

# Evaluating the Prospects of Organizational Citizenship Behavior Implementation in the Indian Cooperative Banks: Identifying Research Gap



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*Organizational citizenship behavior (OCB) refers to those actions which are performed by employees voluntarily. These supplementary actions are beyond their formal job requirements and contribute to the organizational effectiveness and success. OCB has been wide-ranging studies in various organizational contexts and has found positive influence on organizational performance, employee satisfaction, team effectiveness and customer satisfaction. The study evaluates the potential challenges associated with the implementation of OCBs in the Indian cooperative banking sector. The study investigates current understanding of banking employees and practices related to OCB as well as the organizational factors that may influence its adoption and effectiveness. Researchers aim to bridge the existing knowledge gap in the banking sector by identifying and exploring the prospects of OCB in the Indian co-operative banking system for enhancing organizational effectiveness and customer satisfaction.*

**Keywords:** Organizational Citizenship Behavior, Co-operative Banks, Organizational Effectiveness

## 1. Introduction

The Indian banking sector, particularly cooperative banks, is at a critical juncture, facing unprecedented challenges and opportunities in an increasingly dynamic and competitive financial landscape. Within this context, Organizational Citizenship Behavior (OCB) has emerged as a pivotal concept that holds the potential to significantly enhance the performance, resilience, and effectiveness of these unique financial institutions. The study aims to conduct a comprehensive evaluation of the prospects, challenges, and potential impacts of OCB implementation in Indian cooperative banks, taking into account their distinctive organizational structure, operational environment, and socio-economic role.

**Cooperative Banks in India:** Cooperative banks have been an integral part of India's financial infrastructure since the enactment of the Co-operative Credit Societies Act in 1904. These institutions, rooted in the principles of cooperation and mutual assistance, play an important role in promoting financial inclusion and economic development, especially in rural and semi-urban areas. As of March 2023, India's cooperative banking sector comprised 1,502 urban cooperative banks and 1,05,268 rural credit cooperatives (RBI, 2023), forming a vast network that serves millions of members and customers.

Despite their significant presence and social importance, cooperative banks face multifaceted challenges. These include limited technological adoption, governance issues, regulatory constraints, and intense competition from commercial banks and new-age fintech companies (Chavan and Gambacorta 2016).

### 1.1 Organizational Citizenship Behavior: Theoretical Framework

Organizational Citizenship Behavior, a concept first introduced by Dennis Organ in the late 1980s, refers to discretionary employee behaviors that go beyond formal job requirements and contribute to the effective functioning of an organization (Organ 1988). OCB encompasses various dimensions, including altruism, conscientiousness, sportsmanship, courtesy, and civic virtue (Organ 1988). Altruism: This refers to voluntary actions that help another person with a work-related problem (Organ 1988). Conscientiousness: This dimension involves going beyond the minimum role requirements of the organization. It includes behaviors such as working long hours, voluntarily following rules, and not taking extra breaks (Podsakoff et al. 2000). Sportsmanship: It is quality of being fair, generous and polite during team work and refers to an employee's willingness to tolerate less than ideal circumstances without complaining. It involves maintaining a positive attitude even when things don't go their way and refraining from activities such as complaining and petty grievances (Organ 1988). Courtesy: It shows politeness in their own attitude and behaviors and involves preventing work-related problems with others from occurring like to include giving advance notice when unable to attend meetings or informing coworkers about decisions that may affect those (Podsakoff et al. 2000). Civic Virtue: It relates to responsible participation in the political life of the organization. It involves attending meetings, keeping up with organizational changes, and offering suggestions for improvements (Organ 1988). Some other behaviors like peacekeeping, cheerleading and organizational loyalty and organizational compliance are also considered as organizational citizenship behavior. These behaviors are free from formal reward system, collectively enhance organizational efficiency, effectiveness, and adaptability. The organizational citizenship

behavior (OCB) is a term that encompasses anything positive and constructive that employees do, of their own decision, which supports co-workers and benefits the company (P. Yadav and Punia 2013).

## 2. Brief Literature Review

### (Bhatia, n.d.)

The findings of study reveal that there is important difference between OCB level of executive employees in relation to experience and gender. Management of banks should provide favorable office culture to employees who are demonstrating OCB.

### (Sudhir Chandra Das 2021)

The study is done to know the influence of Organizational citizenship behavior on organizational effectiveness in banks. He didn't find the impact of OCB on organizational effectiveness because there were 17 variables showed variation among 30 variables. He indicated that research relationship between OCB and organizational effectiveness is explored in various sector but in banks it is rare.

### (Aggarwal2, 2021)

Researchers want to know organizational culture (OC) and organizational citizenship behavior of public and private sector banks. They are also curious about the impact of organizational culture on organizational citizenship behavior. Findings of study is that an important difference found in OC between public sector banks and private sector banks but no difference found in OCB between these banks. Research also finds that OC can be used to assess OCB in both banks.

### (Lavanya and Sree 2021)

Study was done to know association of work-life balance and organizational Citizenship behavior of the employees at the bank. The study found working in beyond limit time working-hours lead to work life imbalance. Employees were demonstrating OCB in enough amounts even when no one is watching. Work-life imbalance does not impact OCB negatively

### (Kaur and Kang 2021)

The study concurrently examines the effect of perceived Person Organization fit and Person job fit on OCB of employees of private sector banks in India and examines job satisfaction as a mediator of these relationships. The differential outcome of perceived P-O and P-J fit on job and organization level outcomes were also examined. The results show that both P-O and P-J fit is important foreteller of employee job satisfaction in the Indian banks.

### (Panigrahi et al. 2023)

The study talks about the connection between job satisfaction OCB and the engagement of employees influence this connection. The research furnishes a strategic framework for enhancing the engagement of employees for creating organizational citizenship behavior culture in banks.

The design of the study inhibits ability for maintaining informal association, as it only provides a progressive viewpoint on the effects of ovate variables. Longitudinal modus could potentially enhance future researcher by contributing to extra keen understanding.

## 3. Research Gap

There have been studies on OCB in the financial sectors including banking institutions in recent years. Most of the studies conducted are in either public banks or private banks categorized as per convenience of researcher. These institutions are more formalized in a system. There are cooperative banks with their state or regional presence. These banks are crucial institutions to the economy and end users due to their user-friendly and relationship banking. The OCB in cooperative financial institutions exists and the business is very much relying on citizenship behavior. This necessitates the formal and thorough study of OCB in cooperative banks in India.

## 4. Potential Challenges Associated with OCB Implementation

### Lack of proper incentive systems

Many banks may not have reward systems in place that recognize and encourage such behavior. Without tangible or intangible incentives, employees might not see the personal benefit in engaging in OCB. It could be corrected by improving the organizational system by introduction of transparent policies and procedures like appraisal, promotion and recognition programmes (Barman and Mazumder 2018). Monetary and non-monetary compensation seen as influencing OCB in positive way (Rahman and Chowdhuri 2018).

### Inadequate training programs

Many banks do not have comprehensive training programs that cover OCB principles and practices. Without proper training, employees may not develop the skills or mindset necessary for exhibiting OCB. This gap in training can be particularly pronounced in smaller or rural cooperative banks with limited resources (Rubel and Rahman 2018).

**Limited awareness and understanding**

Many employees and managers in Indian banks may not fully grasp the concept of OCB or its potential benefits. This lack of understanding can stem from limited exposure to modern management practices, especially in rural or smaller banks. Without a clear understanding, it's challenging to implement OCB effectively (Thiagarajan and Kubendran 2012).

**Resistance to change**

The banking sector, particularly cooperative banks, often has a long-established organizational culture. Employees and managers who have been working within this culture for years may resist changes that OCB implementation requires. This resistance could manifest as skepticism towards new practices or reluctance to adopt behaviors that aren't explicitly part of their job descriptions.

Innovative and flexible workforce is required for organizational effectiveness in today's cut-throat competitive environment (S C Das, n.d.).

**Cultural barriers**

Diversity management gives positive impact on organizational commitment and OCB (Bizri 2018). India's diverse cultural landscape can sometimes present challenges to implementing Western-origin management practices like OCB (Panicker, Agrawal, and Khandelwal 2018). For instance, in some cultural contexts, going above and beyond one's defined role might be seen as overstepping or disrupting harmony. These cultural nuances need to be carefully considered in OCB implementation.

**Traditional hierarchical structure**

Supervisory support increases OCB in employees (M. Yadav and Rangnekar 2015). Indian cooperative banks often have deeply entrenched hierarchical structures that can impede OCB implementation. These rigid structures may discourage open communication, initiative-taking, and voluntary helpful behaviors that are central to OCB. Employees might feel constrained by their defined roles and hesitant to go beyond them.

Leaders with leader self-compassion have a tendency to more compassionate to others by helping with task related and personal issues. (Klodiana Lanaj, 2022)

**Resource constraints**

Cooperative banks, especially smaller ones, often operate with limited financial and human resources. Implementing OCB effectively requires investment in training, possibly restructuring work processes, and potentially updating systems. These resource constraints can make it challenging to prioritize OCB implementation over other pressing operational needs.

Employees, who have given the necessary resources by the organization to do their tasks, respond effectively towards the organization they are working with (Lolitha and Johnson 2016).

## 5. Research Methodology

The study will employ a comprehensive research methodology involving a review of existing literature, data collection from secondary sources. The data is used to identify the research gap, understand the current state of OCB implementation, and assess the potential benefits and challenges. Secondary data collected by keyword search

**Research Design:** Secondary sources based descriptive review is done to identify the research gap. The research gap will further provide support and ground for development of research objectives and the hypothesis for further primary and descriptive to validate the previous findings of similar studies with the finding of study in Indian cooperative financial institutions.

**Research Tool:** the systematic literature review (SLR) is used to develop an understanding of subject study and leveraging the knowledge in identifying unexplored areas for further study.

## 6. Findings

The findings of review study indicate that the OCB practices are present in the cooperative banks but the formal understanding and implication is not visible to some extent. The study also reflects the potential impact of OCB in customer satisfaction in the Indian co-operative banks.

**The implications**

The study holds significance for the co-operative bank's policymakers, researchers, and banking professionals. By focusing on the prospects of OCB implementation, the study can provide assistance to co-operative banks in enhancing their competitiveness, improving service quality, and fostering a supportive organizational culture. Policymakers can use the findings to develop guidelines and regulations that promote OCB in the banking sector. Researchers can use the study's findings to further exploration of the predecessor, the outcome, and contextual factors influencing OCB in the Indian co-operative banking industry. Banking professionals can gain information into the importance of OCB and its potential impact on their personal and professional growth, as well as all-inclusive success of the organizations.

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