A STRATEGY TO STRENGTHEN THE ORGANIZATIONAL CITIZENSHIP BEHAVIOUR OF STEEL INDUSTRY’S EMPLOYEE IN INDONESIA

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ABSTRACT

There’s a forecast regarding the increase in demand for steel utilization in the future. The steel industry then needs to increase the organizational citizenship behavior (OCB) of its employees so that all employees would fulfill its demand. This research aimed to reveal the strategies related to strengthening the OCB through perceived organizational support (POS) in mediating the correlations between organizational climate and work discipline through OCB. Data analysis Methods used SEM with the research sample was 351 employees of steel industry companies in DKI Jakarta and Banten Provinces, Indonesia. The results showed that organizational climate had an impact on increasing the POS, but it did not affect OCB; work discipline could increase OCB, but could not increase POS; POS could mediate the impact from work discipline in strengthening OCB, but POS could not directly increase OCB instead it would reduce the indirect implications of work discipline on OCB. This research on the steel industry in Indonesia was considered in conducive organizational climate, equated the positive perceptions between employees and companies, controlling and evaluating employee behavior, and reviewing the moral and material support given to employees.

Keywords: Work Discipline, Organizational Climate, Perceived Organizational Support, Organizational Citizenship Behavior.

INTRODUCTION

The steel industry is one component of the primary metal industry, which is included in the upstream sector and included in Indonesia's strategic sectors. This sector plays a significant role in supplying vital raw materials for development in various fields, starting from the provision of infrastructure (buildings, roads, bridges, electricity networks, and telecommunications), the production of capital goods (factory machinery and supporting materials and spare parts), transportation tools (ships, trains along with rail and automotive), until weaponry.

The growth in demand for steel in Indonesia has continued to increase from year to year. However, compared to other ASEAN countries, Indonesia's steel consumption (per capita) is still the lowest. Steel consumption in Indonesia during 2017 has increased by 22.5%, or around 13.6 tonnes, but this is not linear with national steel production, which was only approximately 5.2 million tonnes in 2017 (News from Detik, 2019). This condition worsens by China's steel products, which has become the main suspect, causing the national steel industry market's lameness. The Central Statistics Agency stated that in 2018 the national steel industry market...
was still dominated by imported products that reached 52%; this is getting frustrated by the increasing number of steel imports in 2019 that reached 14.65% (News from Detik, 2019). However, the utilization of steel manufacturers began to improve in August 2020. The Indonesia Iron and Steel Industry Association (IISIA) recorded that the utilization of steel manufacturers in August 2020 had improved in the range of 40-70 percent. IISIA added that this demand increase is suspected due to the forecast about steel prices worldwide, including in Indonesia that will increase in the fourth quartile/2020 and the first quartile/2021 (News from Ekonomi Bisnis, 2020; News from Investasi Kontan, 2020).

By the forecast regarding the increase in demand, the steel industry in Indonesia needs to continue to improve both in terms of capital and human resources in supporting the company's performance so that it could compete in the national steel industry market. However, many employees do not show the maximum contribution to companies in the steel industry. This is indicated by the pre-survey results, which show that 57% of the steel industry employees do not have Organizational Citizenship Behaviour (OCB). Based on these pre-survey results, the authors also found several factors that strongly affect the employee OCB, such as work discipline (55%), organizational climate (58%), and perceived organizational support/POS (63.5%).

Previous research conducted by Barza & Arianti (2019) and Setiaji & Lo (2002) found that work discipline has a significant positive effect on OCB. Ariyanto et al. (2009); Siswanti & Anjasasi (2017); and Reynolds & Helfers (2018) found that if work discipline has a positive effect on POS. Nabilla & Riyanto (2020); Akanni & Ndubueze (2017), and Vasudevan & Iqbal (2018), in their research, stated that organizational climate plays a positive role in strengthening the OCB. Berberoglu (2018) found that organizational climate is positively related to POS. Nabilla & Riyanto (2020), Anggraeni (2018), and Claudia (2018) found that POS has a positive and significant effect on OCB. Baranik et al. (2010) saw that POS could play its role in mediating the influence of employee attitudes towards the organization. Meanwhile, Amanda (2014) found that work discipline does not affect OCB. Rizki & Khoirunnisa (2019) found that organizational climate has no impact on OCB. Pozveh & Karimi (2016) found in the organizational climate has a negative correlation with OCB. Hayati (2020) and Mustika & Rahardjo (2017) POS does not affect OCB. Fatdina (2009) POS has an adverse effect on OCB. Ariyanto et al. (2009) found that POS could not play as a mediate variable/factor. According to recent phenomena and some of the research gaps, the author wants to assist management in the steel industry to strengthen the OCB of steel industry employees in Indonesia because employees are the primary source in the steel industry to perform the company activities.

**LITERATURE REVIEW**

**Organizational Climate**

Organizational climate is a molar concept reflecting on its values and norms based on company policies and procedures, and practices in the field (Arvidsson et al., 2006). Organizational climate act as a hub between organizational characteristics and the attitudes and behavior of its employees to create a Strong personality characteristic of an employee in an organizational environment, so they could carry out their work optimally (Hemmelgarn et al., 2006; Benzer et al., 2011; Griffin, 2001; Elçi & Alpkan, 2009) Organizational climate would also be defined as changes in employee attitudes to survive in the internal environment of the organization by showing professionalism, cohesiveness, thinking and acting according to the
rules set by the organization (Burton et al., 2004; Öz et al., 2010). Five general elements should be present in an organizational climate, such as goal emphasis, emphasis, reward orientation, task support, and social-emotional support. Companies need these five elements to build employee work perceptions to increase work productivity, increase innovation, job satisfaction, and employee happiness (Griffith, 2006; Chang et al., 2011).

Several research suggests that companies need to consider the climate and organizational structure to encourage employee creativity, create new ideas, and build a reliable correlation between colleagues (Georgiades, 2015; Garcia-Garcia et al., 2011). The researchers also concluded that organizational climate is a psychological phenomenon embedded in organizational values that function as internal corporate communication and affects learning, performance, and employee involvement (McMurray et al., 2004; Dickson et al., 2004; Grojean et al., 2004). The organizational climate could be measured if carried out well through a clear division of workers within an organization and its units (Hemmelgarn et al., 2006). Although there are various perceptions regarding organizational climate within the company, this organizational climate could be controlled through managers' actions by identifying its characteristics to balance performance and conducive company conditions (Shin, 2012; Woolliams, 2007).

Work Discipline

Work discipline is identified as employee behavior to challenge its self-control and moral reinforcement of company rules (Boyd, 1984; Bugdol, 2018). According to the American Heritage Dictionary of the English Language (2000), discipline focuses on developing self-control in solving problems to be more productive. Discipline also focuses on external controls that regulate employee obedience to achieve career success and work success (Dupper, 2010; Keller et al., 2014).

Work discipline is a fundamental concept for companies to manage their employees, raising awareness about company regulations and affecting the employees' focus on upgrading their skills and work quality (Filgari, 2011; Mangan, 2009; Esbester, 2008; Prasetyo & Riyanto, 2019). Therefore, the work discipline policy applied by the company needs to consider the rights of all employees to create the principle of fairness that could be regarded for and will increase employee confidence in the company, so then the employees would work responsibly and eager to directly be involved in the success of the company's goals (Armstrong, 2006; Whittington, 2017; Presenza & Sheehan, 2018). Knowing the importance of work discipline for companies and employees, F.W. Taylor said that work discipline needs to consider the principles of justice, reasonable excuses/punishment, and management quality. Therefore, to create fair discipline for all stakeholders (Bugdol, 2018).

Perceived Organizational Support

Perceived Organizational Support (POS) is employees' beliefs about their support and appreciation for their performance. If the POS is high, the employees will feel proud of their performance achievement, and it becomes a stimulus to continue improving their performance. However, if the POS is low, the employees assume that they have failed to carry out their job duties and feel demotivated (Kinicki & Fugate, 2018; Epitropaki & Martin, 2013). Based on the theory, employees would provide maximum performance if the organization pays attention to their contribution and welfare (Liu et al., 2013; Rhoades & Eisenberger, 2002; Cheung & Law,
2008). Furthermore, POS would also affect the organization's employee commitment if the company provides appropriate rewards, provides job security, improves and minimizes working conditions from all the negative impacts caused (Armstrong-Stassen & Ursel, 2009; Colquitt et al., 2019), this is necessary to maintain employee trust (Eisenberger et al., 1986; Newman et al., 2011; DeConinck, 2010).

The organizational support felt by employees related to work stress is also very necessary to provide the solutions to the situations/problems they face (Macey et al., 2009; Lai et al., 2013). Through this support, the employees would feel cared for by the organization, and indeed, they would carry out their commitment with full responsibility to achieve the company's goals (Rhoades & Eisenberger, 2002; Khasanah et al., 2013; Wang et al., 2011). The moderate effect from POS would foster the employee confidence and engagement in the organization and would integrate feelings, attitudes, and self-improvement of employees to jointly achieve the desired goals (Mcnall et al., 2011; Rhoades & Eisenberger 2002; Allison & Spence, 2006; Sluss et al., 2008). On the other hand, employees' organizational support will facilitate managers' achievement in creating more comfortable access to their subordinates and eliminating internal barriers that could occur (Mackoff, 2011; Zagenczyk et al., 2011). Through the encouragement of supervisors or department heads to employees, organizational support is very important to develop better social linkage, creating clarity of roles and welfare for employees (TD Allen et al., 2009; Connerley & Wu, 2016). POS could also be positively related to filling employees and organizations' needs through affective and normative commitments (Settoon et al., 1996; Gakovic & Tetrick, 2003). Therefore, POS could be one of the key factors for organizational success in creating commitment, job satisfaction, and employee involvement in the organization (D.G. Allen et al., 2003; Cho & Treadway, 2011).

Organizational Citizenship Behaviour

Organizational Citizenship Behaviour (OCB) is individual behavior separate/discreet and not directly recognized by formal reward systems that could benefit and encourage organizational functions' effectiveness (Organ, 1988; Bogler & Somech, 2005; Rayner et al., 2012; Organ et al., 2006, Kutcher et al., 2010). OCB would have a negative effect on the organization if the organization did not provide fair justice to its employees (Farrell & Finkelstein, 2011). However, if OCB could be appropriately managed, it would become a liaison between leadership in the organization and its employees and motivate employees to work (Jiao et al., 2011; Barbuto & Story, 2011). OCB might facilitate the organization in providing support to employees to provide better performance and benefit the organization (Spector & Fox, 2010; Shen et al., 2014). Hierarchically, OCB is useful for organizations to identify decreased performance and other actions that could harm the organization (Levine, 2010).

Generally, OCB consists of altruism or helping behavior, awareness, individual initiative, civic virtue (Afolabi et al., 2009). Meanwhile, Whittington et al. (2017) stated if there are five scales/factors which determine the OCB of employees, such as altruism, conscientiousness, civic virtue, courtesy, and sportsmanship. Spector & Fox (2010), dan Christ et al. (2003) advised that several factors of OCB are involved in maintaining employee productivity, namely through organizational identification and career identification in predicting OCB in an organization (Salas, 2012; Kumar & Singh, 2012). Organizational Citizenship Behaviour could be divided into two, namely OCBO, which is attached to the organization, and OCBI, which deals with individuals who are indirectly valuable to the organization. OCBI would stimulate employee concern towards the organization and their colleagues and help them achieve their personal goals
(Raza et al., 2018; Halbesleben et al., 2010). OCB also functions to create good relations between employees and contributes to the psychological environment to improve employee performance (Chen et al., 2013; Robbins & Judge, 2018). In another context, OCB acts as an analytical tool for organizations to improve the trust and involvement of employees in carrying out their work based on personal initiative and helping their colleagues to produce better work productivity (Johns, 2006; Bommer et al., 2007; Robbins & Judge, 2017; Chiang & Hsieh, 2012; Bakker & Leiter, 2010).

Conceptual Framework

According to the research background and those theories above, the writer intends to know further regarding the role of POS in mediating the influence of organizational climate and work discipline towards OCB on employees of the Steel Industry in Indonesia. This could be illustrated by the estimation scheme below (Figure 1).

![FIGURE 1
CONCEPTUAL FRAMEWORK](image)

Hypothesis

To find out the relationship between variables as illustrated in the conceptual framework above, the research hypothesis that needs to be exposed in this study, namely:

- $H_1$ Organizational climate affects OCB.
- $H_2$ Work discipline affects OCB.
- $H_3$ Organizational climate affects POS.
- $H_4$ Work discipline affects POS.
- $H_5$ POS affects OCB.
H6. POS may mediate the organization’s climate influence on OCB.

H7. POS can mediate the influence of work discipline on OCB.

METHODOLOGY

This research was quantitative with a causal research design to detect the causal relationships between the research variables (Hair, 2010). In this research context, the author wants to learn further regarding the role of POS in mediated the influence of organizational climate and work discipline to improve the OCB of Steel Industry’s employees in Indonesia. Objects and its population were all employees who work in the steel industry in Jakarta and Banten Province, which amounted to 2850 employees. The sampling technique used was non-probability sampling with a research sample of 351 respondents at an error rate of 5%. Data analysis techniques and methods used SEM to assist SmartPLS software in assessing the estimation models and structural models (Hair, 2010).

RESULTS AND DISCUSSION

Validity and Reliability Test

According to the outer model test, the loading factor values from all indicators were above 0.5 except the POS12, OCB3, OCB6, so they would be excluded from the model then a second loading factor test was done. Through this new composition, all indicators were illustrated has filled the requirements of convergent validity, composite reliability, and cronbach's alpha. The PLS Algorithm model was presented in the image below (Figure 2).

Each variable's convergent validity in this research had a value of more than 0.5, which meant that all indicators could construct latent variables. Based on the reliability test results, it was described that the ranged of the composite reliability and cronbach's alpha values for the research variables was 0.873 to 0.973, so it could be interpreted that the variables had a very good consistency value (Table 1).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Climate</td>
<td>0.934</td>
<td>0.928</td>
</tr>
<tr>
<td>Work Discipline</td>
<td>0.938</td>
<td>0.94</td>
</tr>
<tr>
<td>Perceived Organizational Support</td>
<td>0.973</td>
<td>0.969</td>
</tr>
<tr>
<td>Organizational Citizenship Behaviour</td>
<td>0.895</td>
<td>0.873</td>
</tr>
</tbody>
</table>

R² and Stone-Geisser (Q²) Test

According to the R² test result, the R² value for POS was 0.860 and R² for OCB was 0.652, then the value of Stone-Geisser was (Q²) > 0.0. Thus it could be concluded that organizational climate, work discipline and POS had a good relevance in predicting the OCB.

Hypothesis Test

The results of path analysis through SmartPLS bootstrap could be seen in Table 2 below.
According to the path analysis result, it was found that organizational climate did not affect OCB. This proven by the t-statistic value (0.754 < 1.967) with a significant level (0.451 > 0.05). This finding is in line with Rizki & Jajang's research (2019). This shows if the management of the steel industry in Indonesia should give employees full responsibility, impacting employees' sense of belonging. Through this authority, employees were expected to take the initiative in their work and work according to their expectations. These research results are opposites of the theory by Scandura's (2019); Payne & Pugh (1976), and Arvidsson et al. (2006), which said that the employees have the same positive perception as their company to
create a pleasant work environment. With a pleasant work environment, the employees will work beyond their obligations and roles. Therefore, employees should be more intense in intrigue and communicating with their line managers to create a positive shared perception and a more pleasant work environment. Each other will get positive feedback on their work. This positive feedback will create a high emotional attachment between employers and employees, and employees will feel proud to be part of the organization. Employees would have a moral obligation to be loyal to the company.

Table 2
PATH ANALYSIS (DIRECT AND INDIRECT EFFECT)

|                | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P-Value |
|----------------|---------------------|-----------------|---------------------------|--------------------------|--------|
| OCL -> OCB     | 0.087               | 0.084           | 0.116                     | 0.754                    | 0.451  |
| WD -> OCB      | 0.65                | 0.657           | 0.032                     | 20.371                   | 0      |
| OCL -> POS     | 0.965               | 0.964           | 0.021                     | 45.247                   | 0      |
| WD -> POS      | -0.237              | -0.235          | 0.025                     | 9.399                    | 0      |
| POS -> OCB     | -0.546              | -0.536          | 0.109                     | 4.992                    | 0      |
| OCL -> POS -> OCB | -0.527          | -0.517          | 0.109                     | 4.836                    | 0      |
| WD -> POS -> OCB | 0.13            | 0.125           | 0.027                     | 4.813                    | 0      |

Based on the path analysis result, it was found that work discipline had a positive and significant effect on OCB. This proven by the path coefficient value = 0.650 (positive), the t-statistic value (20.371 > 1.967) with a significant level (0.000 < 0.05). This finding is in line with Barza & Arianti (2019) research and Setiaji & Lo (2020). This illustrates that employees need to continue improving their discipline because discipline will educate the employees and establish better intra-organizational correlations. This discipline embedded in employees will impact its employees' trust to provide positive feedback in understanding and empathy towards the company. The research results are in line with the theory by Whittington (2004), and Presenza & Sheehan (2018), which said that employees who have a high level of discipline would work responsibly and be directly involved in company goals. This proves that in a quality-oriented organization, the employees should make a more significant effort to meet the standard criteria and quality management principles. Through work discipline, employees could be relied on effectively to do their jobs and understand what they need at work.

The path analysis results show that organizational climate had a positive and significant effect on POS. This proven by the path coefficient value=0.965 (positive), the t-statistic value (45.247>1.967) with a significant level (0.000 < 0.05). This finding is in line with research from Berberoglu (2018). This stated if the organization could not be separated from the traits or characteristics in the work environment, especially because organizational activities are supposed to be carried out consciously or unconsciously and considered relate to behavior. In other words, the organizational climate could be considered as an organizational personality that is seen and felt by its members. Then it would lead to positive perceptions in employees' minds regarding organizational concerns about themselves. These research results are in line with the theory created by Schneider & Rentsch (1988), and Elçi & Alpkan (2009). It said that organizational climate is how companies do their routine behavior and actions supported by the organization. The importance of an organizational environment for companies is to achieve company goals. Therefore the steel industry in Indonesia needs to create a conducive organizational climate for its employees. A conducive organizational environment would create
an atmosphere of its internal environment and a good psychological environment for its employees. This perception is what would grow up in the level of employee trust in the organization means their existence is weight enough in the organization, then the POS would also increase.

According to the path analysis results, it was found that work discipline has a negative and significant effect on POS. This proven by the path coefficient value =-0.237 (negative), the t-statistic value (9.399 > 1.967) with a significant level (0.000<0.05). This finding contradicts the research from Ariyanto et al. (2009); Siswanti & Anjasasi (2017), and Reynolds & Helfers (2018). This means if the employees need to improve their discipline, the organizational support could be felt. These research results are opposites with the theory by Boyd (1984), and Bugdol (2018), which defined if the work discipline could be identified through self-control and moral strengthening of company rules. Therefore, management needs to provide its control and evaluation related to employee disciplinary behavior. Through carrying out such as control and evaluation, steel companies in Indonesia would be able to identify violations and other behavior problems, so the management needs to take steps to enhance and fully support the employees; therefore, it would have an impact to increase the POS in employees.

Based on the path analysis results, it was found that POS had a negative and significant effect on OCB. This proven by the path coefficient value = -0.546 (negative), the t-statistic value (4.992 > 1.967) with a significant level (0.000 < 0.05). This finding is in line with research by Fatdina (2009). This shows that Indonesia's steel industry needs to evaluate its reward system because sometimes employees also need appreciation in the form of material, not just morals. This will create a strong impression that the company appreciates their contribution and cares for their welfare. These research results strengthen the theory by Kinicki & Fugate (2018), which stated that low POS is caused by employees who think they failed to carry out their job duties and lead to demotivation. Therefore, the steel industry in Indonesia needs to take wise actions and reflect a positive evaluation. The organizational support could be felt by employees and impact improving OCB in an employee.

Based on the path analysis result, it was found that POS could mediate the impact of organizational climate on OCB with a negative influence. This proven by the path coefficient value=0.527, the t-statistic value (4.836>1.967) with a significant level (0.000<0.05). This finding is the opposite of Baranik et al. (2010), which found that POS acts as a mediating variable that could increase employee attitudes and involvement in the organization. This described that the steel industry in Indonesia did not consider those components in the organizational climate, which plays an important role in employee involvement within the organization through encouragement provided to the employees. This opposite of the theory by Robbins & Judge (2017) stated if the organizational climate refers to organizational members' common perception about the organization and their work environment. Therefore, Indonesia's steel industry needs to consider an open organizational climate and allow employees to participate in every decision-making to feel valued. An open organizational climate could cause employees to feel involved in their organization. Eventually, they would feel accepted in the workplace. This will encourage a sense of employees' togetherness and help each other at work, though outside the job description.

The path analysis result shows that POS has partially mediated the influence of work discipline towards the OCB. This is proven by the path coefficient value (0.130<0.650), the t-statistic value (4.813>1.967) with a significant level (0.000<0.05). This finding is in line with Baranik et al. (2010), which found that POS acts as a mediating variable that could improve the
employee attitudes and involvement in the organization, although the impact is minimal. These results indicate that steel industry companies need to take appropriate and effective steps to improve work discipline, increase employees' perceptions of organizational support, and indirectly advance employee involvement in the organization. These results are in line with Flgari's (2011) theory, which stated if work discipline would be fixed, the organization's engagement continuously and the quality of employee work. Therefore, Indonesia's steel industry needs to advance related to organizational support for employees, such as providing more complete facilities and infrastructure, providing clear and firm rewards and punishments to employees without exception, and guarantees of safety and protection of their welfare. These improvements will lead to an increase in work discipline and employee involvement in the organization.

CONCLUSION AND SUGGESTION

The results showed if there has none correlation between organizational climate and OCB, there has a positive and significant impact from work discipline on OCB, there has a positive and significant impact of organizational climate towards POS, there has a negative and significant impact from work discipline on POS, there has a negative and significant impact of POS on OCB, POS could partially mediate the impact from work discipline towards an increasing in OCB, but POS has a negative effect while mediating the impact of work discipline on OCB.

This research finding illustrated if the work discipline has the most robust direct effect in advancing the employee OCB. This research's conclusions were also strengthened that POS is not required as a mediating variable/factor in influencing OCB. Meanwhile, the best strategy in Advancing the OCB through increasing employee discipline by setting high-performance standards with full responsibility in creating better intra-organizational relationships.

This research implies that Indonesia's steel industry needs to consider a conducive organizational climate to create a better internal and psychological environment. The management of steel manufacturers in Indonesia's industry needs to control and evaluate employees' disciplinary behavior to alleviate and take corrective steps. Management and employees need to equate positive perceptions with creating the expected feedback. The management of the steel manufacturers industry in Indonesia needs to consider its support for employees both morally and materially. Employees very much need this to build trust towards the organization, thereby increasing employee involvement.

This research's limitation was Indonesia's steel industries' coverage, which has similar characteristics to the research object. So, further researchers should conduct research related to OCB in different manufacturing and non-manufacturing industries; thereby, increasing knowledge in other sectors. Further researchers are also advised to add other OCB factors, such as organizational commitment, work motivation, employee involvement, organizational culture, job satisfaction, and organizational justice.

REFERENCES


