Mediating Effects of Organizational Citizenship Behavior on Organizational Performance: Empirical Analysis of Public Employees in Guadalajara, Mexico

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\textbf{Abstract:} While much has been written about the importance of recruiting and retaining employees displaying voluntary and spontaneous actions, few have explored the mediating effect of citizenship behaviors on organizational performance. This study examines the direct and indirect effects of transformational leadership style, public service motivation, and organizational citizenship behavior (OCB) on public organization performance. It is hypothesized that when employees perceived that a public organization is practicing a transformational leadership style (TLS), they are likely to have a favorable view on the performance of their organization, but the effect is indirect and mediated by OCB. At the same time, if employees have a strong desire to serve and improve the welfare of others, they are likely to perform beyond their job requirements and thus, likely to express a positive view on the organizational performance. A structural equation modeling was used to examine the perceptions of 1,016 public employees in the Guadalajara Metropolitan Area, Mexico. The results suggest that Mexican public employees display OCB (extra role behaviors) that will be associated with a better public organizational performance because of the higher levels of PSM (public service motivation). TLS are also associated to a better organizational performance as well as to perform OCBs. But we did not find the mediator role of OCB between TLS and the organizational performance.

\textbf{Keywords:} Transformational Leadership, OCB, Organizational Performance, Public Service Motivation, Structural Equation Modeling

\textbf{Resumen:} Aunque se ha escrito mucho sobre la importancia de reclutar y retener empleados que realizan acciones voluntarias y espontáneas, pocos han explorado el efecto mediador de los comportamientos organizacionales de ciudadanía en el desempeño organizacional. En este estudio se examinan los efectos directos e indirectos del estilo de liderazgo transformacional, motivación por el servicio público y el comportamiento...
organizational citizenship behavior (OCB, by its English initials) in public organization performance. It posits the hypothesis that when employees perceive that a public organization is practicing a transformational leadership style (TLS, by its English initials), it is probable that they have a favorable opinion of their organization, but the effect is indirect and mediated by the OCB. At the same time, if employees have a strong desire to serve and improve the well-being of others, they are willing to act beyond their job requirements, and therefore, it is likely that they express a positive opinion of their organization's performance. A model of structural equation was used to examine the perceptions of 1,016 public employees in the Guadalajara Metropolitan Area, Mexico. The results suggest that Mexican public employees show OCB (extra-role behavior) that will be associated with better public organization performance due to their high levels of PSM (public service motivation, English initials). TLS is also associated with better organization performance, as well as the performance of OCB. But we did not find the mediating role of OCB between TLS and organizational performance.

- **Key Terms**: Transformational leadership, OCB, Organizational Performance, Service Motivation, Structural Equation Models

- **JEL Classification**: C40, H11, H83

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- **Introduction**

Scholars in the field of public management have long recognized the importance of recruiting and retaining employees displaying voluntary and spontaneous actions that contribute to the organizational performance (Katz, 1964; Katz & Kahn, 1966; Podsakoff et al., 2000; Organ et al., 2006; Nielsen et al., 2009). Known in the literature as organizational citizenship behavior (OCB), the concept is defined as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (Organ, 1988: 4). For example, assisting new coworkers to learn their new responsibilities helps to shape the organizational culture, which creates an atmosphere crucial for recruiting and retaining a resourceful workforce (Frenkel & Sanders, 2007).

However, the extent to which OCB can influence the working relations in a group and/or contribute to organizational performance is still not clear. For instance, Banki (2010) suggests that, in the presence of self-serving motivators, OCB has a detrimental effect on group cohesion and thus the performance of a group. Employees may react negatively to coworkers who display OCB in order to impress the supervisor, causing others to become defensive. Such behaviors can also cause others to avoid interperson-
al communication. Moreover, not all contribute equally to the group, suggesting that OCB may have little effect on organization effectiveness. When employees voluntarily helped members of a group who are withholding efforts, OCB decreases organizational effectiveness. The problem is particularly acute if the helpers are distracting from performing their routine duties (Sevi, 2010). Moreover, the causal effect of OCB is also not clear, i.e., the relationship can be spurious if groups with outstanding performance reported the use of OCB (even when the group did not perform OCBs) suggesting that members of outstanding performing groups tend to be those that help each other more than those in an underperforming groups (Podsakoff et al., 2000).

This paper makes a case that the behaviors and perceptions of public employees regarding organizational performance can be understood through their voluntary contributions to the functioning of their organization. It is argued that OCB can mediate the relationship between subjective constructs of organizational performance and the perceptions of employees regarding their leaders as well as their motivation to serve in the public sector. Leadership style matters because leaders can shape the environment in a workplace (Vigoda-Gadot, 2007; Wang et al., 2005). The motivation to serve in the public sector also matters because individuals with a strong public service motivation tend to show higher levels of compassion, interest for the well being of the community, and the expectation to sacrifice personal benefit for the well being of others (Vandenabeele et al., 2006; Christensen & Whiting, 2009). And that, both variables have been considered as predictor for organizational performance. Additionally, as we mentioned earlier, OCB is considered to increase the performance within the organization. But also, leadership styles and motivation to serve the public are considered explanatory variables for OCB.

Thus, we argued that OCB plays a mediator role between leadership styles, public service motivation and perceived organizational performance. To test the former theoretical framework we used the argument developed by Baron and Kenny (1986). Additionally, we used data reported by 1,016 public employees randomly selected from the three levels of government (i.e., Federal, State, and local) in Guadalajara metropolitan area (GMA). Data analysis was performed through the structural equation modeling (SEM) because it allows us to simultaneously calculate relationships among the involved constructs in the suggested model. Data analysis was executed with software SPSS 18 and AMOS (maximum likelihood estimation) 18.

This paper is organized in the following ways. In the next section, the concept of OCB is discussed. Along with the research hypotheses, the section also provides the theoretical framework used to ascertain the perceptions of employees regarding the performance of their organization. The data collection in GMA and methods of analysis are described before the results are discussed.

Managerial Dilemma and Factors Explaining Organizational Performance

The concept of organizational performance is often used in the literature to reflect the responsiveness of an organization toward the fulfillment of its mission, efforts to support local residents and responses to public requests and public criticisms, as well as
suggestions for improvement (Vigoda, 2000; Lusthaus et al., 2002). Consistent with the literature on public interest, the term can also be understood as the employees’ perceptions about the organization, its ability to meet the overall goal of public interests. Vigoda (2000), for example, assesses organizational performance in the public service based on the perception of citizens in terms of the speed and accuracy in service deliveries, which correlates with service satisfaction and operation satisfaction.

While the term -public performance- is widely used by scholars and practitioners in the field of public management, pinpointing its exact meaning is difficult. According to Dubnick (2005), the term “performance” is based on the context in which an action is performed. The action is a guided behavior motivated by “some intent or purpose” (p. 391). There are also objective and subjective considerations when assessing the performance of public organizations. According to Brown and Coulter (1983), objective measures of organizational performance are often linked to indicators such as effectiveness, efficiency, inputs/outputs, and impacts, while the subjective measures are related to employees or citizens’ attitudes about service delivery such as satisfaction with the implementation of public organization activities.

However, the ability of an organization to accomplish organizational goals often depends on the willingness of employees to contribute to the efforts of the collective. According to Miller (2002) and Jas and Skelcher (2005), group or organizational performance presents a collective action problem to both the employers and employees. That is, the employees will not contribute and perform their responsibility when they can free ride on the efforts of the collective. Because public organizational performance is generally regarded as a public good, employees have a strong incentive to suppress their contribution. From a managerial perspective, it is difficult to ensure all employees will perform their official duties without an effective monitoring system. While the manager can introduce a control mechanism to align the individual employees’ preferences with the organizational goal, the approach also presents a dilemma if employees misrepresent private information strategically. Because opportunistic behaviors can also apply to “team shirking,” the problem gets complicated when the employer has difficulty determining the joint outcome produced by the team (Latané et al., 1979).

Organizational Citizenship Behavior

In the last three decades, however, scholars in the field of management have begun to examine the importance of organizational citizenship behaviors (OCB) as a factor contributing to the performance of public organizations. Organ (1988; 1997), for example, argues that OCB can promote the effective functioning of the organization and lead “to the maintenance and enhancement of the social and psychological context that supports task performance” (Organ, 1997: 91). The behaviors often involved the performance of non-crucial extra activities that are considered good by the organization. Explained in terms of “prosocial organizational behavior” (Brief & Motowidlo, 1986) or “extra-role behavior” (Van Dyne et al., 1995), OCB varies from giving advice and emotional support, to helping other coworkers performing tasks. The nature of behavior, though
difficult to pin down, is essentially not a requirement of the job description and cannot be specified in the employees’ employment contract.

At the most general level, OCB has five dimensions consisting of altruism, courtesy, conscientiousness, civic virtue, and sportsmanship (Organ, 1988). Other scholars explored the concept further by distinguishing to whom OCBs were directed at (Williams & Anderson, 1991), i.e., whether OCB\(^3\) is directed to the individual or to the organization in which the individual is employed. Lee and Allen (2002) argue that citizenship behaviors benefiting the organization are more cognition-driven (e.g., fairness and recognition) than affect-driven (e.g., concern for others and empathy). When employees performed OCB towards the organization, such behaviors have important implications for organizational effectiveness because the conscientiousness, civic virtue, and sportsmanship of employees generally benefit the organization at a whole. There are also benefits when OCB is directed towards other co-workers. The motivation is based on individual altruism highlighting the psychological processes guiding the behaviors of the employees, creating a positive working environment for the individuals (Organ, 1988; Hodson, 2002), providing socio-emotional support to coworkers, and making the work of others easier (Yen et al., 2008). Thus, we hypothesize that public employees’ engagement in organizational citizenship behaviors (OCB) will be associated positively with their perceptions of public organizational performance (H\(_1\)).

However, some scholars argue that OCB might have a negative effect on organization performance (Podsakoff & Mackenzie, 1994; Podsakoff et al., 1997). For example, Podsakoff et al. (1997) make a case that an inexperienced employee may produce more with the help of others who are more experienced; and that such assistance will increase the agency performance. That is, the net effects of helping others will be positive only if the expected benefits are greater than the expected costs. Scholars also argue that OCB may cause inefficiencies within an organization (Banki, 2010). Always helping or giving advice to other employees, for example, may lead to a culture of dependency. Those being helped may not learn to handle future problems. In an organization with a high turnover rate, employees receiving help from others may leave the agency before the benefits provided during the course of their employment (Podsakoff & Mackenzie, 1994).

Transformational Leadership Style

The employees’ perceptions of leadership styles are also important for organizational performance because leaders and managers can influence employee behaviors (Wimbush & Shepard, 1994; Wright & Pandey, 2010). While there are multiple conceptualized definitions on what constitutes a leadership style, we are interested to understand the dimensions of tranformational leadership styles.\(^4\) The leadership style is often de-

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\(^3\) In this study we used OCB with two dimensions as suggested by Lee and Allen (2002). Those OCBs related to the individuals (OCBI) and those OCBs related to the organization (OCBO).

\(^4\) For purposes of this research, we consider transformational leadership styles as those suggested by Bass and Avolio (1993), (1) idealized influence (attribute) (IIA), which captures the charisma of the leader if the leader is regarded as having confident, powerful, and higher-order ideals and ethics; (2) idealized influence (beha-
fined as the process whereby “leaders and followers raise one another to higher levels of morality and motivation” (Organ, 1988: 4). The definition assumes that employees will do what their managers or leaders do, rather than what the policy manual specifies (Paarlberg et al., 2009). Managers who inspire their followers to go beyond their short-term self-interest, by cooperating, taking risks, and innovating, can benefit the organization as a whole (Miller, 2002). Thus, we hypothesize that if public employees perceive their organization is practicing a transformational leadership style, they are likely to have a positive view of the performance of their organization (H3).

The transformational leader style can encourage employees to engage in OCB (Vigoda-Gadot, 2007). For example, Kacmar and Ferris (1991) argue that leaders have the ability to create conducive working environment for employees by promoting fairness and justice. In such a working environment, employees are likely to contribute their efforts beyond the requirements of their job description, i.e., motivated to emulate the leaders and be viewed as part of their efficacious followers. For example, Yoon and Suh (2003: 597) find that “employees’ job satisfaction and trust in the manager are significantly related to OCB and that their active engagement in OCB has a positive relationship with the perception of service quality.” Morrison (1996) and Yoon and Suh (2003) found OCB correlated positively with a relatively high quality customer service. This is because the level of emphasis of OCB by human resources management influences the extent to which managers motivate social exchanges, identify the organization mission, and empower the employees. Thus, we hypothesize that if public employees perceived their organization is practicing a transformational leadership style, they are likely to engage in OCB (H3).

While leadership styles have an effect on employees’ perceptions about organizational performance, few have explored the effect as being mediated by the likelihood that the employees’ themselves are being good citizens in their organization. The indirect effect can be explained in the following way: employees will exhibit altruistic behaviors if the environments are conducive to do so (Vigoda-Gadot, 2007), suggesting that leadership styles might affect the willingness of an individual employee to voluntarily contribute to the functioning of an organization. Under the transformational leadership styles (TLS), it is possible that employees are encouraged to behave consistently with civic virtue, highlighting the importance of leadership that strives to inspire others to achieve “higher levels of morality and motivation” (Burns, 1978: 20). Here, leadership styles indirectly affect employees’ perceptions about the effectiveness of their organization through the creation of conducive working environments. Therefore, we hypothesize that public employees who perceived a TLS within the organization will be associated with organizational performance because employees perform extra
activities or OCBs for the public organization. That is, OCB mediates the relationship between TLS and organizational performance.

Public Service Motivation

Perry and Wise (1990: 368) define public service motivation (PSM) as an “individual’s predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations.” While there are few strong empirical evidence to support the proposition that PSM influences employees’ work productivity (Perry et al., 2010), theoretically, one can also argue that PSM is associated with organizational performance because the individuals’ motivation to serve their communities is based upon the idea of sacrifice and compassion for others (Perry & Wise, 1990; Brewer et al., 2000; Kim, 2006). The argument is based on the assumption that public employees have a strong desire to work for the public sector because they “respond to motives grounded primarily … in public institutions and organizations” (Perry & Wise, 1990: 368). Therefore, we hypothesize that if public employees have a strong commitment about public service motivation (PSM), they are likely to have a favorable view of the performance of their organization (H4).

The motivation to serve in the public sector signals strong emotional commitments to the welfare of others; and if translated into citizenship responsibilities, can encourage unselfish behaviors and build interpersonal relationships among co-workers within the organization. In the organization that they serve, the “public spirit” often translates into good citizenship behaviors. As noted by Goodsell (2011) through his idea of the “mission mystique” - much of what public administration does has to do with attitudes (e.g., beliefs and values) and behaviors (ethical conduct) of employees. The desire to serve in the public sector signals commitment to non-utilitarian incentives. Such attitude encourages employees to engage in OCB, which can serve as a foundation upon which employees take pride in their efforts, express a strong commitment to the organization, and establish reciprocity relationships. Thus, we hypothesize that if public employees have a favorable view of public service motivation, they are likely to engage in OCB in their organizations (H5).

Although scholars have argued that employees’ motivation to serve the public has an effect on organizational performance (Perry & Wise, 1990; Kim, 2006), few, if any, have made the argument that such motivation also indirectly affect the perception of employees regarding their organizational performance. Several mechanisms can explain the indirect effect. First, scholars have argued that employees’ altruism and conscientiousness toward other employees are related to their motivation to work in the public sector (Kim, 2006). If employees have a strong motivation to serve the public, there also exists a strong likelihood that they will perform above and beyond what is expected of them (Kim, 2006). Second, those committed to serve in the public organization (because of its mission to help others) are more likely to engage in OCB. The

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5 In order to capture this construct, we used three suggested dimensions by Coursey and Pandey (2007: Attraction to public policy making (APM), commitment to the public interest (CPI), compassion (COM).
non-monetary incentives are a strong motivator to contribute to the improvement of the public sector performance (Rainey, 1982).

Therefore, we hypothesize that employees who perform beyond their responsibilities will be associated with public organizational performance because of the influence of their strong desire to serve others. In other words, OCBs are associated to public organizational performance because of the influence of PSM.

The underlying theoretical model is displayed in Figure 1.

![Figure 1
Hypothesized Relationships](image)

Attraction to public policy making (APM), commitment to the public interest (CPI), compassion (COM)). Citizenship behaviors directed to individuals (OCBI) and Citizenship behaviors directed to organization (OCBO).

Source: Own elaboration.

- **Research Design and Data Collection**

  **Research Site**

The research was conducted in the Guadalajara Metropolitan Area (GMA), located in the state of Jalisco, which is in the western-pacific region of Mexico. There are several reasons GMA is an ideal place to test the general proposition that the attitudes of public employees toward OCB have an effect on the organizational performance. The
The metropolitan area is the center for state and local government administration, as well as economic activities in the region. The metropolitan area - being the second largest metropolitan region in Mexico - has witnessed several political reforms carried out by the federal government, such as the introduction of the Civil Service System in 2003 (Olivos-Campos, 2003), the General Program of Administrative Simplification (1989-1994), the National Agreement to Increase Productivity and Quality (1992), the National Program to Modernize the Public Company (1990-1994), and the Program for Modernization of the Public Administration (1995-2000) (Moyado-Estrada, 2002).

Despite the administrative reforms, bureaucratic problems still persist. Scholars pointed out that the existence of traditional administrative systems (i.e., red-tape and inefficient distribution of the scarce resources location) is one of the main problems associated with the barriers to reform (Grindle, 2007). Other obstacles to reform include the obsolete local systems responsible for public services (i.e., lack of responsiveness and quality of the services), poor professionalization of public employees (i.e., lack of experience and excessive employment-mobility), and the lack of urban planning and economic development (i.e., in the medium and long term) (Cabrero, 2005). Another barrier to institutional reform in Mexico includes the inherent political system, in which over a period of 75 years (Grindle, 2007), the Partido Revolucionario Institucional (PRI) controlled the administrative processes at all levels of government (federal, state, and municipal). The number of unions among public employees also created a barrier to achieving systematic reform.

The institutional reforms have an effect on the attitudes and behaviors of public employees because of the organizational culture embedded in a Mexican workplace. According to Ibarra (2006 as cited by Dávila & Elvira, 2007: 390), “imported bureaucracies that favor the individual are somewhat unconsciously rejected by Mexican culture, which looks for open niches within those imported systems to create indigenous responses, namely, responses that favor equity and justice.” According to Grindle (1997), the Mexican public employees are characterized by their active participation in society. They have a traditional view about the role of government when it comes to the implementation of public policies (Dávila & Elvira, 2007). Writing about Mexican employees, Tierney et al. (2002) noted that employees’ extra-role behaviors depend on the relationships they have with their supervisors. The argument is consistent with Elvira and Dávila (2007), who argue that worker attitudes at the work place in Mexico are based on “psychological contracts,” i.e., as characterized by their sense of loyalty, commitment, and good relationship with their managers.

Data

A total of 1,500 questionnaires were randomly distributed among public employees working in federal, state, and local agencies in GMA. We received a total of 1,016

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6 From a list of all the government agencies (i.e., local, state, and federal), some were randomly selected. We asked the manager to survey employees for our research project. Some selected agencies did not allow us to survey their employees. However, once the employees completed their working hours they accepted to fill
completed surveys representing a 67.7 percent response rate. The majority of respondents were male (i.e., 52.8 percent) and about 45.6 percent female. Most respondents worked for the state and municipal governments. Only 13.7 percent of the respondents were employed by the federal government. More than half were employed in activities linked to public services (i.e., they deal face-to-face with citizens) and most worked full-time (i.e., 64.2 percent). Most respondents earned a bachelor’s degree education (i.e., 59.1 percent). The respondents’ experiences in the public sector averaged about 10 years. The average age of respondents was around 36 years old.

The respondents were presented with a 52-item survey instrument. About 3 percent of the total items in the survey were left missing by the respondents. As pointed out by McKnight et al. (2007), missing values if unresolved can lead to bias in the final estimation. We examined the patterns of missing data by comparing the differences of variance between items “with” and “without” missing values and then determining whether the differences have an effect on the other items in the survey. We also performed the Little’s Chi-square test and found the missing data occurred completely at random (MCAR) (Little, 1988). To correct for the missing values, we used the multiple imputation method as proposed by McKnight et al. (2007). We also checked for the normality assumption violation using the criteria of skewness and kurtosis absolute values (Curran et al., 1996; Kline, 2011) and found no serious violation. The data analysis was executed with SPSS 18 and AMOS 18 with maximum likelihood estimation.

**Measurements**

The appendix shows the questionnaire items and statistics related to all the measures of this study. Answers to survey items were measured on a five-point Likert scale where “1= strongly disagree” and “5=strongly agree”, but transformational leadership items were from “0=not at all” and “4=frequently, if not always.” The perception of employees regarding the public organizational performance (POP) was operationalized based on 4 items, reflecting organizational responsiveness (toward the fulfillment of its mission, efforts to support residents, responds to public requests, and responds to public criticism and suggestions for improvement) (Vigoda, 2000; Lusthaus et al., 2002). Consistent with the New Public Management perspective, the organizational performance was operationalized as the employees’ perceptions on the extent to which an organization is able to meet its overall goal of public interests (Vigoda, 2000). For example, Dubnick (2005) argues for the importance of a result-oriented performance, which emphasizes the processes of what is being produced, rather than the outcomes of production. While the conceptualized issues surrounding the term public-organiza-

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7 Of the 1,016 public employees who completed the survey, 434, 439, and 143 were working for local, state, and federal government respectively.

8 For survey details see Leon-Cazares (2012).
tional performance are complex (Dubnick, 2005; Lusthaus et al., 2002), we adopt a subjective measure based on employees’ experiences and perceptions concerning their assessment of organizational goals. The exploratory factor analysis for public organizational performance produced a high internal consistency (α = .89).

The latent construct of organizational citizenship behavior (OCB) was measured based on eight items. The construct has two dimensions9 (Williams & Anderson, 1991; Lee & Allen, 2002; Organ, 1997): (1) the extent to which individual employees perceived their citizenship roles on others in the organization (altruism, courtesy, helping co-workers) and (2) the extent to which individual employee perceived his/her citizenship roles in relation to the organization (loyal to organization, attentive to organizational development, supportive of organizational image). This is in line with the literature emphasizes that employees may behave differently toward their peers and the organization. For example, Lee and Allen (2002) argued that OCB benefiting the organization were related to fairness and recognition; whereas citizenship behaviors related to the individual are based on altruism, empathy, and the concern for others (Williams & Anderson, 1991). A second order CFA was performed for both dimensions to produce a single latent construct which fits well the data set [χ² (df=41) = 121.156, p<.001; CFI = .98, RMSEA = .044, and SRMR = .033].

The public service motivation (PSM) measurement was captured by an index based on seven items. The latent construct has two factor components: (1) Commitment to the public interest, which was measured by four items on the extent to which respondents regard their employment as a civic duty, unselfish act, and meaningful to the whole community (α = .70) and (2) compassion, which was based on three items capturing respondents’ views on people in need and caring for others (α = .66). The construct attraction to the public policy making was dropped because of its low reliability (α = .63). Public service motivation as a latent construct has a casual effect on these components because it was assumed that the employees are driven by “a desire to serve the public interest, loyalty to duty and to the government as a whole and social equity” (Perry & Wise, 1990: 369). The overall CFA model and second order CFA were implemented in order to evaluate the construct validity of PSM [χ² (df=12) = 30.14, p<.003 AGFI = .98, CFI = .99, RMSEA = .04, and SRMR = .03]. The fit of this model was also good.

The latent construct for the Transformational Leadership Style (TLS) was measured by five leadership styles by using 20 items derived from the Multifactor Leadership Questionnaire (MLQ) (see Bass, 1985; Bass & Avolio, 1995). These 20 items were classified into the leadership styles mentioned earlier (see footnote 4). Leaders can shape the working environment, and hence the performance of the organization (Bennis, 1993; Hennessey, 1998). As indicated in the literature, inspirational leadership is an element of the transformation leaderships where leaders can motivate their followers through optimism about the future such as setting organizational goals, projecting an idealized vision, and causing the followers to believe that the vision is reachable. A transformational leader also

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9 We originally measured the construct using 16 items and performed the Exploratory Factor Analysis. The EFA produced two dimensions for organizational citizenship behaviors (OCB): OCB directed to the individual (α = .81) and OCB directed towards the organization (α = .86).
discussed with their employees about what needs to be accomplished, has a strong sense of purpose, and able to articulate a compelling vision of the future. A leader that encourages employees to behave consistently with civic virtue (e.g., involvement in the political process of the organization) is argued to inspire others to achieve common goals. The exploratory factor analysis produced a high internal consistency ($\alpha = .89$). Additionally, the confirmatory factor analysis showed good data fit to the construct [$\chi^2(df=3)= 4.53$, $p<.003$ AGFI = .98, CFI = .99, RMSEA = .04, and SRMR = .006].

The overall measurement model fit was more than acceptable [$\chi^2(df=310)= 762.33$, $p<.001$ AGFI = .98, CFI = .96, RMSEA = .038, and SRMR = .043]. These results showed that the latent variables or constructs have high internal consistency with all reliability scores around .70 or higher and all the average variance extracted values above 0.60 (Fornell and Lacker, 1981). Additional evidence of discriminant validity is presented in Table 1 where the reliabilities of first-order constructs were compared with the intertrait correlations. Results indicated that all correlations were smaller than the estimated reliabilities that, according to Churchill (1999), satisfy the discriminant validity requirement.

Data Analysis

The procedures involved in SEM were implemented in two parts. First, the technique involved the development of a measurement model, which included the identification of latent constructs (e.g., assessments of factor loadings, errors in variances and covariances, factor variances, and co-variances). Second, the technique involved the development of a structural model, which assessed the direct and indirect relationships among latent variables. This was done after conducting a Confirmatory Factor Analysis (CFA). While the CFA established the patterns on how each observed variable loads in specific latent variables, the analysis did not produce direct or indirect effects connecting the various constructs of interest (Garson, 2011). Subsequently, using information developed from the CFA, a structural model was developed. The summary statistics and correlation coefficients of the latent constructs can be found in Table 1. The goodness of fit indices indicated the structural equation model fits the data well: $\chi^2(df=310) = 762.32$, $\chi^2/df = 2.46$, AGFI = .95, CFI = .96, RMSEA=.038 and SRMR = .041.

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<tr>
<th>Discriminant Validity: Inter-trait Correlations and Reliabilities</th>
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<tr>
<td><strong>Mean</strong></td>
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<td>1. Public Organizational Performance 3.67</td>
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<td>2. OCBs Related to Organization 4.09</td>
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<td>3. OCBs Related to Individuals 3.54</td>
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<td>4. Public Interest 3.70</td>
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<td>5. Compassion 3.68</td>
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<td>6. Transformational Leadership Style 2.94</td>
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Notes: Elements in parenthesis on the diagonal are Cronbach’s alphas. Elements below the diagonal are intertrait correlations. All correlations are statistically significant at the *$p < .01$ (2-tailed) level.
Results

In the context of the Mexican public sector, we found that Mexican public employees are engaging in OCB, and that the public employees’ OCB has a positive effect on their perceptions concerning organizational performance. The factors that motivate public employees’ OCB in the Guadalajara Metropolitan Area can be explained partly by their perception of transformational leadership style and partly by their motivation to serve in the public sector. Figure 2 presents the results of the SEM, which shows that most of the inferential results are statistically significant at the \( p < .001 \) level apart from the standardized coefficient for the PSM → POP pathway, which is negative and not statistically significant (\( \beta = -.03, p > .05 \)). About 29 percent of the public organizational performance variance is explained by the predictors (i.e., OCB, TLS, and PSM). Similarly, about 73 percent of the OCB variance is explained by TLS and PSM.

![Figure 2: Direct and Indirect Effects](image)

**Direct Effects**

There is evidence to support the first hypothesis that public employees’ engagements in OCB are associated positively with their perceptions of public organizational performance. Substantively, an increase in one standard deviation above the mean of the
public employee’s attitudes about OCB will predict a .30 standard deviation increased in the mean of employees’ perceptions of organizational performance, holding the other variables constant. The result is in accordance with the studies related to OCB and organizational performance (Organ et al., 2006).

We also found that public employees’ perceptions of transformational leadership style (TLS) are positively associated with their perceptions of public organizational performance. The structural model shows a positive and statistically significant association between these two variables ($\beta = .33, p < .01$). The result is consistent with previous research, which studied the relationship between transformational leadership style and organizational performance (Wright & Pandey, 2010; Vigoda-Gadot, 2007; Burns, 1978; Bass, 1985; Rainey & Ryu, 2004). The third hypothesis is also supported. That is, public employees’ perceptions of transformational leadership style are associated positively with their engagements in OCB. Results from the structural model showed the relationship to be positive and statistically significant ($\beta = .36, p < .01$). The finding is consistent with the previous research that suggests employees are likely to perform extra-role behaviors such as those related to OCB (e.g., Podsakoff et al., 2000; Organ et al., 2006; Vigoda-Gadot, 2007).

We also found a positive association between PSM and OCB. If public employees have a favorable view of public service motivation, then they are also likely to engage in OCB. There is a strong support for this hypothesis because the coefficient is relatively large and statistically significant (i.e., $\beta = .67, p < .01$). The positive association between PSM and OCB is consistent with the literature (e.g., Kim, 2006; Pandey et al., 2008), suggesting that the motivation to work in the public sector contributes to employees’ motivation to engage in OCB. The employees maintain and enhance the social and psychological environment of their work place and thus better execute their assigned responsibilities and specific tasks. The contributions can take the form of helping coworkers accomplish their activities, as well as manifesting concern for the functioning of the organization. However, we found no evidence to support the association between the levels of PSM and the perceptions of organizational performance. The SEM analysis produces a negative coefficient and the association is not statistically significant ($\beta = -.03, p > .05$).

**Indirect Effects**

The SEM analysis establishes the partial mediator role of OCB, i.e., between TLS and POP and between PSM and POP. The employees’ engagement in OCB affecting their views on the performance of public organization is not because of the influence of TLS but PSM. Based on the information in Figure 2, the indirect effect of TLS $\rightarrow$ OCB $\rightarrow$ POP pathway indicates that the indirect effect of TLS on POP occurred via the influence of OCB. The indirect effect of 0.108 [i.e., (.36) (.30)] indicates that, on average, the level of public employee perceptions of POP can be expected to increase by a 0.108 standard deviation for every increase of standard deviation of the TLS via the prior effect on OCB, holding the other variables constant. This indirect effect is lower than the direct
effect (.33), which does not meet the Baron and Kenny (1986) criterion for a mediator variable.

However, the results suggest that OCB played a mediator role when the association between PSM and POP is considered. This is because the indirect effect of PSM → OCB → POP {\( \beta \) [.67] (.30)} = 0.201, \( p < .01 \)} is higher than the direct PSM → POP (.03, \( p > .05 \)} which satisfies the Baron and Kenny’s requirement. The results suggest that employees who engage in OCB will perceive favorably their organizational performance because of their strong motivation to serve the public. In other words, they are likely to perform extra activities such as those described in OCB to fulfill their internal motivations of serving their communities; and that such attitudes have an effect on their perception about the performance of the organization.

Among the Mexican employees, the association between OCB and perception of organizational performance is particularly evident. The public employees in the sample are more likely to help their coworkers. They perceive their leader as someone who has a strong sense of purpose, is able to articulate a compelling vision of the future, demonstrates a concern for the organization’s image, expresses loyalty, and protects the organization from potential problems. Aside from the influence of the leadership style, the empirical analysis shows that OCB played an important mediating role between public service motivation and public organization performance. The evidence boosted the general proposition that OCB plays an important role given the absence of an association (direct effect) between public service motivation and the employees’ perception of organizational performance.

Although the finding suggests that the public service motivation is not statistically significant in explaining the public employees’ perception of public organizational performance, the fact that the direct association is not clear in the literature presents a theoretical puzzle. Public employees may have a relatively strong motivation to serve in the public sector, but they may be disappointed to perform well for the public organization. One possible explanation is based on the argument presented by Scott and Pandey (2005), who point out that the motivation to serve in the public sector can be frustrating for public employees, especially if they fail to witness the connection between their efforts and the organizational outcomes. Despite the belief in making a difference, they can be frustrated with procedural rules with no clear connections between performance and rewards. In the context of Mexican administration, public employees may have a strong motivation to serve in the public sector; however, because of the inappropriate management system, excessive red tape, and unskilled employees (Cabrero, 2005), the performance of public organization is not viewed favorably.

**Discussions and Conclusion**

Public management scholars have suggested that OCB may have a positive impact on organizational performance; however, few have extended the argument by including the mediating effects of OCB between leadership styles, public service motivation, and public organizational performance. We integrated transformational leadership style
and public service motivation as antecedents for citizenship behaviors in order to explain public employees’ perceptions regarding the performance of their organization. Our findings highlight that, in the Guadalajara Metropolitan Area, TLS and PSM, but especially the last one, should be encouraged by the Mexican government because such behaviors are an important part of contemporary management practices and encourage public employees to display OCBs. That is, there is evidence to suggest that Mexican public employees with higher levels of PSM (e.g., desire to serve their community) and experiencing transformational leadership (i.e., based on values) will be motivated to perform above and beyond what is expected of them.

Our findings have several implications for practice. In the context of Mexican public administration, since OCBs are important for organizational performance, the task for the HR practitioners is to identify the behaviors in the job analysis and consider them as part of job success. Especially in the Guadalajara Metropolitan Area, with more than 4.4 million residents, OCB among public employees will be an important management practice that should be encouraged in order to respond to public demands for public services. In light of decentralization reforms introduced by the federal government in the 1980s, the provision and production of services will likely fall increasingly on the shoulder of agencies working at street level. To carry out these responsibilities, public employees with strong public service motivation and OCB will be the cornerstone to achieve a desired organizational goal and instill a strong commitment to public service.

In addition to performance appraisal, there is also a need to introduce training programs as well as applying practices of recruiting and selection of potential employees likely to engage in OCBs. Such approach can improve human resource management and practices in a public organization. According to Organ et al. (2006), the process of recruitment and selection of potential public employees is an important first step to enhance OCB. Since OCBs are important for organizational performance, the task for the HR practitioners is to identify the behaviors in the job analysis and consider them as part of the job success. It is also possible to engage employees in OCB through training and mentoring programs by partnering most experienced employees with new employees as a way to motivate those being mentored to engage in OCBs (Organ et al., 2006).

While the study makes contributions to the field of public management, it also has several limitations. The empirical study is based on perceptions of employees and not on their actual behaviors. The measurements used to operationalize the latent construct also have their limitations. For instance, although the measures used in this research had been empirically tested for their reliability and validity, the latent construct OCB is difficult to operationalize because of the fuzziness of the concept. Scholars have warned of the difficulty in separating the differences between in-role behaviors and extra-role behaviors (Morrison, 1994). In addition to the operationalization of OCB and public service motivation, future research should explore other forms of leadership style. For instance, the transformational leadership style is only one type of leadership style that may be experienced by all public employees in Mexico. Martínez (2005), for example, argues that Mexican leadership style is based on “paternalism,” which
indicates that leaders are generally benevolent by taking care of their employee’s basic needs and families.

Another limitation is related to the research site in Guadalajara Metropolitan Area, which affects the external validity of the findings. Other Mexican cities may have different experiences regarding the behaviors of public employees, especially smaller metropolitan areas located outside the state capital. Despite these limitations, the study of public employees’ attitudes and perceptions in GMA is still important when testing theories originated in developed countries (Organ et al., 2006; Hofstede, 1980). Future research should examine the theoretical model in different settings, in order to test whether the results from different metropolitan areas or countries yield similar results. The different organizational cultures across international boundaries may lead to different conclusions concerning the behaviors of employees and thus the managerial techniques best fitted to improving organizational performance.

## Appendix

### Questionnaire Items and Statistics

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>Mean</th>
<th>SD</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Citizenship Behavior (OCB)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Citizenship Behavior related to the organization (OCBO), ( \alpha = 0.86 )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Express loyalty toward the organization.</td>
<td>4.18</td>
<td>1</td>
<td>0.76</td>
</tr>
<tr>
<td>Demonstrate concern about the image of the organization.</td>
<td>4.12</td>
<td>1.01</td>
<td>0.75</td>
</tr>
<tr>
<td>Show pride when representing the organization in public.</td>
<td>4.03</td>
<td>1.06</td>
<td>0.73</td>
</tr>
<tr>
<td>Keep up with developments in the organization.</td>
<td>3.97</td>
<td>1</td>
<td>0.7</td>
</tr>
<tr>
<td>Offer ideas to improve the functioning of the organization.</td>
<td>4</td>
<td>1.02</td>
<td>0.66</td>
</tr>
<tr>
<td>**Organizational Citizenship Behavior related to individuals (OCBI), ( \alpha = 0.81 )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Give up time to help others who have work or non-work problems.</td>
<td>3.53</td>
<td>1.11</td>
<td>0.73</td>
</tr>
<tr>
<td>Willingly give your time to help others who have work-related problems.</td>
<td>3.61</td>
<td>1.05</td>
<td>0.67</td>
</tr>
<tr>
<td>Adjust your work schedule to accommodate other employees’ requests for time off.</td>
<td>3.24</td>
<td>1.23</td>
<td>0.66</td>
</tr>
<tr>
<td>Help others who have been absent.</td>
<td>3.59</td>
<td>1.14</td>
<td>0.66</td>
</tr>
<tr>
<td>Go out of the way to make newer employees feel welcome in the work group.</td>
<td>3.65</td>
<td>1.11</td>
<td>0.62</td>
</tr>
<tr>
<td>Share personal property with others to help their work.</td>
<td>3.62</td>
<td>1.15</td>
<td>0.62</td>
</tr>
<tr>
<td><strong>Transformational Leadership Styles (TLS), ( \alpha = 0.89 )</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealized Influence (Behavior) transformational</td>
<td>2.65</td>
<td>0.79</td>
<td>0.8</td>
</tr>
<tr>
<td>Idealized Influence (Attributed) Transformational</td>
<td>2.64</td>
<td>0.81</td>
<td>0.79</td>
</tr>
<tr>
<td>Individualized Consideration Transformational</td>
<td>2.47</td>
<td>0.84</td>
<td>0.79</td>
</tr>
<tr>
<td>Intellectual Stimulation Transformational</td>
<td>2.5</td>
<td>0.78</td>
<td>0.77</td>
</tr>
<tr>
<td>Inspirational Motivation (Transformational)</td>
<td>2.99</td>
<td>0.82</td>
<td>0.73</td>
</tr>
<tr>
<td><strong>Public Sector Motivation (PSM)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Interest (PI), ( \alpha = 0.7 )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I consider public service my civic duty.</td>
<td>3.8</td>
<td>1.27</td>
<td>0.71</td>
</tr>
<tr>
<td>Constructs and items</td>
<td>Mean</td>
<td>SD</td>
<td>Factor Loadings</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------</td>
<td>------</td>
<td>-----</td>
<td>-----------------</td>
</tr>
<tr>
<td>Meaningful public service is very important to me.</td>
<td>4.02</td>
<td>1.19</td>
<td>0.7</td>
</tr>
<tr>
<td>I unselfishly contribute to my community.</td>
<td>3.51</td>
<td>1.33</td>
<td>0.67</td>
</tr>
<tr>
<td>I would prefer seeing public officials do what is best for the whole community even if it harmed my interests.</td>
<td>3.47</td>
<td>1.36</td>
<td>0.64</td>
</tr>
</tbody>
</table>

Compassion (CO), $\alpha = 0.66$

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>Mean</th>
<th>SD</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have little compassion for people in need who are unwilling to take the first step to help themselves.</td>
<td>3.56</td>
<td>1.31</td>
<td>0.78</td>
</tr>
<tr>
<td>It is difficult for me to contain my feelings when seeing people in distress.</td>
<td>3.64</td>
<td>1.24</td>
<td>0.68</td>
</tr>
<tr>
<td>I am often reminded by daily events about how dependent we are on one another.</td>
<td>3.85</td>
<td>1.15</td>
<td>0.64</td>
</tr>
</tbody>
</table>

Public Organizational Performance (POP), $\alpha = 0.89$

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>Mean</th>
<th>SD</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your organization is effective in moving toward the fulfillment of its mission.</td>
<td>3.74</td>
<td>1.17</td>
<td>0.84</td>
</tr>
<tr>
<td>Your organization is effective in meeting those goals as expressed in its charter, mission statement or other documents that provide the “raison d’être” for the organization.</td>
<td>3.72</td>
<td>1.16</td>
<td>0.81</td>
</tr>
<tr>
<td>Your public organization is making a sincere effort to support those residents who need help.</td>
<td>3.73</td>
<td>1.22</td>
<td>0.8</td>
</tr>
<tr>
<td>Your organization responds to public requests quickly and efficiently.</td>
<td>3.57</td>
<td>1.17</td>
<td>0.79</td>
</tr>
</tbody>
</table>

References


