57. Results of One way ANOVA shows that the factors that show the

significant difference are 'I willingly give of my time to help other employees who have work related problems' i.e 0.043 (p<0.05) and 'I help others who have heavy workloads' i.e 0.018(p<0.05) where as 'I am always ready to lend a helping hand to those around me' show the significance level as 0.074, 'I help others who have been absent' has the significance level of 0.963 and 'I help orient new employees even though not required' have significance level of 0.176 which is (p>0.05) hence are not the significant factors.

The results indicate that the employees withdrawing salary more than 9 Lakhs per annum are more supportive and help the staff in their task accomplishment where as the employees who fall under the salary group of More than 6 Lakhs-9 Lakhs per annum have shown least interest in helping others. This shows that the feeling of competition makes them less cooperative in order to get high performance appraisal. So the organization should try to imbibe altruistic behaviour. High altruism behaviour on senior level shows good leadership skills and satisfaction for their job in the employees. A good leader always directs their team towards accomplishment of the organizational and personal goals. Hence Hypothesis 1 proved that there is significant difference among the employees of different pay structure for their Altruistic behaviour.

**Hypotheses 2:** There is significant difference in the level of Courtesy among the employees from different pay structure.

**Pay Structure and Courtesy:** To study the Courtesy level among the employees one way ANOVA has been used and significant factors have been extracted.

**Table 2: ANOVA of employees with various components of courtesy based on Pay structure**

Factors	Less Than 3 Lakhs per annum			More than 3 Lakhs per annum			More than 6 Lakhs-9 Lakhs per annum			Above 9 Lakhs per annum			F	Sig
	Mean	N	SD	Mean	N	SD	Mean	N	SD	Mean	N	SD		
I try to avoid creating problems for co workers.	6.43	160	.88	6.38	343	.97	6.14	70	1.14	6.69	77	.56	4.28	0.00*
I take steps to try to prevent problems with other employees.	6.51	160	.98	6.34	343	1.225	6.39	70	1.02	6.64	77	.62	1.96	0.11
I don't abuse the right of others.	6.05	160	.93	6.05	343	1.02	5.93	70	1.09	6.40	77	.76	3.47	0.01*
I consider the impact of my actions on co workers	5.72	160	1.43	5.73	343	1.36	5.73	70	1.38	5.82	77	1.27	0.09	0.96
I am mindful of how my behaviour affect other people's job.	5.02	160	1.60	5.03	343	1.63	4.57	7	1.57	5.06	77	1.73	1.67	0.17

\*p&lt;0.05

Table 2 represents results of one way ANOVA conducted on data collected from telecom sector employees regarding various components of Courtesy on the basis of salary. The study is aimed at finding out variables that affect the courtesy behaviour of employees from different pay structure. The cumulative mean of courtesy factors depicts that for the factor 'I try to avoid creating problems for co workers' the employees who show the maximum courtesy behaviour are from Above 9 Lakhs per annum group with mean value 6.69 followed by Less than 3 Lakhs per annum with mean value 6.43, More than 3 Lakhs- 6 Lakhs per annum with mean value 6.38 and More than 6 Lakhs-9 Lakhs per annum with mean value 6.14. 'I take steps to try to prevent problems with other employees' shows that highest salary group has maximum courtesy behaviour with mean value 6.62, afterwards less than 3 Lakhs with mean value 6.51, More than 6 Lakhs-9 Lakhs with mean value 6.39 and More than 3 Lakhs-6 Lakhs per annum with mean value 6.34. For the Factor 'I don't abuse the right of others' above 9 Lakhs per annum group shows the highest mean value with 6.40 where as Less than 3 Lakhs per annum and More than 3 Lakhs-6 Lakhs per annum group shows the mean value of 6.05 and the least mean value is shown by More than 6 Lakhs-9 Lakhs per annum group with mean value 5.93. The mean value of 'I consider the impact of my actions on co workers' is highest among above 9 Lakhs per annum group with mean value 5.82 followed by More than 3 Lakhs-6 Lakhs per annum group and More than 6 Lakhs-9 Lakhs per annum group with mean value 5.73 and the least is among the group with salary Less than 3 Lakhs per annum group with mean value 5.72. 'I am mindful of how my behaviour affect other people's job' shows that the highest level of Courtesy behaviour is among the highest salary group i.e above 9 Lakhs per annum with mean value 5.06, followed by More than 3 Lakhs-6 Lakhs per annum group with 5.03,

Less than 3 Lakhs per annum with mean value 5.02 and the least is among the More than 6 Lakhs-9 Lakhs per annum group with mean value 4.57. The results of ANOVA shows that the factors that show the significant difference are 'I try to avoid creating problems for co workers' with 0.005(p<0.05) and 'I don't abuse the right of others' with 0.016(p<0.05). However, other factors i.e 'I take steps to try to prevent problems with other employees' the significance level is 0.118(p>0.05), 'I consider the impact of my actions on co workers' shows the significance level of 0.961(p>0.05) and 'I am mindful of how my behaviour affect other people's job' shows the significance level of 0.171(p>0.05) respectively which show that they does not show any significant difference.

High salary also shows that the employee is more senior and has more experience than the employees on average level. So the group that shows the highest courtesy level is above 9 Lakhs per annum, however, the least courtesy behaviour is among the employees fall under the More than 6 Lakhs-9 Lakhs per annum as they feel more competitive. Salary dispersion is another factor that reduces the courtesy behaviour as the employees feel demotivated if they find some biasness in performance evaluation and appraisal. Hence Hypothesis 2 is proved that there is significant difference in the Courtesy behaviour of employees having different pay structure in the organization.

**Hypotheses 3:** There is positive relation between Altruism, Courtesy and Pay Structure.

The study is conducted to examine if salary is the determinant of altruistic and courteous behaviour so it can help the organizations in deciding their remuneration policies. To have an in-depth knowledge of this, Pearson's correlation is used to find the relation among them.

**Table 3: Relationship between salary, altruism and courtesy**

		Salary	Altruism	Courtesy
Salary	Pearson Correlation	1	.03	.03
	Sig. (2-tailed)		.43	.43
	N	650	650	650
Altruism	Pearson Correlation	.03	1	.95**
	Sig. (2-tailed)	.43		.00
	N	650	650	650
Courtesy	Pearson Correlation	.03	.95**	1
	Sig. (2-tailed)	.43	.00	
	N	650	650	650

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

Table 3 shows the results that there is positive relation between Salary, Altruism and Courtesy. However, there is less positive relation between salary and altruism and Salary and Courtesy, where as Altruism and Courtesy shows high correlation among them. The study indicated that altruism affect the level of Courtesy. Employees showing more altruistic behaviour have more courtesy for their employees. Salary is positively related but is not significant as the high salary comes when the employees reached on the higher level of corporate ladder where they have more power & influence. They have to consider that their actions are critical and could impact the team and organizational performance.

### Conclusion

In this competitive era, every organization is striving hard to survive and to create a position in the market. Sustenance of an organisation depends upon its employees. The organization where the employees are working and performing beyond their job duties willingly are doing better. Organizational citizenship behaviour has now become essential for the enhancement and growth of the organization. There are numerous motivating factors to increase OCB level among employees. The current study is an attempt to investigate if salary is one of the motivating factor and how it affects Altruism and Courtesy. The study shows that there is significant difference among the employees getting different salaries. Somehow it is also related to their designation as higher designation always calls for extra role behaviour. The study concluded that higher the salary, higher is the OCB level among employees. It also portrays a positive correlation among the Salary, Altruism and Courtesy. Altruism and Courtesy show highly significant correlation i.e. Altruism have strong impact on the courtesy. The study suggests that OCB level can be increased by rewarding them for their extra role behaviour. The study of Huisng (2015) also supports our study as he mentioned that Salary can improve the job performance and so it plays a mediating role between altruistic behaviour and job performance. But that doesn't means that every employee should get salary hike but altruism and courtesy level must be a part of performance appraisal so the employees should put their efforts in order to achieve organizational goals. This study will be beneficial for the various telecom companies to design their Human

resource policies in order to retain their competent employees and inhibit them with Extra role behaviour.

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