The Relationship Between Rewards and Organizational Citizenship Behavior: A Literature Review

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Abstract
This literature review explores the relationship between reward systems and Organizational Citizenship Behavior (OCB). Research indicates that reward mechanisms, including monetary and non-monetary incentives, significantly enhance employees' OCB manifestations, thereby improving organizational performance. Rewards serve not only as a means to motivate OCB but also, in some cases, as a direct outcome of such behaviors. The review emphasizes that effective reward strategies are crucial for stimulating and maintaining OCB, making them key to enhancing overall organizational effectiveness.
Keywords: Organizational Citizenship Behavior, Reward, Job Satisfaction, Performanc, Service Quality

Introduction

In the context of globalization, businesses are encountering increasingly intense market competition. The traditional strategy of gaining market share through price reduction is no longer sufficiently effective (Kensbock et al., 2019). In this environment, delivering exceptional customer service has become a core strategy for gaining a competitive advantage. Enhancing service quality not only meets customer needs but also boosts customer loyalty Scheidt & Chung (2019), particularly in the service industry, such as the hotel sector, where meeting and exceeding customer expectations has long been regarded as key to business success (Hwang et al., 2021).

The essence of service quality lies in the intangible, high-standard interactions between employees and customers (Dastyari & Shahabi, 2014). The quality of these interactions largely depends on the employees' organizational citizenship behavior (OCB) — actions that go beyond formal job requirements to proactively enhance organizational effectiveness (Sultana & Johari, 2022). Research indicates that employees exhibiting OCB play a crucial role in establishing and maintaining long-term customer relationships, thereby ensuring high standards of service quality and stable organizational performance (Haass et al., 2023).

To stimulate and sustain employee OCB, companies often employ various human resource management practices. Appropriate HR strategies can not only create an environment that encourages OCB but also prompt employees to display more customer-centric behaviors (Gavino et al., 2021). Moreover, reward mechanisms — whether tangible compensation or intangible position recognition — have shown a positive correlation with OCB. When employees are satisfied with the rewards they receive, they are more inclined to exhibit more OCB Sultana & Johari (2022a), which in turn enhances job satisfaction and thus improves service quality to customers and overall company performance (Pan, 2015).

Therefore, organizational citizenship behavior serves as a vital tool for businesses in a global competitive environment to maintain high levels of customer service quality and enhance market competitiveness. Understanding and implementing effective human resource management practices to foster OCB is crucial for improving both employee satisfaction and customer satisfaction.

Research Method

In order to answer the specific research questions, this paper adopts the systematic literature review (SLR) method. Systematic literature reviews emphasize rigorous and transparent scientific research processes to ensure that the results can be reproduced by other researchers. In recent years, SLR has received more and more attention and recognition from scholars in the fields of business and management (McGuire, 2021; Dangelico & Vocalelli, 2017). Following the SLR process recommended by Tranfield et al (2003), we retrieved and collected relevant secondary data from databases such as Scopus, Web of Science, and Google Scholar, consistent with previous research methods.

The results of the literature review that are closely related to this research topic have been summarized into the grid diagram below. This grid diagram aims to present and integrate the main findings in previous studies and provide readers with a clear research overview.
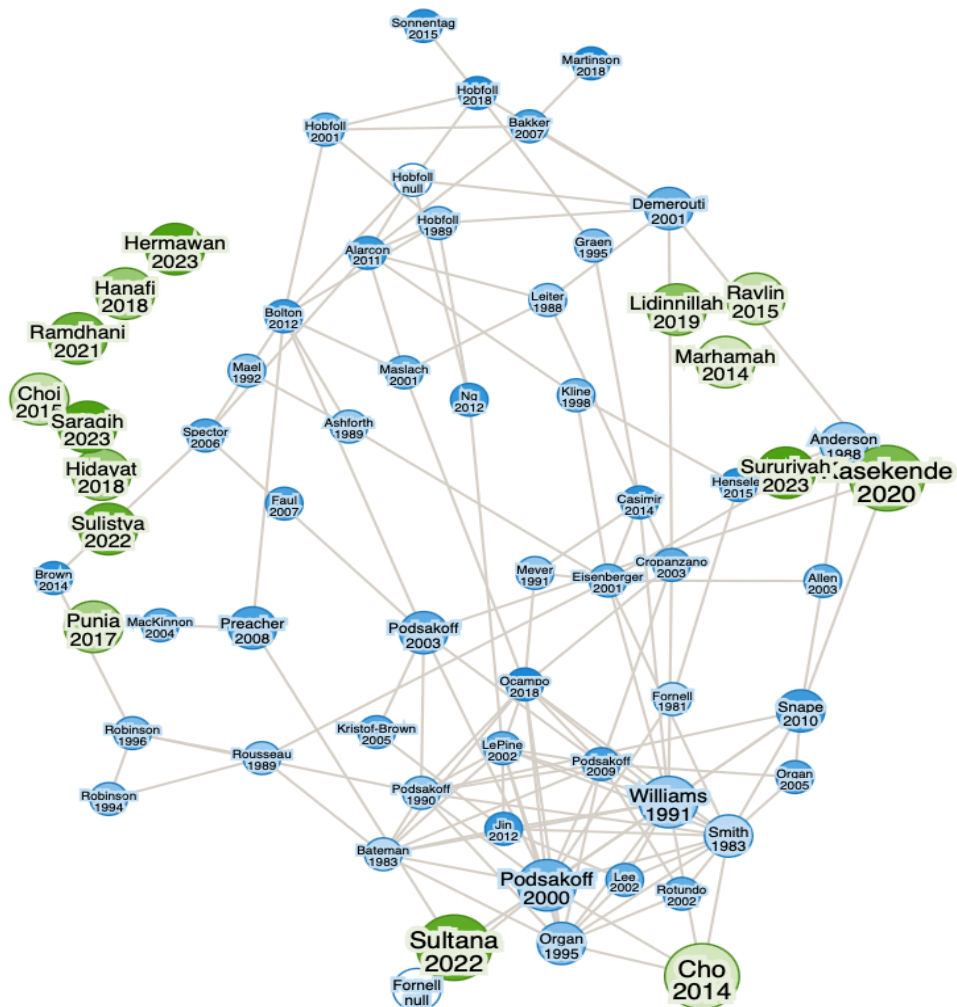
This study conducted an in-depth exploration of the past 30 tables of literature on the relationship between OCB and employee rewards. After the initial search, we excluded articles that were not relevant to the research topic. Finally, a total of 24 articles that met the criteria were included in the review. Together, these articles construct a data set on relevant variables that have been published in journals in relevant fields over the past 30 years. The search for this study did not impose geographical restrictions.

Item	Publication Year	Author	Publication Title
1	2003	Podsakoff et al	Journal of Applied Psychology
2	2009	Podsakoff et al	Journal of Applied Psychology
3	2000	Podsakoff et al	Journal of Management
4	2003	Cropanzano et al	Journal of Applied Psychology
5	2002	LePine et al	Journal of Applied Psychology
6	2018	Ocampo et al	Personnel Review
7	2001	Maslach et al	Annual Review of Psychology

8	2012	Ng, Thomas W. H et al	Journal of Organizational Behavior
9	2012	Bolton, LaMarcus R. et al	Stress and Health
10	2015	Sonnentag, Sabine et al	Journal of Organizational Behavior
11	2003	Allen, David G. et al	Journal of Management
12	2014	Casimir, Gian et al	Leadership & Organization Development Journal
13	2002	Rotundo, Maria et al	Journal of Applied Psychology
14	2010	Snape, Ed et al	Journal of Management Studies
15	2001	Eisenberger, Robert et al	Journal of Applied Psychology
16	2008	Preacher, Kristopher J. et al	Behavior Research Methods
17	2014	Brown, Graham et al	Personnel Psychology
18	2002	Lee, Kibeom et al	Journal of Applied Psychology
19	2012	Jin, Teh Choon et al	Asian Business & Management
20	2006	Spector, Paul E. et al	Organizational Research Methods
21	1995	Organ, Dennis W. et al	Personnel Psychology
22	2007	Faul, Franz et al	Behavior Research Methods
23	2004	MacKinnon, David P. et al	Multivariate Behavioral Research
24	2005	Kristof-Brown, Amy L. et al	Personnel Psychology

Research Content

Organizational Citizenship Behavior (OCB)

In modern organizational research, the importance of organizational citizenship behavior (OCB) continues to rise, and it is widely recognized as a key factor in enhancing service quality, improving customer satisfaction, improving employee and organizational performance, and reducing employee turnover. The behaviors covered by OCB include those voluntary behaviors that go beyond the requirements of formal duties, such as assisting colleagues and actively participating in organizational activities. These behaviors have a significant impact on establishing high-quality customer service and maintaining harmony within the organization. Research shows that high-quality interaction between employees and customers is the key to improving service quality, and OCB can significantly enhance this interaction, thereby improving customer satisfaction and service experience (Dastyari & Shahabi, 2014; SeyedJavadin et al., 2012).

OCB not only affects external customer satisfaction, but also has a direct impact on internal employee performance. For example, Borman and Motowidlo (1993) describe OCB as the 'lubricant' of social interactions within an organization, which helps to enhance the overall work atmosphere and efficiency by improving communication and cooperation among colleagues. Further research shows that OCB can stimulate employees' work enthusiasm and

reduce workplace disputes, thereby improving work efficiency and employee performance (Hanafi et al., 2018; Che et al., 2021). In addition, the existence of OCB has a significant positive impact on the overall performance of the organization. Podsakoff and MacKenzie (1994) estimated that the contribution rate of OCB to organizational performance can reach 17%, showing that OCB is an important element in enhancing organizational competitiveness.

There are various factors that influence employees to display OCB, including personal factors, organizational environment and demographic variables. Research shows that job satisfaction is a key factor affecting OCB, and there is a significant positive correlation with OCB (Smith et al., 1983; Organ & Ryan, 1995). Organizational commitment is also positively related to OCB, showing that employees with high organizational commitment tend to exhibit more OCB (Wagner and Rush, 2000; Gautam et al., 2005). In addition, demographic variables such as age, organizational level, and tenure also have a significant impact on OCB tendencies, with high-level and long-tenured employees being more likely to exhibit OCB (Kuehn & Al-Busaid, 2002).

Based on the above research, OCB has demonstrated its value in many aspects in improving service quality and customer satisfaction, enhancing employee performance and reducing turnover rates. These effects are influenced by individual employee factors such as job satisfaction, organizational commitment, and engagement, but are also closely related to organizational-level factors such as leadership behaviors, task characteristics, and human resource management practices. Therefore, in order to effectively promote and utilize OCB to improve organizational effectiveness, organizations need to focus on and optimize these key factors to encourage employees to display more organizational citizenship behaviors.

Rewards

In modern business management, the design and implementation of employee reward systems are key factors in improving job satisfaction, performance and loyalty. Research shows that both intrinsic and extrinsic rewards have a significant positive impact on employee job satisfaction (Mosquera et al., 2020). Specifically, both monetary rewards and non-monetary rewards, such as praise and recognition, have been shown to be effective in maintaining employee commitment and motivation (Danish, 2010; Linz & Semykina, 2012). In addition, the overall climate of rewards also plays an important role in employees' job satisfaction and organizational commitment (Chiang & Birtch, 2011). These studies show that by providing compensation and recognition, management can significantly improve employees' salary satisfaction and loyalty, thereby enhancing the perception of pay fairness (Hareendrakumar et al., 2020).

There is also a close link between reward systems and organizational citizenship behavior (OCB). Anticipated rewards or rewards have been found to motivate employees to display more OCB, suggesting that employees who anticipate receiving rewards or rewards for displaying OCB are more likely to exhibit this behavior (Korsgaard et al., 2010; N. P. Podsakoff et al. al., 2009). For example, when employees display higher OCB, they are more likely to receive higher job performance evaluations and reward decisions. This expectation of rewards and rewards can effectively drive employees to go above and beyond their regular responsibilities, thus improving overall organizational effectiveness.

Research also emphasizes that satisfactory rewards and an excellent working environment can enhance employee loyalty and reduce turnover intentions (Ya-Hsin & Hung-Sheng, 2017). For example, financial rewards such as salary increases can significantly improve employees' job satisfaction and loyalty (Mazlan et al., 2021). These findings support

the importance of a total reward strategy in maintaining employee loyalty and improving organizational performance (Abdullah, 2011; Gupta & Shaw, 2014; Iqbal et al., 2015).

The fairness of rewards is also key to shaping positive employee behavior. Employees' perceptions of reward fairness can greatly influence their behaviors and attitudes, including the display of organizational citizenship behaviors (Dessler, 2016; Rasch & Szypko, 2013). An appropriate reward system is considered an effective means to motivate employees to improve work performance, especially when employees believe that their efforts will be rewarded accordingly (Koo et al., 2020b; Lawler, 1990). Therefore, the comprehensive use of various financial and non-financial reward strategies can effectively stimulate employees' intrinsic and extrinsic motivations and help organizations achieve better business results and employee satisfaction (Armstrong, 2014; WorldatWork, 2006).

Rewards and OCB

The definition and understanding of organizational citizenship behavior (OCB) has changed significantly since Organ first proposed it in 1988. OCB was originally defined as employee discretionary behavior that, although not directly rewarded formally, can effectively promote organizational operations. In 1997, Organ revised this definition to emphasize the important role of OCB in promoting social and psychological environments that support task performance, thus downplaying the view that OCB is not associated with formal rewards (Podsakoff et al., 2009). This new definition recognizes that OCB is not just voluntary behavior but a key component of organizational effectiveness.

Research shows there is a complex yet direct link between OCBs and rewards. For example, Podsakoff et al (2000) found that when employees are interested in rewards and believe that leaders play a decisive role in reward distribution, their OCB performance is better. Further research shows that high levels of OCB performance are often associated with higher job performance evaluation and reward allocation (Podsakoff et al., 2009). Korsgaard et al (2010) further pointed out that expected rewards or rewards may prompt employees to display OCB, which means that rewards play an important role in motivating OCB.

The design and implementation of reward systems play a crucial role in motivating employees' OCB performance. Research emphasizes that an effective reward system can significantly improve employee motivation and satisfaction, thereby improving the performance of the entire organization (Bustamam & Abdullah, 2014). Rewards, whether tangible such as salary and bonuses, or intangible such as recognition and career development opportunities, are considered key factors in shaping employee behavior and improving organizational effectiveness (Hameed et al., 2018).

In addition, the fairness of rewards is also considered to be the key to motivating OCB. Research in the Bangladesh banking industry shows that fair distribution of rewards is positively related to front-line employees' service-oriented OCB performance (Sultana & Johari, 2022). These findings highlight the importance of developing and maintaining a fair and motivating reward system to promote employees to go beyond their regular responsibilities and demonstrate OCB, thereby enhancing the organization's overall performance and market competitiveness.

Conclusion

This study explores the relationship between reward systems and organizational citizenship behavior (OCB) in detail, revealing how individual and organizational performance can be improved through reasonable reward mechanisms. Research results show that OCB

has a significant impact on enhancing service quality, improving customer satisfaction, improving employee and organizational performance, and reducing turnover rates. Through the effective implementation of the reward system, not only can employees' job satisfaction and organizational commitment be improved, but also employees can be motivated to show more OCB, thereby directly and indirectly improving the overall performance of the organization. The positive relationship between rewards and OCB further emphasizes that when employees see their extra efforts recognized and rewarded, they are more likely to demonstrate behaviors that go above and beyond the call of duty, which creates a positive work environment for the organization.

Theoretical Implications

This study deepens the theoretical understanding of the relationship between rewards and organizational citizenship behavior (OCB) and contributes new insights to the related body of knowledge. Organ (1988) initially defined OCB as behavior not directly related to a formal reward system. This definition limited research on the relationship between rewards and OCB. However, Organ revised this definition in 1997, describing OCB as "behavior in the social and psychological environment that supports task performance", clarifying its positive impact on organizational effectiveness, and distinguishing between task performance and OCB Relationship. This theoretical update provides a new perspective on understanding how rewards motivate OCB, reducing the difficulty of viewing OCB as discretionary behavior that may not be formally rewarded. Despite this, there is still very little research on the relationship between rewards and organizational citizenship behavior in the academic community. This paper makes certain theoretical contributions in making up for this regret by sorting out the literature. In addition, this study revealed that job satisfaction plays a mediating role between rewards and OCB, showing that employees' perception of rewards directly affects their tendency to exhibit OCB. These findings highlight the importance of enhancing OCB behaviors by increasing job satisfaction, enriching the theoretical basis for the interaction between rewards and organizational behavior.

Practical Implications

The practical significance of this study is to provide specific guidance on how to motivate employees to display more organizational citizenship behaviors (OCB) through well-designed reward mechanisms to improve overall organizational performance. Especially in the service industry, this study highlights the key role of OCB in improving service quality and customer satisfaction, providing implementation strategies for managers. By systematically exploring the relationship between rewards and OCB, the study reveals how to effectively utilize this behavioral pattern to enhance service quality and thereby improve customer satisfaction. The research results show that a reasonable reward mechanism can not only stimulate employees' OCB, but also further promote this behavior by improving job satisfaction, providing valuable management insights for the service industry, especially those that value customer service.

Limitations and Future Research

In the existing literature on the relationship between rewards and organizational citizenship behavior (OCB), although a significant association between the two is revealed, there are also some limitations in the research. First, most studies rely on cross-sectional and self-reported data, which limits understanding of causal relationships and may introduce self-

report bias. Second, these studies mainly focus on specific geographical and cultural contexts, limiting their general applicability. In addition, the definition and measurement of OCB and reward are inconsistent across studies, which may affect the comparability of results. Other factors that may influence OCB, such as individual differences and organizational culture, are also often ignored in research. Furthermore, there is relatively little research on the impact of non-material rewards and the long-term dynamics of the reward-OCB relationship. Future research is needed to overcome these limitations by employing longitudinal designs, extending the scope of the study, and delving deeper into the effects of different types of rewards to gain a more comprehensive understanding.

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