

Employment Practices and Citizenship Behaviour of Sales Employees

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Abstract

This study is designed to identify those employment practices affecting organizational citizenship behavior among sales employees. Structured and unstructured questionnaire developed by Podsakoff et.al (1990); Williams and Anderson (1991) and Teseama and Soekers (2006) were used to collect data from a cross section of sales employees in five organizations located in Akwa Ibom State. The data were analyzed using multiple regression models. Based on the analysis of data, findings revealed that compensation, promotion, training and development were key factors affecting citizenship behavior of sales employees. Other factors highlighted include; supervision, transfer, job challenge and job design,. The study concludes by recommending a re-evaluation of these employment policies as a basic first step towards enhancing citizenship behavior.

Keywords: Attitude, behaviour, Dissatisfiers, organisational citizenship

1. Introduction

Today, the retention and subsequent citizenship of skilled sales employees in corporate marketing organizations has remained a major challenge to management. The business society has been very competitive and sophisticated and skilled sales employees have remained the only differentiating factor for most business organizations. It is true that organizations rely heavily on the expertise of their sales employees to compete favourably. There is also a growing consensus among scholars that employees' citizenship behavior is a key factor towards organizational performance. Gillrgham, (2008), Basset and Lloyed, (2005) and Ramfall, (2003), for example; had since recognized that the true effectiveness of any organization can only be evaluated from employees' behavioural and psychological outcomes. This suggests that greater efforts be made to explore the mechanisms upon which certain employment practices affect employees' behavior and outcomes.

More so, several studies have shown that organizational citizenship of key sales employees has become a difficult task for managers as this category of employees are not only being scarce in supply but are also being sought seriously by many other organizations at the same time using many special incentives. A recent study by Chaminade (2007) observed that sales employees are migrating between organizations and sometimes going offshore for better conditions. This condition if remained unchecked or unabated has the potential of affecting organizational growth and performance. Specifically, we need to shed more light on addressing the process by which certain employment practices affect sales employee attitude and behaviour.

Against this back drop, organizational managers are confronted with defection of valuable sales employees to competing organizations. This situation is very likely to continue unless organizations are able to identify and implement appropriate citizenship strategies that will help in retaining key sales employees within the organization. More importantly, with an increasing number of empirical studies reporting a clear link between employment practices and positive citizenship outcome, there is no doubt that an organization's programs and the resulting level of its employees evaluations of these practices is likely to influence their perception vis-a-vis their citizenship behaviour. Therefore, employment practices such as comprehensive training and development programs, appropriate staffing and selection procedures, fair appraisal system, transfers and competitive compensation can influence employees' assessment of their overall level of involvement with their organizations. Thus, it is estimated that the link between employment practices and sales employees psychological attachment to the organization is conditioned by how sales employees assess the degree of their congruence with those employment practices. Therefore, given the articulated problems, this study attempts to find out those employment practices that most likely predict organizational citizenship behaviour among sales employees and attempts to find answer to this research question: what are the employment policies or practices that affect citizenship behaviour of sales employees?

2. Review of literature

The main objectives of every employment policies and practices are to:

- (a) Have employees who will carry out their duties as assigned
- (b) Have employees who will stay within the system
- (c) Have employees who will exhibit innovative and spontaneous activities beyond their role requirements (Katz, 1964).

Bateman and Organ (1983) first conceived the concept of organizational citizenship behaviour which they defined as individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and which on the aggregate promotes effective functioning of the organization. Accordingly, Williams and Anderson (1991) proposed two constructs of organizational citizenship behaviour as consisting of:

- (i) Carrying out role requirements well beyond minimum required levels and helping organization in achieving goals
- (ii) Helping a specific other person with a relevant task.

Obviously, employees' turnover occurs when an employee leave his/her job voluntarily and must be replaced because of unanticipated vacuum created by such exit. Thus replacing exiting employee is always costly to the organization because of the skills, knowledge, training and development that the exiting employee may have to go with including his portfolio of business. It is imperative therefore that management exhibits greater concern over employee turnover especially as it affects key sales resource personnel. However, retention and subsequent citizenship behaviour of high performing sales employees has been a major challenge because of the frequency with which these category of employees are being attracted by other organizations. Many scholars such as Hendricks (2006), Stovel and Bontis (2002) and Abassi and Hollman, (2000) were quick to observed that employees with scarce skills are always in great demand by organizations, while their supply is very limited.

More often than not when these employees move, they migrate with their business portfolio to competing organizations, along with their knowledge and business secrets. Empirical studies by Stovel and Bontiss (2002) have shown that skilled employees, on the average switch employers every six years. These recurring incidents suggest that management should identify and understand the various reasons why their employees quit, so as proffer retention strategies that will help in keeping this essential workforce within the organization.

Furthermore, scholars like (Abassi and Holman 2000, Avila et-al 1988; and Bliss (2007) have enumerated various reasons why employees quit in their respective organizations to include; nature of work environment, poor compensation system, poor leadership style, lack of career prospect and opportunities, lack of training and career development, poor appraisal system and lack of recognition for a job well done. Others include; lack of challenging job, job insecurity, poor promotional policies, long hours of work, poor job design, among others. These are some of the employment practices that can assist managers in redefining their roles towards employee retention and subsequent citizenship behaviour. The above Scenario, suggest that organizational managers have failed in identifying and appropriately utilizing these resources as positive retention strategies and thus resulting in the prevailing high rate of turnover among sales employees. Therefore, turnover is not only dangerous, but it is also very costly to the organizations, because whenever, an employee quits for whatever reason, Somehow the vacancy has to be filled through recruitment, selection, training and permitted over time to acquire the needed experience for the job.

Southerland (2004) and Bliss (2007) had argued that apart from the direct costs other indirect costs also exist such as loss of customers, loss of employees' productivity, loss of essential knowledge, and increased social capital.

Theorist like Herzberg (1959) in his popular two factor motivational theory maintained that organizational employees are mostly motivated through internal values rather than values that are external to the work. This suggests that employees are propelled to do their best and are moved by it when factors intrinsic to the job are gainfully employed by managers. Accordingly, he described these intrinsic values as motivators. It include such variables as recognition, the work itself, opportunities for advancement, and growth, level of responsibility as well as achievement, which he called motivators. On the other hand, he also described other factors which he called dissatisfiers which are largely non job related factors (extrinsic), which does not motivate employees but their absence can cause dissatisfaction to the employees, such hygiene factors include; corporate policies, workers relationship with another, salary and supervisory styles.

Thus studies by Kinneer and Sutherland, (2001); Mendell and Rodham, (1998); Maertz and Griffeth, (2004) revealed extrinsic factors such as interpersonal relationship, communication, competitive salary, serene work environment as key motivational variables endorsed by employees to influence their citizenship behaviour. Fink and Cohen (1997) recognized that organizational citizenship behaviour is a joint function of both intrinsic and extrinsic motivational variables. The implication here is that organizational citizenship behaviour is associated with different organizational and individual outcomes. According to (Mackenzie, Podsakoff and Paire, 1999; Podsakoff and Mackenzie, 1994; Avila, Fern and Mann 1988), organizational citizenship tools are used by managers either consciously or unconsciously while evaluating their

employees performance, therefore, researchers have found a positive association of good employment practices with organizational citizenship behaviour (Cappelli and Rogovsky, 1998; Allen and Rush, 1998 and Trembley et-al; 1998).

2.1 Employee Citizenship Behaviour Measures

Armstrong (2005) had suggested a list of criteria to measure the degree to which employees are satisfied with employment policies and practices as they affect their citizenship behaviour to include:

- The extent to which they believe promotion job evaluation, performance appraisal, and performance related pay, grievance processes and procedures operate fairly.
- The degree to which they are satisfied with pay and benefits.
- The extent to which they are involved in decision that affects them.
- How well they feel they are kept informed on matters of importance to them.
- The consistency with which human resource policies concerning pay, equal opportunity etc. are applied;
- The opportunities available to them for training and development.
- The degree to which their work makes the best use of their skills and abilities.
- The extent to which they are clear about what is expected of them.
- The support and guidance they received from their managers and team leaders.
- Their working environment from the point of view of health and safety, and the general conditions under which they operate;
- The facilities (restaurant, car parking etc) with which they are provided; and
- Generally, the climate and management style of the organization.

2.2 Theoretical Framework

One main theory was considered necessary with respect to this study and this is the orientation theory. Orientation theory examines the factors that are instrumental or serve as a means in directing people's choices about work. Thus, an orientation is a central organizing principle that underlies people attempt to make sense of their lives.

Accordingly, Guest (1984) sees an orientation as a persisting tendency to seek certain goals and rewards from work which exists independently of the nature of the work and the work content. The orientation theory stresses the role of the social environment as a key factor affecting motivation. Goldthrope et.al (1968) in their study of skilled and semi-skilled workers in Luton, found out that instrumental orientation, that is a view of work as a means to an end, a context in which to earn money to purchase goods and leisure and observed that an affluent worker seems to value work largely for extrinsic reasons.

In another research by Peterborough, Blackburn and Mann (1979), a wide range of orientations were found. Thus, they suggested that different orientations could come into play with varying degrees of force in different situations.

The fact that workers had a little choice about what they did contributed to this diversity-their orientations were affected by the choice or lack of choice presented to them and this meant that they might be forced to accept alternative orientations. However, Peterborough, Blackburn and Mann (1979) Confirmed that pay was a key performance area, the top preferences being:

- a. Pay;
- b. Security;
- c. Workmates;
- d. Intrinsic job satisfaction;
- e. Autonomy.

These scholars made further comments that an obsession with wages clearly emerged.... A concern to minimize unpleasant work was also widespread.

2.3 Factors Affecting Job Satisfaction and Retention

The level of job satisfaction and retention is affected by intrinsic and extrinsic motivating factors. Armstrong (2005) observed that the quality of supervision, social relationships with the work group and the degree to which individuals succeed or fail in their work accounts for satisfaction or dissatisfaction. Purcell et.al (2003) believed that discretionary behaviour is most likely to happen when employees are well motivated and feel committed to the organization, and when the job gives them high levels of satisfaction. Their research found that the key factors affecting job satisfaction and retention were career opportunities, transfers, job influence, teamwork and job challenge.

All these factors are affected by the organization structure, the system of work and the quality of leadership. The degree to which job provide variety, autonomy, task identity and task significance depends on how job holders are managed and led by their leaders than any formal process of job design. Thus, managers and supervisors often have considerable discretion on how they allocate work, and the extent to which they delegate. They can provide feedback that recognizes the contribution of people, and they can spell out the significance of the work they do. Therefore, there is a commonly held belief that an increase in job satisfaction will result in employee retention. But it also seem reasonable to argue that it is not job satisfaction that produces retention or citizenship behaviour, but citizenship behaviour produce job satisfaction. This is because people are motivated to achieve certain goals and are satisfied if they achieve these goals through improved performance. They are even more satisfied if they are rewarded by extrinsic recognition or an intrinsic sense of opportunity to perform, and rewarding them by financial and non-financial means when they perform their task assignment. It can also be argued according to Bateman and Organ (1983) and Podsakoff and Mackenzie (1994) that some people may be complacently satisfied with their job and will not be inspired to work harder or better. They may find other ways to satisfy their needs such as quitting the organization or seeking alternative employment.

3. Methodology

Five organizations were selected on the basis of convenience sampling because of geographical dispersion and large population involved. Among these were three manufacturing organizations and two service institutions located in Akwa Ibom State. Individual participants were selected on the basis of quota sampling. Samples of 100 sales employees from the different organizations were selected. Out of these 100 copies of questionnaire issued to the respondents, a total of 98 useable responses were received yielding a response rate of 98 percent.

We examined seven employment practices namely; compensation, training and career development, supervision, promotion, transfer practices, job challenge and job design. The reason was that these practices reflect overall employment practices in both the manufacturing and the service sectors. Data was collected through a self-administered questionnaire. Multiple regression analysis was used to find out the predictions of organizational citizenship behaviour resulting from the various employment policies/ practices. The following standard scales were used and tested for their reliability:

- (i) Organizational citizenship behaviour: consist of 12 items measure developed by Podsakoff et.al (1990) and Williams and Anderson (1991).
- (ii) Employment practices: consist of 15 items measure by Teseema and Soeters (2006) Questionnaire.

The implicit function for the regression analysis is presented in equation (i)

$$Y = F(X_1, X_2, X_3, X_4, X_5, X_6, X_7, e) \text{ ---(i)}$$

Where Y = Citizenship Behaviour

X₁ = Compensation

X₂ = Promotion practices

X₃ = Supervision

X₄ = Training and Development

X₅ = Transfer practices

X₆ = Job challenge

X₇ = Job design

e = error term

The final equation is therefore presented in equation (ii).

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + b_6 X_6 + b_7 X_7 + e \text{ -----(ii)}$$

3.1 Results

Employment practices affecting organizational citizenship behaviour of sales employees were analyzed using a regression analysis. This was determined from regression equation earlier stated. The double – log form of the equation was selected based on the R – square value. The regression result shows a high R – square value of 0.833 or 83 percent signifying a strong relationship between organizational citizenship behaviour and the independent variables.

$$Y = 9880.231 + 8.216 (X_1) + 14.120 (X_2) - (53.29) (1.085) (1.127) - 744.678 (X_3) + 0.441 (X_4) - 98.857 (X_5) (14.671)(0.5477)(0.251) + 11.314 (X_6) + 0.293 (X_7) (0.115) (0.841).$$

Also the coefficient of the parameters were tested for significance using t-test, the results show that compensation (X_1), promotion (X_2), and training / development (X_4) Job challenge (X_6) and job design (x_7) had positive coefficients and this is found to be significant at 5% and 1% levels respectively. This implies that these five variables are very important for organizational citizenship behaviour of sales employees. As compensation, promotion, training and development, job challenge and job design increases, citizenship behaviour of sales employees also increases indicating a positive relationship. However, supervision (X_3) and transfer practices (X_5) with negative coefficient implies that as the level of supervision and transfer increases, the amount of citizenship behaviour decreases among employees, that is, it affects citizenship behaviour negatively.

4. Discussion.

This study on factors affecting organizational citizenship behaviour of sales employees revealed some critical employment practices responsible for employees' defection and exit. Key factors from the findings indicate compensation, training / development, job challenge and job design and promotion as key determinants of citizenship behaviour. These findings are consistent with studies of Smit and Cronje (2002) and key Hay (2009) whom in their respective studies found these factors as the key retention strategies used by successful organizations. However, Hay (2009) in his studies argued that lack of training and development can impede organizational progress and thus its performance. It is important to note that many of the employment practices were very strong predictors of organizational citizenship behaviour. Specifically, employment practices accounted for more variance in the organizational citizenship attitude. This result has compelling implication for organizational managers. Bussi (2002) for instance; contends with the issue of training and development and argued that the more employees are trained and provided with necessary skills, the more opportunity they have in terms of their market value. Similarly, the strong relationship found in compensation, promotion, training and development, job challenge and job design have been supported by previous empirical studies (see for example; Johnson, 2000; Bliss, 2007; Bussi, 2003; and Hendricks, 2006).

4.1 Management Implications /Research Agenda.

The results of this study should be of interest to organizational managers who want to retain their valuable sales force. One important finding of this study is the positive impact of employment practices on citizenship behaviour of sales employees. From employee perspective, managers should note the conditions under which the impact of employment practices enhance or reduce citizenship behaviour.

A re-evaluation of these employment practices is required for firms that are caught in the bud. From the general perspective of managing employee mobility in firms, the problem with specific areas of human resource management offers some key insights. First, the findings of this research should not be assessed simply from the perspective of management but also from the viewpoint of different categories of employees within the organization.

Secondly, the success of retention strategies in enhancing a firm's performance and profitability should highlight the role of the human resource manager in driving the firm to pursue retention strategies aggressively towards cultivating citizenship behaviours. In this regard the success stories of firms with remarkable retention policies should serve as a benchmark of best practices in enhancing citizenship behaviour.

A committed sales employee is one who identifies with the organization, wants to stay with it and is prepared to work hard at all times on behalf of the organization. Therefore, the first step towards achieving sales employees' commitment is to present the organization as one that is worth working for through a well-articulated and friendly employment policy and ensuring that this impression is reinforced throughout the period of employment contract. A more positive aspect of concern is for management to investigate and analyze the reasons given by employees for leaving the organization so that both proactive and reactive actions can be taken to correct organizational shortcomings in its employment policy.

However, there are a few limitations to this study; the study adopted a cross sectional field survey, thus creating the possibility of self-report bias. Future research should attempt to replicate this study with a longitudinal design. Such researches should also include other important employment practices that contribute to job satisfaction, job commitment and organizational citizenship behaviour. Another major limitation was the sample selection bias. The sample selection process might have led to biased estimates; therefore future research should focus on improving the sample frame and explore how various industry-specific characteristics can drive the direction and magnitude of the impact of certain employment practices on firm performance. However given that organizational citizenship behaviour is a complex phenomenon, subjective evaluations of managers may be critical to capture the multifaceted nature of implementation of certain employment practices. Future research should also employ objective data that will enable a detailed assessment of the effects of employment practices on citizenship behaviour of sales employees.

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