

# **EFFECT OF EMPLOYEE COMPENSATION ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR (OCB): A STUDY ON PRIVATE COMMERCIAL BANKS IN BANGLADESH**

**Md. H Asibur Rahman** 

MBA Student, Department of Management Studies, Faculty of Business Studies,  
Jahangirnagar University, Bangladesh  
asib.hrm.ju@gmail.com

**Abu Sayef Md. Muntaquimul Bari Chowdhuri**

Assistant Professor, Department of Management Studies, Faculty of Business Studies,  
Jahangirnagar University, Bangladesh  
muntaquimul88@gmail.com

## **Abstract**

*The objective of this research is examine the effect of employee compensation (EC) on organizational citizenship behavior (OCB) (e.g. OCBO-OCB directed toward organization and OCBI-OCB directed toward individuals) in private commercial banking sector of Bangladesh. For this, data were collected from current 74 employees of 27 banks located in Dhaka city through structured questionnaire using purposive sampling method. To measure EC practice six items were adapted from the scale developed by (Chuang & Liao, 2010) and sixteen items for OCB scale were adapted from (Lee & Allen, 2002). SPSS 23 was used for data analysis. Correlation analysis were applied to analyze the relationship between EC and OCB. Besides, regression analysis were employed to find out the effect of EC on OCB. Moreover, hypothesis were tested using t-test. The study found that EC practice had significant positive relationship with OCB dimensions as well as have significant positive effect on OCB (both OCBO and OCBI). Moreover, the results of this investigation have been discussed relating to previous related studies. Based on empirical findings, both the theoretical contributions and implications for managers and HR professionals are discussed.*

*Keywords: Employee Compensation (EC), Commercial Banking Sector, Bangladesh, OCBI, OCBO*

## INTRODUCTION

Recently employee selection, performance appraisal, and employee turnover have been the focus of attention in HRM and organizational behavior research however, research on employee compensation (EC) is infrequent and scarce (Gupta & Shaw, 2014). While employees are treated with supportive HRM practices, they show a propensity to exhibit higher levels of OCB (Narang & Singh, 2012; Sivapragasam & Raya, 2018). OCB is found as a crucial aspect that enhance employee performance at workplace (Chelagat et al., 2015; Chiaburu et al., 2017). Incentive pay functions as a noteworthy driver of the positive attitude and behavior of employees that increase organizational operations and effectiveness (Shaw & Gupta, 2015; Sung, Choi, & Kang, 2017). To ensure OCB, pay structures desired to be based on individual contribution, salary required to match with that of external similar organizations and competence related allowances need to be introduced (Makau, Nzulwa, & Wabala, 2017). Besides compensation is a vital factor that influences employees' satisfaction (Berber, Morley, Slavić, & Poór, 2017; Mudor & Tooksoon, 2011; Siems, Goelzner, & Moosmayer, 2012). From Bangladesh perspective, employees are greatly prioritizing salary more than something else, however, other rewards and benefits involved in the salary can also result in greater variation in job performance. Specifically in services firms like banks, pecuniary reinforcement has a tendency to produce a stronger impact on job performance (Sarker, 2017). Bangladesh as a developing country remained under-researched in terms of HRM and management, therefore it also deserves a greater extent of researchers' attention to study HRM for organizational development (Khilji, 2012; Mahmood & Nurul Absar, 2015; Rahman, Mordi, & Nwagbara, 2018; Rubel, Rimi, & Walters, 2017), especially in the area of EC practice. Furthermore, to cope up with challenges of the globalization effect, Bangladeshi organizations specially banking sector required to concentrate on proper HRM practices (Mustafi, Rahman, & Jahan, 2016; Nabi, Ahmed, & Rahman, 2017; Rubel et al., 2017). Therefore, the current study attempts to investigate EC practice of HRM and its impact on OCB (e.g. OCBO and OCBI) in the private commercial banking sector of Bangladesh.

## LITERATURE REVIEW

### Social Exchange Theory (SET)

Recently, Alfes, Shantz, Truss, & Soane (2013) adopted Social Exchange Theory (SET) as the theoretical framework in evaluating the link between perceived HRM practices and OCB. SET is constructed on the principle of reciprocity and felt obligation. SET signifying that while employees have fair treatment from a specific source, in return they are expected to respond with positive attitudes and behaviors toward that specific party (Harris, Lavelle, & McMahan,

2018; Lavelle, Rupp, & Brockner, 2007; Rupp, Shao, Jones, & Liao, 2014). As per the social exchange view, HRM practices be able to deliver an encouraging indication to the employees regarding managements' concern for their welfare and wants to establish long-term relationship with them (Gould-Williams, 2016). Therefore, in return, employees are expected to exhibit positive attitudes and behaviors (Kim & Ko, 2014). Employees uses KSAs, expertise and time to accomplish organizational goals and objectives thus rationally deserve a handsome return in exchange for their KSAs, expertise and time from the organization and it is compensation which plays most vital role to recognize employees efforts. (Milkovich & Bloom, 1998) explain compensation as all forms of financial reward and tangible benefits that an employee receives as part of an employment relationship. Therefore, to examine the employee behavioral intention in the organizational setting SET is deemed to be the most appropriate theory (Kehoe & Wright, 2013; Ko & Hur, 2014; Whitener, 2001).

### **Organizational Citizenship Behavior (OCB)**

OCB is an important factor for performance enhancement of employees (Chelagat, Chepkwony, & Kemboi, 2015). Organ defines OCB as individual behavior which is discretionary, not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the effective functioning of the organization (1988). Besides he mentions that OCB is regarded as self-sacrifice, conscientiousness, sportsmanship, and courtesy. Employees engaging in OCBs are repeatedly referred to as "good soldiers" because of their enthusiasm to go above as well as beyond the formal duty (Hart, Gilstrap, & Bolino, 2016; Organ, 1988) moreover, engaging in these activities are relatively discretionary and less of these behaviors are explicitly rewarded in order to improving the efficient and effective functioning of organizations (Hart et al., 2016; Organ, Podsakoff, & MacKenzie, 2006). OCB activities don't included in formal job description but considered as a crucial element for organization's sustainability (Jain & Rizvi, 2018). However, extra-role performance denotes activities and behaviors that are beyond one's stipulated job descriptions, therefore operationalized as OCB (Singh & Srivastava, 2016). These behaviors are mainly an expression of personal choice of employees as their exclusion is not considered punishable (Paul, Bamel, & Garg, 2016). Excellence in organizational performance can be accomplished when employees perform beyond their formal job requirement as well as show organizational citizenship behavior (OCB) (Chattopadhyay, 2017). Since OCB is discretionary, and thus it cannot be make compulsory, it is an expression of individual motivation within a group or organizational context (Pickford & Joy, 2016). OCB determines overall performance of an organization which is relatively higher than that of task performance (Chiaburu et al., 2017). Moreover, spontaneous knowledge sharing behavior (KSB) is

acknowledged as organizational citizenship behavior (OCB) (Karim & Majid, 2017). Developing overall effectiveness in an organization employees OCB is an influential factor (Turek & Wojtczuk-Turek, 2015). OCB will have a positive relationship to individual outcomes under a behavior-based reward system as well as those who participate in visible OCB will have greater positive outcomes than that of individuals who engage in less visible OCB (Bergeron, 2007). Recently, organizations increasingly anticipate employees to go beyond their prescribed job descriptions and execute tasks that are out of their formal job descriptions and reward arrangement to cope up with competitive forces (Dekas, Bauer, Welle, Kurkoski, & Sullivan, 2013; Kim, Dyne, Kamdar, & Johnson, 2013; Vigoda-Gadot, 2007). Consequently, it would seem appropriate for organizations to create a work environment where OCB is encouraged. Banks should ensure good working environment which would upturn job satisfaction and ensure effective HRM thus enhance performance not only for organization but also for entire economy (Makau et al., 2017; Ngugi, 2017). Besides, in banking organizations EC had significant influence on OCB (Ahmed, 2016; Makau et al., 2017). Conservation, desire to self-enhancement and openness to change are the personal values which have a direct influence on the quality of services as well as on employee OCB in commercial banking sector (Hartono, 2017; Kamiab & Singaravelloo, 2017).

### **Employee Compensation (EC)**

Compensation is arguably one of the most critical factors influences the quality and effectiveness of human capital (Dineen & Williamson, 2012). An operative reward system is another key to encourage individuals to join a firm and perform well continuously besides, important for firms to retain and strengthen human resources with fair and competitive compensation (Geiger & Cashen, 2007; Yang & Lin, 2009). Furthermore, compensation effects the excellence of the people who apply, the probability of job acceptance, the quality of those who are employed, the motivation and performance, number and level of the employees and the quality of who stays with the organization (Shah, Mohd, & Khairudin, 2018). According to Dessler & Tan (2009) compensation is all forms of pay or rewards given to the employee for their employment relationship with the organization. Milkovich & Bloom (1998) define compensation as all forms of financial reward and tangible benefits that an employee receives as part of an employment relationship. Compensation issues affect most HR practices or functions either directly or indirectly (Tessema & Soeters, 2006). Compensation practice has a positive association and impact on financial performance of banks (Quresh, Akbar, Khan, Sheikh, & Hijazi, 2010). An organization's attitude to compensation is an key indicator of its broader HRM policies and practices and is essential to the employment relationship (Arrowsmith, Nicholaisen,

Bechter, & Nonell, 2010; Berber et al., 2017). A well designed compensation package supports to retain the qualified employees and increases the efficiency of an organization (Nabi et al., 2017). The field of compensation is basically divided into two worlds, each has its own theories, practices and concerns (Magnan & Martin, 2018). Compensation as a key strategic area, impacting organization through ability of employer to attract and retain employees as well as in ensuring optimal performance level from employees to have organization's strategic objectives being met (Ahmed, 2016; Mello, 2014). Compensation systems are designed to reward past and influence future behaviors (Olson, Slater, Hult, & Olson, 2018). Executive compensation usually includes a base salary, a bonus, stock options or restricted stocks, long term incentive plans, retirement plans, golden parachutes and so on. In contrast, employee remuneration for low rank employees relies extensively on cash salary and various, with varying levels of short-term cash incentives according to the nature of the position being held (Magnan & Martin, 2018). Compensation includes both extrinsic rewards includes - wage, salary, bonus, commissions, pay incentives, insurance, retirement, paid vacation, paid holidays, food services, credit unions and intrinsic rewards- includes reorganization, promotion opportunities, working conditions and interesting work. Reward and compensation system is based on the expectancy theory, which advocates that employees are more likely to be motivated to perform when they perceive that there is a strong tie between their performance and the return they receive for their performance (Guest, 2017; Sarker, 2017). Compensation is the sum of all rewards received by employees in return for their services, therefore, refers to all forms of financial, tangible services and benefits employed receive as a part of an employment relationship (Nabi et al., 2017). Compensation can be both monetary as well as non-monetary- assistance an employee receives from his/her employer or job that does not contain tangible value and includes career and social rewards for example job security, flexible working hours, career growth opportunity, praise and recognition, task enjoyment and friendships (Shah et al., 2018). Compensation plays a vital role in attracting, retaining key employees to the organization and in enhancing job satisfaction as well as in motivating employees to accomplish higher levels of performance (Berber et al., 2017; Mudor & Tooksoon, 2011; Williams, McDaniel, & Ford, 2007). Therefore, performance-centered compensation systems are not only crucial for well-organized recruitment and selection, but also for retention of highly motivated and talented employees (Ambrosius, 2018; Gupta & Shaw, 2014). Although it has been confirmed that it is not compensation alone that motivates employees, a large number of employees left their job due to dissatisfaction with their compensation and/or having a chance to start jobs elsewhere that paid more than that of current job (Ambrosius, 2018; Bryant & Allen, 2013).

## **Employee Compensation (EC) and Organizational Citizenship Behavior (OCB)**

To ensure OCB, pay structures preferred to be established on individual contribution, besides, salary required to match with that of external related organizations as well as competence related allowances need to be introduced (Makau et al., 2017). Employees who are satisfied with rewards work with passion and is more committed to the organization (Tufail, Muneer, & Manzoor, 2017). Reward is considered an incentive to the employee in exchange for the contribution of their services, however, it is an expense to the organization. Incentive pay enhanced employee commitment and competence, which, in turn, improved the operational and financial performances of firms (Sung et al., 2017). Incentive pay functions as a noteworthy driver of the positive attitude and behavior of employees that increase organizational operations and effectiveness (Shaw & Gupta, 2015; Sung et al., 2017). Virtually each and every aspect of organizational effectiveness, compensation can shape employee behavior and organizational effectiveness (Gupta & Shaw, 2014). There is a significant positive relation between intrinsic reward- such as work life balance and organizational justice, feelings of achievement, sense of recognition and extrinsic reward- comprising of pay, promotion, job security, training and intrinsic rewards such and OCB (Tufail et al., 2017). Both extrinsic and intrinsic rewards are significantly related to employee satisfaction and employee performance (Tessema & Soeters, 2006; Tufail et al., 2017). Extrinsic and intrinsic rewards are positively correlated to OCB since satisfied employees in their job not only accomplish their prescribed role requirements but also put forth additional effort to execute other undertakings that extend beyond their formal role prerequisite (Tufail et al., 2017).

**Hypothesis 1:** EC practice has a positive relationship with organizational citizenship behavior directed towards organizations (OCBO).

**Hypothesis 2:** EC practice has a positive relationship with organizational citizenship behavior directed towards individuals (OCBI).

## **METHODOLOGY**

### **Population and Sample**

The target population of the study was all the employees working in private commercial banks in Bangladesh scheduled under Bangladesh Bank, the supreme regulating authority of banking sector in Bangladesh. Therefore, both employees and managers working in commercial banks are considered as the sampling frame of this study. The total number of employees in Bangladesh private commercial banking sector to be 50132, out of which the number of female working is 7491 which is 13% of the total human resource (HR) poll in private banking sector

(Times, 2016). However, the exact number of bank employees who are currently working in commercial banking sector is unclear. Considering the research objectives the current study utilized purposive sampling as a sampling technique in which judgmental sampling were used to select the respondents. This study drawn its findings on 74 fully filled out questionnaires and the response rate was 70%, therefore, the sample size N=74.

## **Research Instrument**

### ***Measurement for Employee Compensation (EC)***

Measuring the EC practice, this study utilized six items which were adapted from the scale developed by (Chuang & Liao, 2010). Five point Likert Scale is used to measure the items ranging from 1=strongly disagree, to 5=strongly agree. To reduce the ambiguity of the instruments to the respondents several modification were made.

### ***Measurement for organizational citizenship behavior(OCB)***

To measure the existence of OCB this study adapted the organization citizenship behavior scale (OCBS) having sixteen items developed by (Lee & Allen, 2002). This scale is one of the most extensively used mechanisms that is used to measure OCB and is constructed to find OCB towards individuals (OCBI) and OCB toward organization (OCBO). This scale used in most prominent studies (Harris et al., 2018; Jain & Rizvi, 2018; Jin, McDonald, & Park, 2018; Lavy & Littman-Ovadia, 2017; Ong, Mayer, Tost, & Wellman, 2018; Piccolo & Colquitt, 2006; Saks, 2006). Using these items require response on five point Likert scale that ranges 1 = strongly disagree to 5= strongly agree. To ensure the clarity and make it more understandable to the respondents several modification were made to rewrite the items.

## **Data Preparation and Data Analysis Techniques**

The data were subjected to data preparation using SPSS 23.0 version. To find the nature of relation correlation between EC and OCB dimensions is conducted. Finally, leaner regression models were developed to find out the effect of EC on OCB (both OCBI and OCBO).

## **ANALYSIS AND RESULTS**

### **Descriptive Statistics of the Latent Constructs**

The mean for independent variable EC was 3.611. Further, the SD=0.504 specified that there is good EC practice prevailing in private commercial banks operating in Bangladesh. Moreover, dependent variable, OCB directed towards organization (OCBO) had a mean score of 4.018 and SD = 0.403, and thus, clearly advocated that employees in private commercial banks in

Bangladesh demonstrate OCBO and the extent is relatively high. However, OCBI directed towards individuals (OCBI) produced a mean of 3.688 relatively lower than OCBO, besides standard deviation for OCBI was .534 which is relatively higher than OCBO. This implies that employees in private commercial banks exhibit relatively lower OCBI than OCBO.

Table 1: Descriptive Statistics for constructs

| SL | Variables             | Mean  | Standard Deviation (SD) |
|----|-----------------------|-------|-------------------------|
| 1  | Employee Compensation | 3.611 | 0.504                   |
| 2  | OCBO                  | 4.018 | 0.403                   |
| 3  | OCBI                  | 3.688 | 0.534                   |

## Correlation Analysis

### *Correlation between EC and OCB Dimensions*

The study revealed that EC and OCBO had a positive correlation between them besides, the strength of the relationship between EC and OCBO was strong ( $r=.624$ ) as well as the association between them was significant at  $p < 0.01$  significant level. Moreover, EC and OCBI were positively correlated with each other. However, the strength of the relationship between EC and OCBI was very strong ( $r=.809$ ) besides, the association between them was significant at  $p < 0.01$  significant level.

Table 2: Correlation Analysis among EC, OCBO and OCBI

| Correlations          |                     | Employee Compensation | OCBO   | OCBI   |
|-----------------------|---------------------|-----------------------|--------|--------|
| Employee Compensation | Pearson Correlation | 1                     | .624** | .809** |
|                       | Sig. (1-tailed)     |                       | .000   | .000   |
|                       | N                   | 74                    | 74     | 74     |

\*\*Correlation is significant at the 0.01 level (1-tailed).

## Regression Analysis

### *Employee Compensation (EC) and OCBO*

Here,  $R^2=.389$ , which indicates that only 38.90% of the total variations in dependent variable OCBO (Y) can be explained by independent variable EC(X). That indicates that there must be other influential one or more variables that influences OCBO. Again, the model is significant as calculated  $F(1, 72) = 45.87 > \text{tabulated } F(1, 72) = 3.97$  and  $p < .05$ .



Table 3: Summary for Regression analysis of EC and OCBO

| Model |                       | Unstandardized Coefficients |            | Standardized Coefficients | T                 | Sig. |
|-------|-----------------------|-----------------------------|------------|---------------------------|-------------------|------|
|       |                       | B                           | Std. Error | Beta                      |                   |      |
| 1     | (Constant)            | 2.215                       | .269       |                           | 8.245             | .000 |
|       | Employee Compensation | .499                        | .074       | .624                      | 6.773             | .000 |
|       |                       | R Square                    |            | F                         | Sig.              |      |
|       |                       | .624 <sup>a</sup>           |            | 45.870                    | .000 <sup>a</sup> |      |

a. Predictors: (Constant), Employee Compensation

b. Dependent Variable: OCB directed towards Individuals (OCBI)

c. Model is significant at the 0.05 level.

Further, EC has a calculated value of  $t (=6.773) >$  the critical value of  $t (=1.666)$ , besides,  $p < .05$ . Therefore implies, that the null hypothesis is rejected and alternative hypothesis is accepted. Further, positive value of the slope for EC (X) indicates that there is significant positive linear relationship between EC and OCBO.

The Y intercept is computed as ( $a = 2.215$ ). This indicates expected OCBO when there is no fair EC practice. The coefficient for predictor variable EC is ( $b = 0.499$ ), indicating that a single unit improvement in EC (X) practice would result in an increase of .449 in OCBO (Y). Therefore, the Regression Model would be as follows:

$$Y = 2.215 + (.499 \times \text{Employee Compensation})$$

### **Employee compensation and OCBI**

Here,  $R^2 = .655$ , which indicates that approximately 65.50% of the total variations in dependent variable OCBI can be predicted by independent variable EC (X) therefore indicates that there must be other factors that influence OCBI. Again, the model is significant as calculated value of  $F(1, 72) = 136.708 >$  critical value of  $F(1, 72) = 3.97$  and  $p < .05$ .

Table 4: Summary for Regression analysis of EC and OCBI

| Model |                       | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|-----------------------|-----------------------------|------------|---------------------------|--------|------|
|       |                       | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant)            | .591                        | .267       |                           | 2.211  | .030 |
|       | Employee Compensation | .858                        | .073       | .809                      | 11.692 | .000 |

| R Square | Adjusted R Square | F       | Sig.  |
|----------|-------------------|---------|-------|
| .655     | .650              | 136.708 | .000a |

- a. Predictors: (Constant), Employee Compensation  
 b. Dependent Variable: OCB directed towards Individuals (OCBI)  
 c. Model is significant at the 0.05 level.

The Y intercept is computed as ( $a = .591$ ). This indicates expected OCBI when there is no EC practice. Lastly, calculated value of  $t (=2.211) >$  the critical value of  $t (=1.666)$ , besides,  $p = .03 < p = .05$ . Therefore, entails that the null hypothesis is rejected and alternative hypothesis is accepted. Moreover, positive value of the slope for employee compensation indicates that there is significant positive linear relationship between employee compensation and OCBI. The coefficient for predictor variable EC practice is ( $b = .858$ ), that indicate that a single unit improvement in EC practice would result in an increase of .858 in organizational citizenship behavior directed towards individuals. Therefore, the Regression Model would be as follows:

$$Y = .591 + (.858 \times \text{Employee Compensation})$$

## DISCUSSION OF FINDINGS

The study found employee compensation practice have significant positive relationship to OCB directed toward organization (OCBO) ( $r = .624$  and  $p = 0.000, < 0.01$ ) and implies that the strength of correlation is strong. Even the linear regression model for dependent variable OCBO in terms of employee compensation,  $Y = 2.215 + (.499 \times \text{Employee Compensation})$  indicates there is a significant and positive effect of employee compensation on OCBO. In addition, hypothesis testing confirms that a significant positive relationship between employee compensation and OCBO.

Likewise, employee compensation is significantly correlated to OCBI ( $r = .612, p = 0.000, < 0.01$ ). Surprisingly, the relationship is strong as employee compensation and OCBI. Further, linear regression model for dependent variable OCBI is assumed as  $Y = 0.591 + (.858 \times \text{Employee Compensation})$ , which confirms a positive effect of employee compensation on OCBI. Even the hypothesis testing certifies that a significant positive relationship between employee compensation and OCBI. Hence, the research can conclude that there is a significant effect of EC practice on OCB and the nature of relationship between them is positive.

The finding of the research is similar to Makau, Nzulwa, & Wabala (2017), Tufail, Muneer, & Manzoor (2017), Noor et al. (2013), Owor (2016), Husin, Chelladurai, & Musa (2012) and Snape & Redman (2010). Compensation is an important factor in forecasting the OCB that could benefit organizations, and recommended that employer should give priority on

compensation to encourage employees to be more spontaneous and willing in achieving the organizational goals (Makau et al., 2017). Extrinsic and intrinsic rewards are positively related to OCB (Tufail et al., 2017). Ahmed (2016) point out compensation has a significant positive relationship with OCB, therefore, suggested compensation can inspire employees to contribute extra effort in their jobs, thus contributing toward OCB. Noor et al. (2013) proposed a framework, where the study indicated compensation practice will have a positive relationship on OCBO and OCBI.

Compensation fairness is a significant predictor of OCB, therefore indicates that there is positive relation between compensation and OCB (Owor, 2016). Compensation (both monetary & nonmonetary compensations and incentives) seen as influencing OCB, therefore has a significant positive relationship with OCB (Husin et al., 2012). Findings from a research on employees in North-East England recommend that there present a positive effect of HRM practices on OCB (Snape & Redman, 2010), therefore it is true for compensation too.

## **CONTRIBUTION TO THEORY AND PRACTICE**

### **Theoretical significance/implications**

The outcome of the study supports the Social Exchange Theory (SET), deemed to be the study of (Blau, 1964) and (Homans, 1958, 1961). SET is constructed on the principle of reciprocity and felt obligation. As per the SET, HRM practices can deliver an encouraging indication to the employees regarding administrations' plan for the employees' welfare and wants to establish long-term relationship with them (Gould-Williams, 2016). Therefore, in return, employees are expected to exhibit positive attitudes and behaviors (Kim & Ko, 2014). Effective HRM practices are considered as the commitment from the organization towards it's the employees who are expected to reciprocate with better commitment and engagement (Garg & Sharma, 2015). Thus the study contributes to SET theory, signifying that while employees have fair HRM practices, in return they are expected to respond with positive attitudes and behaviors toward organization (Harris et al., 2018; Lavelle et al., 2007; Rupp et al., 2014).

### **Implications for managers and HR professionals**

The findings show a strong influence of employee compensation (EC) practice on OCB. Besides, OCBs have dominant effect which organizations should capitalize for improving organizational performance and efficiency, moreover increasing OCBs must be a key feature of constructing organizational effectiveness and efficiency. Understanding the positive consequences of OCBs on organizations, corresponding managers should pay attention in

designing EC practice in order to improve employee engagement in OCBs (both OCBO and OCBI), therefore ensuring better organizational performance.

### **LIMITATIONS OF CURRENT STUDY**

This research has demonstrated interesting findings in relation to EC practice and OCB. However, this study is still not free from its limitations which must be acknowledged. One of the limitations of the study was the focus on a single developing country, Bangladesh. So, the findings cannot be generalized to other countries. Even, the results may not represent the whole sample population, as convenient sampling and a relatively small sample size were employed. Secondly, the data were based on responses gathered only from the branches located in Dhaka city only. The study was only on non-technical employees working for general banking activities in the commercial banks. Other categories of employees such as clerical, technical staffs and IT specialists were not included in this study. Hence, the explanations of outcomes cannot be generalized.

### **DIRECTION FOR FUTURE RESEARCHES**

Although some limitations confronts the significance of this research, this research can be stretched in a number of directions. Several areas for future research remain to be explored. Firstly, future researchers are encouraged to concentrate on the longitudinal study in which the changes in this fields can be inspected in the passage of times. Other HR practices such as HR planning, recruitment and selection, training and development, performance appraisal, employee retention, communication, compliance and career management in organizations should be examined to provide a more comprehensive exploration of HRM and OCB in a more industrial setting. Similarly the enquiry can be extended to examine the relationship between EC practice and OCB in other service and manufacturing industries operating in Bangladesh as well as rest of the world.

This study advocates future researchers to concentrate on the acceptability of the result both in the financial and non-financial service sectors of other developing and developed countries. Moreover, this is a recommendation to the neighbor countries within South Asia and South-East Asia where commercial banking sector exist to cross validate the findings of this study to determine the generalizability of the findings. The present study lacks the investigation of the relationship between the demographic variables thus the future researchers could conduct study to find the relationship among demographic variables and OCB.

## CONCLUSION

The present research contributes to the understanding of EC and OCB in commercial banking sector of Bangladesh. The current investigation aimed to close the gap in the OB literature related to EC practice of HRM in private commercial banking sector of Bangladesh. This study predict that there is a positive link between the compensation practice and citizenship behavior, focusing that these practices should be taken into consideration while designing effective and efficient e EC practice.

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