

**Impact of Cultural Values and Equity Sensitivity on  
Employees' Perceptions of Workplace Equity, Job  
Satisfaction, Commitment and Organizational Citizenship  
Behaviour**

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# **Impact of Cultural Values and Equity Sensitivity on Employees' Perceptions of Workplace Equity, Job Satisfaction, Commitment and Organizational Citizenship Behaviour**

## **Abstract**

The purpose of this research is to examine the impact of employees' cultural values and their perceptions of equity sensitivity on their job satisfaction, organizational commitment and organizational citizenship behaviour (OCB).

**Originality:** This study examines how individual cultural values and employee perceptions of fairness influence their workplace attitudes and behaviours. Specifically, the research tests the extent to which equity sensitivity acts as a mediator between the independent variables of cultural values, equity, and demographics (age and experience) and the dependent variables of OCB, job satisfaction, and organizational commitment.

**Key literature / theoretical perspective:** Previous studies (El-Din Khalifa & Truong 2010; Folger & Konovsky 1989; Ivancevich *et al.* 2005; Thomas 2008; Tremblay *et al.* 2004) show that higher levels of perceived equity in the workplace result in positive employee attitudes and behaviours. What is not known is the extent to which employees' cultural values influence their levels of equity sensitivity and how this affects their workplace attitudes and behaviours either positively or negatively (Allen *et al.* 2005; Deconinck & Bachmann 2007; Lambert *et al.* 2007; McIntyre *et al.* 2002; Paik *et al.* 2007; Rifai 2005). It is this omission in the literature that this thesis hopes to fill.

**Design/methodology/approach:** This research used an online survey with a total of 296 panel respondents recruited through a market research company providing complete information. Using partial least squares (PLS) analysis this research tests the extent to which equity sensitivity acts as a mediator between the independent variables of cultural values, workplace equity, and demographics (age and experience) and the dependent variables of job satisfaction, organizational commitment and OCB.

**Findings:** This current study develops an understanding of the mediating effect of equity sensitivity regarding employees' cultural values, their equity perceptions, demographic variables of age and experience with work attitudes and behaviours in the organizational context. Three of the four cultural dimensions are significantly mediated by equity sensitivity (i.e., collectivistic, mastery and subjugation cultural values). Conversely, individualistic cultural values are not significantly mediated by equity sensitivity. Additionally, equity sensitivity as a partial mediator of the links: workplace equity and equity sensitivity; equity sensitivity among OCB, JS and OC in the workplace. There is also evidence of a significant, positive relationship between the demographic variable that combines age and experience with equity sensitivity, indicating that older and more experienced employees who are generous and unselfish tend to be satisfied, committed and willing to go above and beyond their formal work duties.

**Research Implications:** The research would contribute to the knowledge of equity sensitivity impact on OCB, job satisfaction and organizational commitment thus adding to the literature on equity sensitivity and work-related outcomes. The research provides the first Partial Least Squares (PLS) evidence of mediated effect of equity sensitivity about relationships whether the construct is better modelled in the reflective PLS model. The conceptual model of this study had a middle and high predictive power.

The research could help raises awareness of the importance of cultural values and encourage organisations and managers to put in place policies that ensure diversity in the workplace is recognised and respected. These polices can then be used to improve selection, retaining, and motivating staff.

Author: Eun-Kyung Seo

## **Statement of Candidate**

I certify that the work in this thesis entitled **IMPACT OF CULTURAL VALUES AND EQUITY SENSITIVITY ON EMPLOYEES' PERCEPTIONS OF WORKPLACE EQUITY, JOB SATISFACTION, COMMITMENT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOUR** has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree to any other university or institution other than Macquarie University.

I also certify that the thesis is an original piece of research and it has been written by me. Any help and assistance that I have received in my research work and the preparation of the thesis itself have been appropriately acknowledged.

In addition, I certify that all information sources and literature used are indicated in the thesis.

The research presented in this thesis was approved by Macquarie University Ethics Review Committee, reference number 5201100649(M) on the 23 August 2012.

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## List of Abbreviation

Abbreviation	Meaning	Page
<b>AVE</b>	Average Variance Extracted	53
<b>COL</b>	Collectivistic	55
<b>CR</b>	Composite reliability	53
<b>DEMO</b>	Demographics	55
<b>EQ</b>	Equity	56
<b>ES</b>	Equity Sensitivity	56
<b>ESI</b>	Equity Sensitivity Instrument	27
<b>H</b>	Hypothesis	32
<b>IND</b>	Individualistic	55
<b>JS</b>	Job Satisfaction	9
<b>MAS</b>	Mastery	55
<b>OC</b>	Organizational Commitment	9
<b>OCB</b>	Organizational Citizenship Behaviour	1
<b>PLS</b>	Partial Least Squares	8
<b>SEM</b>	Structural Equation Modelling	41
<b>SFL</b>	Standardised Factor Loadings	57
<b>SUJ</b>	Subjugation	55
<b>VOM</b>	Value Orientation Model	9
<b><math>\alpha</math></b>	Cronbach Alphas	57
<b><math>\beta</math></b>	Path Coefficients	53
<b><math>Q^2</math></b>	Cross-validated Redundancy	42



# CHAPTER 1 INTRODUCTION

Chapter 1 begins by providing the background to the research, in conjunction with the relevant empirical studies, the research problem, research questions, and research contributions. This research aims to highlight workplace attitudes and behaviours towards the importance and application of four factors amongst a sample of employees in Australia. The four factors examined are culture, equity theory, equity sensitivity theory, and demographics which include age and experience. There have been limited studies on the effects of those factors on work-related variables in the fields of organizational behaviours, in particular, human resource management. The most important evidence that mentioned such factors were significantly associated with workplace attitudes and behaviours (Deconinck & Bachmann 2007; Lambert *et al.* 2007; McIntyre *et al.* 2002; Organ *et al.* 2006; Podsakoff *et al.* 2000; Paik *et al.* 2007). These factors impact all aspects of employee attitudes and behaviours, which are assumed to recognize important aspects of the manager's job. The chapter also provides a managerial perspective with respect to both employee and organizational performances (Chou & Pearson 2011). Therefore it is argued that organizations that endeavour to meet the needs of employees, attract the best people and motivate employees to do display their best (Bolino & Turnley 2008; Kwantes 2009; Supam *et al.* 2009).

Although the importance of work outcomes has increased and includes studies of organizational citizenship behaviour (OCB), job satisfaction, and organizational commitment, four important areas affecting employee attitudes and behaviours still need to be addressed. These are employees' culture, employees' perception of their work, equity sensitivity, and employee demographics.

This dissertation is the first to examine how individual cultural values influence employees' workplace behaviour. Second, the study investigates the extent to which employee perceptions of fairness impact on their attitudes and behaviours. The study also tests whether equity sensitivity acts as a mediator between the independent variables of cultural values, equity, and demographics (age and experience) and the dependent variables of OCB, job satisfaction, and organizational commitment. Finally, this research analyses the relationships between OCB, job satisfaction, and organizational commitment.

## **1.1 Background to the Research**

Over the past few decades, workplace attitudes and behaviours have been the subject of increasing interest in the organizational behaviour and academic managerial literatures (Organ *et al.* 2006; Wagner & Rush 2000). More recently scholars recognize the importance of employee workplace attitudes and behaviour as critical to the organization (Abdulla *et al.* 2011; Ellickson & Logsdon 2001; Zeffane *et al.* 2008). Research shows that positive workplace attitudes and behaviours motivate employees to maintain their performance levels and stay with the organization leading to increased organizational effectiveness (Koys 2001; Podsakoff *et al.* 2009; Podsakoff & MacKenzie 1994), performance (Podsakoff & MacKenzie 1997; Ehigie & Otukoya 2005) and competitiveness due to superior human capital and the transfer of knowledge to the organization (Cohen & Keren 2008; Ismail *et al.* 2009; Kwantes 2009; Mathieu & Zajac 1990; Mowday *et al.* 1979; Wasti 2005).

Many of the management studies in the area of workplace experience examine the positive benefits of high levels of employee job satisfaction, organizational commitment and organizational citizenship behaviour (Cohen & Keren 2008; Ehigie & Otukoya 2005). Job satisfaction and organizational commitment rank amongst the most important types of employee attitudes in understanding how people perform in their jobs (Podsakoff *et al.* 2009). Specifically, a person with high job satisfaction tends to hold positive attitudes towards the job while a person who is dissatisfied with his or her job typically holds more negative attitudes (Saari & Judge 2004). Committed employees are more likely to act in the best interests of the organization whereas less committed employees act in their own best interests (Cohen 2007). As such, maintaining high levels of employees' commitment is critical for organizational success (Kirkman & Shapiro 2001).

Furthermore, empirical evidence exists with regards to the factors that affect employee attitudes and behaviour. One critical factor, perhaps more important than any of the individual factors, is the role played by cultural differences amongst employees (Smith 2000; Hur *et al.* 2010; Kwantes 2009, 2010; Paul 2006; Sparrow *et al.* 2010). According to Brannen *et al.* (2004), culture is 'a combination of interdependent, gradually changing elements—including assumptions, beliefs, values, practices, and institution (p. 27). Similarly, Hofstede (2001, p. 9) defines culture as 'the collective programming of the mind that distinguishes the members of one group or category of people from another.'

Numerous research studies examining the impact of culture on work outcomes apply Hofstede's (Hofstede 1980; 1997) framework at the national level to compare cultural difference among countries (Farh *et al.* 2007; Hofstede 2005). Recently, however, attention has shifted to understanding the link between cultural values and work-related variables at the individual level (Cohen 2007).

Maznevski *et al.*'s (2002) Value Orientation Model (VOM) is an analytical conceptual model that explores individual cultural differences. VOM and its various adaptations have attracted interest from various researchers conducting multi-discipline investigations, for example, in the fields of cross-cultural management and management (Carter 2000; Gallagher 2001; Maznevski *et al.* 2002; Nyambegera *et al.* 2000).

Empirical research investigating the relationship between individuals' cultural values and their work-related attitudes and behaviours has been conducted (Edward & Andrew 2009). Specifically, several researchers have investigated the impact of cultural values on organizational commitment, OCB, and job performance (Cohen 2007; Cohen & Keren 2008; Farh *et al.* 2007; Kirkman & Shapiro 2001; Liua & Cohenb 2010; McDowell *et al.* 2007; Wasti 2003). Findings from previous studies (Clugston *et al.* 2000; Cox 1993; Gomez-Mejia & Welbourne 1996) indicate that Individualism-Collectivism orientations can have a direct impact on employee attitudes and behaviours. Thus, results show that individuals who have a more collectivist orientation tend to be more committed to their organization and also exhibit longer tenure with the organizations they work for in comparison to individualistically oriented individuals (Parkes *et al.* 2001; Ramamoorthy & Flood 2002).

Other studies find employee attitudes and behaviours contribute to a strengthening of organizational performance, such as overall productivity and profitability of the organization (Furnham *et al.* 2005; Podsakoff *et al.* 2009; Stone *et al.* 2007). Researchers stress the need for managers to understand the complex differences in culturally diverse employees as these differences impact on workplace attitudes and behaviours (Hur *et al.* 2010; Kwantes 2010; Paul 2006; Smith 2000; Sparrow *et al.* 2010; Wheeler 2007).



A second factor affecting employee attitudes and behaviours emphasizes the role of workplace equity. For instance, when employees feel that there is equal treatment of all employees across their company, they tend to have greater job satisfaction, are more committed to the company and are more collaborative (Akan *et al.* 2009; Ismail *et al.* 2009). Adam's equity theory (1963; 1965) has become one of the most prevalent models used in explaining the extent to which perceptions of workplace equity determine employee attitudes and behaviour (Deconinck & Bachmann 2007; El-Din Khalifa & Truong 2010; Lambert *et al.* 2007; McIntyre *et al.* 2002; Paik *et al.* 2007; Rifai 2005).

The relationship between equity perceptions and work outcomes may have influenced the findings. That is, varying levels of equity perceptions are associated with different effects on employee attitudes and behavioural intentions (Ramamoorthy & Flood 2002; Saba 2011). For example, employees who feel they are fairly treated are more likely to hold attitudes and engage in behaviours to maintain balance between them and the organization; those who feel that they are treated unfairly will hold back (Gahan & Abesekera 2009; Gerhart 2008; Kirkman *et al.* 2006; Thomas 2008). In other words, individuals who perceive higher levels of equity are more satisfied and committed to the organization while individuals with a lower level of equity perception are less satisfied and committed to the organization (Ramamoorthy & Flood 2002; Saba 2011).

Equity sensitivity is a third factor that may impact on employees' work-related attitudes and behaviours. Whereas perceptions of workplace equity concerns beliefs about the environment, equity sensitivity is a characteristic individuals possess. Some individuals may be more aware of and more concerned by inequitable situations. Research suggests an employees' sense of fairness and tolerance of inequity influences their attitudes and behaviours (Akan *et al.* 2009; Huseman *et al.* 1987; Miles *et al.* 1994) and studies show equity sensitivity to be useful in predicting employee preference for certain work-related outcomes (Ambrose *et al.*

2002; Cohen & Spector 2001; Cropanzano & Randall 1993; Skarlicki & Folger 1997). For instance, employees who possess low degrees of equity sensitivity tend to feel a sense of entitlement and always believe they deserve more regardless of the effort they contribute (Huseman *et al.* 1987) while employees who possess high degrees of equity sensitivity tend to be more benevolent and altruistic resulting in more positive workplace attitudes and behaviours (Bolino *et al.* 2004; Kirkman *et al.* 2006; Sparrow *et al.* 2010; Thomas 2008).

The relationship between cultural values and equity sensitivity and the effect of equity sensitivity on work outcomes has not been adequately examined at the individual-level. Particularly, no research has been conducted to date which applies the Value Orientation Model to investigate employees' work attitudes and behaviours (Budhwar *et al.* 2008; Bukhari 2008; Gahan & Abesekera 2009; Sparrow *et al.* 2010; Varma *et al.* 2009). There is great value in understanding employees' equity sensitivity as it affects employees' judgments and motivation which are critical issues for multinational human resource practices (Allen *et al.* 2005; Bolino & Turnley 2008; Kwantes 2009; Supam *et al.* 2009). More importantly, the fair management of diverse employees involves satisfying employees' needs which in turn influence employee and organizational performance (Hur *et al.* 2010; Kwantes 2010; Paul 2006; Smith 2000; Sparrow *et al.* 2010; Wheeler 2007). In addition, cultural differences among employees could have a profound impact on their attitudes and behaviours which also may have important implications (Allen *et al.* 2005).

The last factor, employees' age and work experience also affect workplace attitudes and behaviours. Employee demographics are importance because they can explain significant differences in attitudes and behaviours (Chou & Pearson 2011; Edgar & Geare 2004). This knowledge could contribute to designing and developing human resource management policies for practitioners and managers, such as ageing and retirement policies as well as recruitment and selection policies and practices (Edgar & Geare 2004).

To the best of my knowledge, there is a gap in the literature with respect to cultural values and issues of equity and equity sensitivity. Furthermore, the mediating effect of equity sensitivity has not been previously examined. Specifically, what is not known is the extent to which employees' cultural values, perceptions of workplace equity and personal characteristics are mediated by their equity sensitivity which in turn impact on their attitudes and behaviours either positively or negatively (Podsakoff *et al.* 2009; Edgar & Geare 2004; Fischer & Smith 2006; Liua & Cohenb 2010). These significant relationships have yet to be tested.

Therefore, this study addresses these gaps in the literature by investigating two important research questions:

RQ1: How do employees' cultural values and perceptions of equity influence their job satisfaction, commitment and organizational citizenship behaviour?

RQ2: To what extent does equity sensitivity mediate the relationships between the independent variables of *cultural values*, *equity perception*, *age* and *experience* and the dependent variables of *organizational citizenship behaviour*, *job satisfaction* and *organizational commitment*?

Finding answers to these questions will assist managers and human resource management practitioners in understanding the extent to which employees from different cultural backgrounds perceive equity sensitivity in the workplace and how culture and perceptions of equity sensitivity influence job satisfaction, commitment and OCB. Understanding issues of culture and equity sensitivity may allow managers to develop human resource management's strategies and goals in the workplace leading to improvement of employee-job fit (Smith 2000; Duckett 2000; Sparrow *et al.* 2010). The development of recruitment, training and support

programs that include culture and equity issues may ensure that the best employees, those with the positive attitudes and behaviours for well-organized workplace, are retained (Arshad & Sparrow 2009; Bukhari 2008; Hunt 2002; Organ *et al.* 2006; Podsakoff *et al.* 2009).

## **1.2 Proposed Methodology**

This research uses an online survey after gaining approval from Macquarie University's ethics committee (MEC). For this study an online survey is the most viable option for allowing employees from organizations across Australia to participate. A research company recruited 296 respondents from their panel members. All respondents were at least 18 years of age and employees in small, medium and large sized organizations in Australia. Four stages of analysis are carried out: 1) preliminary analysis; 2) descriptive statistics; 3) the measurement model; and 4) the structural model in a partial least square (PLS) analysis.

## **1.3 Structure of the Thesis**

The research contains five chapters. Chapter 1 begins with the background, and brief description of this study's methodology. Chapter 2 examines the relevant literature and provides the conceptual model with specific hypotheses to be tested. Chapter 3 describes and justifies the research design and the data collection procedures. Online surveys, document analysis and observation are the main data collection procedures used. Chapter 4 provides the results and their limitations are examined in Chapter 5 with further research suggested.

## CHAPTER 2 REVIEW OF RELEVANT LITERATURE

Work-related attitudes and behaviours result from factors that influence the ways employees respond to their job and to the organization. There are many different factors that determine employee attitudes and behaviours. Factors include, but are not limited to: cultural values, perceived equity, and employees' demographic variables such as age and experience. This study focuses on two areas of importance, namely the extent to which cultural values influence workplace attitudes and behaviours and the role of equity sensitivity in mediating these relationships.

This chapter begins with a discussion of the outcome variables with a summary of job satisfaction (JS), organizational commitment (OC) and organizational citizenship behaviour (OCB). The role of culture at an individual-level of analysis is then discussed using Maznevski *et al.*'s (2002) Value Orientation Model (VOM). Next, Adam's (1965) Equity Theory in organizations is considered in regards to the possible influence of perceived equity on work-related outcomes. Another theory examined Huseman *et al.*'s (1987) equity sensitivity theory proposes that employees' sensitivity to inequity in the workplace may affect performance. Finally, the demographic variables of employee age and experience are discussed in relation to workplace attitudes and behaviour.

## 2.1 Work-related Attitudes and Behaviours

In the management literature, many scholars focus their attention on the importance of workplace attitudes and behaviours (Euwema *et al.* 2007; Gelfand *et al.* 2007; Paillé 2010). Findings show that employee attitudes and behaviours are related to organizational performance in the workplace (Cohen & Keren 2008; Ismail *et al.* 2009; Kwantes 2009; Mathieu & Zajac 1990; Mowday *et al.* 1979; Wasti 2005). This study looks at two of the most widely studied attitudes, those of job satisfaction and organizational commitment. These two workplace attitudes have important implications for a key workplace behaviour, that of organizational citizenship, which can help organizations achieve a wide variety of goals. The following sections review the literature on job satisfaction, organizational commitment and organizational citizenship behaviour.

### 2.1.1 Job Satisfaction

Generally, job satisfaction refers to a collection of positive feelings, thoughts and actions that an individual holds toward his or her job (Abdulla *et al.* 2011; Kangas *et al.* 1999; McNeese-Smith 1997; Park & Kim 2009; Schermerhorn *et al.* 2005). Other organizational researchers (Currivan 1999; Davidson & Griffin 2006; Ridings & Eder 1999; Weiss & Cropanzano 1996) define job satisfaction employees' perceptions or attitudes resulting from supervision, level of salary, promotion and pleasure with co-workers. Basically, employees make an evaluation of their job based on their observations and experiences (Ismail *et al.* 2009; McShane 2004). For example, a high level of job satisfaction brings positive attitudes toward the job. This means that an employee's assessment of their satisfaction or dissatisfaction is a complex summation of a number of distinct job elements (Ismail *et al.* 2009; McShane 2004).

The majority of empirical research studies have found that employees who perceive high job satisfaction express their positive attitudes to the organization in such behaviours as lower turnover, lateness or absenteeism and a willingness to remain with the organization. These attitudes influence organizational outcomes, and ultimately, increase organisational effectiveness (Abdulla *et al.* 2011; Cass *et al.* 2003; Chen *et al.* 2006; Dormann & Zapf 2001; Ellickson & Logsdon 2001; Farrel 1983; Judge *et al.* 2002; Lee *et al.* 1999; Rusbult *et al.* 1988; Zeffane *et al.* 2008). While dissatisfaction is linked to such key organizational variables as voluntary turnover, absenteeism, and poor performance, empirical research indicates these relationships are not strong. This is in large part due to the fact that many factors are responsible for these behaviours.

### **2.1.2 Organizational Commitment**

The second important employee workplace attitude is organizational commitment (Ismail *et al.* 2009). The study of organizational commitment is important because organizational commitment can provide an insight into a number of possible behaviours toward the organization, such as collaboration, creativeness, improvement, and innovation (Clugston 2000; Riketta 2002; Solinger *et al.* 2008).

Several researchers (Bukhari 2008; Kreitner & Kinicki 2008; Liua & Cohenb 2010; Mowday *et al.* 1982; Porter *et al.* 1974; Robbins *et al.* 2007), have defined organizational commitment and most are consistent with Robbins *et al.* (2007) definition "...as a state in which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation and willingness to display efforts on behalf of the organisation" (p. 73).

The approach adopted here to investigate organizational commitment follows Meyer *et al.* (1993) three-dimensional model. Meyer and Allen (1993) and Dunham *et al.* (1994) identified the three dimensions of affective commitment, continuous commitment and normative commitment are conceptually different. Their approach has been applied in a number of studies (Meyer *et al.* 1993; Dunham *et al.* 1994).

Affective commitment is focused on an employee's emotional attachment and involvement to remain in an organization (Meyer *et al.* 1993; Dunham *et al.* 1994). Studies find that committed employees are willing to make sacrifices required for the organization to thrive. As well, they are more likely to remain on their job (Cohen & Keren 2008; Dunham *et al.* 1994; Meyer *et al.* 1993). Continuance commitment refers to an employee's calculation of costs and benefits concerning leaving the organization (Meyer *et al.* 1993; Wasti 2003). With continuance commitment employees remain in an organization because they feel they need to as they have few options to leave (Mellor *et al.* 2001). Normative commitment is associated with an employee's feelings of loyalty or moral obligation to remain with the organisation (Meyer *et al.* 2002). The three dimensions indicate that employees are committed to the organization if they are emotionally attached, have feelings of obligation and a need to gain benefits (Johnson *et al.* 2002; Mellor *et al.* 2001).

Commitment has been a major focus of study in individual and organizational performance in the past decades (Cohen & Keren 2008; Ismail *et al.* 2009; Kwantes 2009; Mathieu & Zajac 1990; Mowday *et al.* 1979; Wasti 2005). The management literature finds that employees with high levels of organizational commitment are more likely to have positive attitudes towards the organization and engage in behaviours that benefit the organizational. Such behaviours include human capital and the transfer of knowledge to the organization and organizational citizenship behaviour (Cohen & Keren 2008; Ismail *et al.* 2009; Kwantes 2009; Mathieu & Zajac 1990; Mowday *et al.* 1979; Wasti 2005).



In view of these consequences of organizational commitment, it makes sense for organizations to take the steps necessary to enhance commitment among their employees.

### **2.1.3 Organizational Citizenship Behaviour**

Organizational citizenship behaviour (OCB) is one of more heavily researched variables in the human resource management and OCB literatures (Organ 1997; Paine & Organ 2000; Podsakoff *et al.* 2000; Purcell *et al.* 2009). Many researchers have compared OCB with extra-role behaviour as OCB involves the employee ‘giving’ discretionary behaviour which is not explicitly required by job description or role (Chou & Pearson 2011; Purcell *et al.* 2009). Purcell *et al.*’s (2009) seminal survey of OCB found that discretionary behaviour is significantly associated with people’s perceptions of their employer, and how strongly they feel motivated to engage in OCB to reciprocate fair or good treatment from the organization (Coyle-Shapiro *et al.* 2004; Purcell *et al.* 2009).

Organ *et al.* (2006) define OCB as “individual behaviour that is beneficial to the organization, is discretionary and not directly or explicitly recognized by the formal reward system; is rather a matter of personal choice, such that its omission is not punishable” (p. 3). Generally, OCB is about ‘going above and beyond’ one’s work duties. It is about helping other employees, promoting the organization, coming in early or staying late to assist in the smooth running of the business; none of which is a requirement in the workplace (Organ *et al.* 2006; Podsakoff *et al.* 2000; Zur *et al.* 2012).

OCB has important practical significance because the empirical findings reveal that OCB has a significant and positive correlation to organizational outcomes such as improved performance (Arshad & Sparrow 2009; Bukhari 2008; Hunt 2002; Organ *et al.* 2006; Podsakoff *et al.* 2009). OCB represents informal contributions aggregating across people and time, without regard to considerations such as formal incentives (Cohen & Avrahami 2006).

Employees can choose to make voluntary effort or withhold effort during the performance of his or her duties. Thus it is argued that OCB has a clear link with organizational performance, and efficiency (Farahbod *et al.* 2012; Purcell *et al.* 2009).

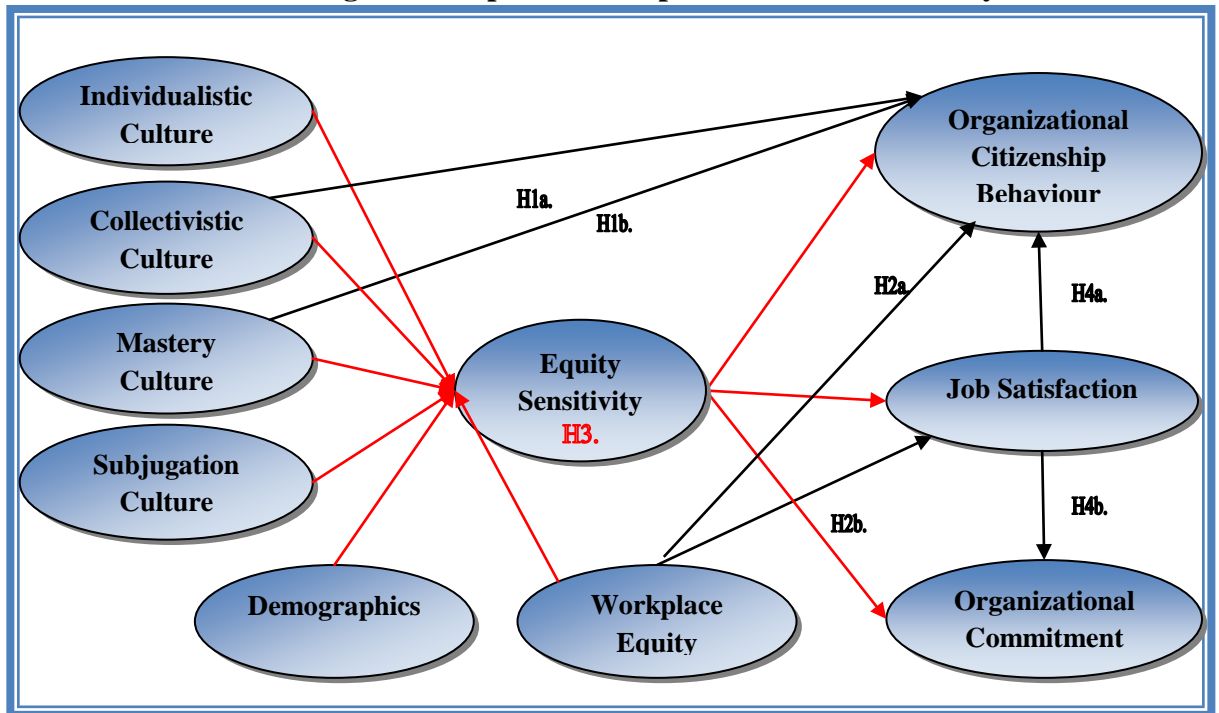
Furthermore, many researchers have examined employees who experience high citizenship behaviours which lead to boosting organizational accomplishment and success, such as profitability, unit effectiveness, and performance evaluation decisions (Bolino *et al.* 2004; Budhwar *et al.* 2008; Chou & Pearson 2011; Koys 2001; Naimatullah & Zahir 2010; Organ *et al.* 2006; Podsakoff *et al.* 2009; Pond *et al.* 1997; Whiting *et al.* 2008). Despite given the importance of OCB, there is no research to consider understanding what factors are related to employees' OCBs (Chou & Pearson 2011).

In the next section, in Figure 1, I set out to examine the application of four factors that make more predictive of job satisfaction, organizational commitment and OCB. More importantly, those factors are workplace attitudes and behaviours-related - culture, demographics include age and experience, equity theory, and equity sensitivity theory.

## 2.2 Conceptual Model

This research establishes a conceptual model which incorporates two cultural value orientations, workplace equity and demographic information as the independent variables, with equity sensitivity as the mediating variable and three work-related outcome variables that focus on employees' attitudes and behaviours. Figure 1 illustrates the hypothesized relationships graphically with the proposed direct relationships are shown in black and the mediated relationships proposed are in red. In the next section, each of the independent, mediating and dependent variables are discussed.

**Figure 1 Proposed Conceptual Model of the Study**



## 2.3 Culture

One important factor in the workplace is culture. Culture is much more than the nationalities of individuals. Culture is a predictor of individual beliefs, assessed feelings, thoughts and resultant behaviours (Fischer *et al.* 2005). As such, culture provides insights into employees' attitudes and eventually behaviours (Maznevski *et al.* 2002). Results support that values influence employee's attitudes and behaviours (Cohen 2007). Numerous organizations clearly understand the impact of shared culture and develop human resource guidelines and activities to attract and retain employees (Supam *et al.* 2009). It is clear that the effect of culture makes a major contribution in creating long term success in organizations (Supam *et al.* 2009).

It is engaging to speculate that because several cultures can exist in the workplace, individuals who work together are likely to have different cultural values from each other and thus behave differently given workplace situations (Cohen 2007). In fact, the current Australian work force is continually changing. One key reason for this change is the growing numbers of African-Australian, Hispanic Australian, Asian- Australian, and foreign nationals that are entering the Australian work force. As a result, Australian organizations are more ethnically diverse (ABS 2007).

Much of the management literature on culture focuses on Hofstede's model (1980; 2001). Hofstede's model (1980; 2001) examines culture at the national level, comparing cultural differences between countries. He identified five dimensions of culture, which include the following: power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and long-term orientation/short-term orientation (Hofstede 1980; 2001). He argues that national cultures are constant over time with change occurring slowly. Many researchers still widely use the model and it remains dominant in the field of cross-cultural research (Smith *et al.* 2006). The advantages and limitations of Hofstede's approach are still debated (Earley 2006; Hostede 2005; Javidan *et al.* 2006; Smith *et al.* 2006). Recent reviews, such as Earley (2006), Hofstede (2005), Javidan *et al.* (2006), and Smith *et al.* (2006) note that current cross-cultural research is concentrated excessively on Hofstede's model, and future research needs to discover other cultural perspectives as well.

Accordingly, recent researchers have shifted their focus from national-level culture to individual-level culture and have been comparing cultural differences between persons and ethnic groups (Cohen 2007; Nyambegera *et al.* 2000). This research suggests that differences between ethnic or cultural groups may be stronger than differences amongst countries in a

diverse environment (Cohen 2007). The most recognized individual level model of cultural values is Maznevski *et al.*'s Value Orientation Method (VOM) (2002). Recently, the literature on VOM has received much attention in the management literature (Cohen 2007; Nyambegera *et al.* 2000). The model was first introduced by Kluckhohn and Strodtbeck (1961) who identifies four cultural value orientations. Their work has been expanded and developed by Maznevski *et al.* (1997; 1995; 2002).

Nyambegera *et al.* (2000, p. 642), Maznevski *et al.* (1995; 1997; 2002) argue that value orientations guide behaviour because they give order and direction to human acts. Further they suggest there is a relationship to the resolution of common day-to-day problems. This is so because individuals express culture and its normative qualities through the values that they hold. The basic premise underlying the VOs is that there are common themes in the problems that societies have faced throughout the ages. The issues that form the value orientations and on which societies can be compared are as follows:

1. "Human nature is perceived as good, a mixture of good and evil, or evil.
2. Societies can relate to nature by dominating it or living in harmony with it, while others become subjugated by it.
3. Relationships among people are perceived as individualistic, laterally extended groups, or hierarchical groups.
4. Activity in daily living may concentrate on striving for goals and keeping busy (doing) or reflecting and living rationally (thinking), or, for others, may take the form of living for the moment and exhibiting spontaneity (being) (p. 642).

This model is appropriate for the current study as it has not only been examined for its theoretical and descriptive properties, but has been employed to explain separate aspects of cultural values in organizations (Bolino *et al.* 2008; Clugston *et al.* 2000; Kirkman *et al.* 2006;

Sparrow *et al.* 2010; Thomas 2008). Specifically, this model provides a better understanding of cultural value differences influencing the work attitudes and behaviours (Cohen 2007; Maznevski *et al.* 2002), enabling managers to understand and to deal with employees from many different backgrounds and cultures affecting various employee attitudes and behaviours (Bolino *et al.* 2008; Clugston *et al.* 2000; Kirkman *et al.* 2006; Sparrow *et al.* 2010; Thomas 2008).

There are several advantages for using Maznevski *et al.*'s Value Orientation Method. The first advantage is that VOM has been developed specifically to gain a deeper understanding of the effects of cultural values at the individual-level of analysis (Maznevski *et al.* 2002). An individual's cultural background and its normative qualities are expressed through their patterns of behaving, what they feel, sense and think (Maznevski *et al.* 2002; Nyambegera *et al.* 2000).

The recognition of the importance of culture on individual's attitudes and behaviours has led to a growing amount of research examining the impact of individual's cultural background within organizations (Podsakoff *et al.* 2009; Fischer & Smith 2006; Liua & Cohenb 2010). More specifically, a number of research studies have succeeded in finding links between culture and employee attitudes and behaviours (Podsakoff *et al.* 2009; Fischer & Smith 2006; Liua & Cohenb 2010).

A key advantage of the VOM to this research is its applicability to issues of equity and equity sensitivity (Maznevski *et al.* 2002; Akan *et al.* 2009). Research shows culture plays a significant role in shaping individual differences in sensitivity to equity (Allen *et al.* 2005; Bolino *et al.* 2008; Maznevski *et al.* 2002; Wheeler 2002). Research evidence supports the fact that culture and equity sensitivity do influence employee attitudes and behaviours (Bukhari 2008; Konopaske & Werner 2002; Liua & Cohenb 2010; Mathieu & Zajac 1990).

Several researchers have found that employees from mastery cultures tend to resolve feelings of inequity by taking direct actions (i.e., changing inputs and/or outcomes) and that employees from subjugation cultures take indirect actions in the workplace (i.e., transferring or resigning or leaving a job) (Akan *et al.* 2009; Bierhoff *et al.* 1986; Maznevski *et al.* 2002).

Although relevant, the VOM has limitations that should be discussed. One of the most significant disadvantages of the VOM's instrument is that it is likely to be too long (Maznevski *et al.* 2002). Given that culture is only one of the variables of interest in this research, only two cultural dimensions examined, both of which are of major interest to researchers measuring employee attitudes and behaviours. The two cultural value orientations of "Relationships among People" and "Relationship to the Broad Environment" are employed (Maznevski *et al.* 2002).

The first cultural value orientation contains two possible variables, Individualism and Collectivism. Individualism defines the relationships among employees where employees focus on individual performance whereas Collectivism concerns workgroup or the business unit performance (p. 277). The other cultural value orientation concerns how an individual relates with the broad environment. This includes Mastery, taking control of one's organization, and Subjugation, not trying to change the ways of one's organization (Maznevski *et al.* 2002). Employees relate to nature by controlling it or living in harmony with it, whereas others become subjugated by it (p. 277). Both of these dimensions seem particularly relevant for the study of workplace equity in relation with culture (Berings *et al.* 2004; Liua & Cohenb 2010).

### ***Cultural Difference and Its Influence on OCB: Direct Effect***

Having reviewed the concept of culture and cultural dimensions, the differences in cultural values and associated work-related attitudes and behaviours exhibited by employees are analysed using Maznevski *et al.*'s (2002) cultural framework in this study.

Although Podsakoff *et al.* (2006) have insisted “cultural context may affect a) the forms of citizenship behaviour observed in organizations and b) the strengths of relationships between citizenship behaviour and its antecedents and consequences” (p. 556), there has been little academic research about the importance of cultural values on OCBs in the past decade (Euwema *et al.* 2007; Gelfand *et al.* 2007; Paillé 2010). Specifically, many of the research studies examining culture and OCB have been mainly conducted in the U.S. with little research conducted outside the U.S. (i.e., Chinese, Australians and France) (Bukhari 2008; Chen & Francesco 2003; Feather & Rauter 2004; Paillé 2010; Podsakoff *et al.* 2009). Recently, Allen and White (2009) call for further studies to investigate the potential impact between cultural values and work outcomes including OCB (Allen & White 2009).

Results from the few studies that have been conducted indicate that there is a positive and significant relationship between cultural values and OCB (Allen *et al.* 2005; Allen & White 2002; 2009; Chhokar *et al.* 2001; Cohen & Manion 2000). Berings *et al.* (2004) and Liua and Cohenb (2010) have found that employees who hold collectivistic values are more likely to engage in organizational citizenship behaviour whereas employees who hold individualistic values are least likely to engage in OCB (Chhokar *et al.* 2001; Berings *et al.* 2004; Liua & Cohenb 2010). As such, employees who are more collectivistic tend to put the group first and do what is best for the organization going above and beyond their formal job duties believing that in the long term individual employees' benefit when the organization is successful. It also seems reasonable to assume that those employees who believe they can master their environment and tend to take control of situations are more likely to have high levels of OCB.



Following this, the following hypotheses are put:

**H1:** Cultural Values directly influence Organizational Citizenship Behaviour.

**H1a** – Collectivistic Cultural Values are positively related to Organizational Citizenship Behaviour.

**H1b** – Mastery Cultural Values are positively related to Organizational Citizenship Behaviour.

The following focus is demographic variables of employees that influence on attitude and behaviour relations.

## 2.4 Demographics

According to Pfeffer (1985, p. 74), “sensitivity to demographic effects can help provide context to understand organisational behaviour.” Interestingly, there is little evidence to support this view as few studies focus on the relationship between employee demography and perceived levels of equity (Bernal *et al.* 1998; Ehigie & Otukoya 2005; Lepine & Van Dyne 2001; Li & Wan 2007; Smith 2000; Tait *et al.* 1989), and even less consider the relationship between demographic characteristics and work outcomes in the fields of management (Cianni & Romberger 1995; MorBarak *et al.* 1998).

Past research has found that demographic variables are important in relation to its effects on organizational outcomes. Managers and organizations might recognize the implications of demographics with their increasing awareness of the need for improving employee and organizational performances (Chou & Pearson 2011; Li & Wan 2007; Toker 2011).

Demographics include such factors as age (Kuehn & Al-Busaidi 2002; Smith 2000; Wanxian & Weiwu 2007), gender (Carrell & Dittrich 1978; Chou & Pearson 2011), country of origin, residency, and language (Abdulla *et al.* 2011; Chhokar *et al.* 2001). Other factors such as size of organization, industry, job position, and work experience also may influence employee attitudes and behaviours (Chiok Foong Loke 2001; Chou & Pearson 2011; Ehigie & Otukoya 2005; Loi *et al.* 2006).

Age is likely to be significantly correlated to job satisfaction, organizational commitment, and equity perceptions (Bernal *et al.* 1998; Ehigie & Otukoya 2005; Lepine & Van Dyne 2001; Li & Wan 2007; Smith 2000; Tait *et al.* 1989). Following, a number of the researchers (Griffin 2003; Kuehn & Al-Busaidi 2002; Wanxian & Weiwu 2007) point out that age influences work attitudes and behaviours with overall job satisfaction generally found to be significantly higher with older employees. In a recent study, Abdulla *et al.* (2011) suggest that older employees tend to be more satisfied with their jobs and more committed to their work than younger employees (Abdulla *et al.* 2011). Moreover, Li and Wan (2007) investigate how age influences an individual's perception of individual's equity sensitivity. Li and Wan (2007) suggest that equity sensitivity was associated with age and the older employees were the higher the level of OCB (Li & Wan 2007).

Studies comparing the behaviour and attitudes of males and females report that differences between the genders exist. Okpara (2005) found that gender is associated with the job satisfaction levels (Toker 2011). Okpara's (2006) work indicates that male managers are more likely to satisfy with their company promotion policies than female managers (Okpara 2006). Use of demographic factors such as country of origin, residency, and language and employee attitudes and behaviours are also significantly correlated (Abdulla *et al.* 2011; Chhokar *et al.* 2001).

Moreover, existing literature suggested that size of organization, industry, employees' job position, and their number of years serving in their organizations impact their satisfaction, organizational commitment, and OCB (Loi *et al.* 2006; Meyer *et al.* 2002; Sweeney & McFarlin 1997). For example, employees' job position was found to be a significant predictor of their level of organizational commitment. Partners, and those generally considered as employers or co-workers in law firms, are more committed to their organizations than non-partners (Loi *et al.* 2006). A recent study by Chou and Pearson (2011) supports the view that employees with greater length of tenure are more satisfied with their jobs and tend to engage in more OCB in comparison to employees with short tenure in the same organisation.

Although interest in the impact of demographics has grown, a gap still exists in studies that explore the relationship between employee demographics (i.e., age and experience) and the levels of equity, this impact justifies examining differences in workplace attitudes and behaviours. Specifically, very little research related to this subject has been done on attitudes and beliefs exhibited by employees in Australian organizations. In order to help understand this phenomenon, this study explores how demographic variables such as age and experience influence attitude and behaviour relations. The following section covers Adam's (1963; 1965) influential work on equity theory that forms work-related attitudes and behaviours.

## **2.5 Equity Theory**

Equity is a major concept affecting work-related attitudes and behaviours. Adams' (1963; 1965) Equity Theory is perhaps one of the best known theories addressing perceptions of inequity. Empirical findings suggest that employees' perceptions of equitable treatment in the workplace directly influence employee behaviour and performance (Hochwarter *et al.* 1996; Larwood *et al.* 1979; Lawler & O'Garra 1967; Major & Deaux 1982; Miner 1980; Mowday

1991; Tremblay *et al.* 2004), which in turn, can affect an organization's capability to attract, retain, and motivate its employees. In fact, employees who perceive they are receiving equitable treatment may be more satisfied with the job, committed, and motivated to achieve organizational goals and success (Bolino & Turnley 2008; Supam *et al.* 2009).

Equity theory proposes that people are motivated to maintain fair, or equitable, relationships between themselves and others (Adams 1965). Perception of fairness exists in the form of an equity ratio of inputs and outputs (Adams 1965; Carrell & Dittrich 1978; Ridings & Eder 1999). Employees compare themselves to co-workers by focusing on these two variables in the context of the workplace. Employees perceive an equitable return, the “outcomes”, for what they contribute, the “inputs”, to an organization. Employees contribute their experience, time and work effort exerted in exchange for units produced (Adams 1965; Konopaske & Werner 2002; Thomas 2008; Tremblay *et al.* 2004). They expect an equitable return for their inputs in the form of equitable salaries, fringe benefits, and prestige (Adams 1965; Ivancevich *et al.* 2005; Thomas 2008; Tremblay *et al.* 2004).

It is important to emphasize that equity theory deals with outcomes and inputs as they are perceived by employees, not as objective measures of performance (Adams 1965; Carrell & Dittrich 1978; Ridings & Eder 1999). A large number of researchers have concluded that when employees experience inequity, they are moved to reduce the perceived inequity (Chhokar *et al.* Adams 1965; 2001; Ivancevich *et al.* 2005). Employees will seek to adjust the balance of outcomes and/or inputs (Adams 1965; Ivancevich *et al.* 2005; Thomas 2008; Tremblay *et al.* 2004). The most commonly explored responses to inequity are behavioural in nature. Employees are more likely to attempt to reduce their inputs or increase the outcomes they receive (Blakely *et al.* 2005; Bolino *et al.* 2008; Hunt *et al.* 1983; Ingersoll-Dayton *et al.* 2003). Employees are likely to choose to work with another co-worker, decide to transfer or leave a workplace when they think they are being under-rewarded receive (Blakely *et al.*

2005; Bolino *et al.* 2008; Hunt *et al.* 1983; Ingersoll-Dayton *et al.* 2003). When employees perceive an input-outcome balance in the workplace, they tend to feel more satisfied and committed to the organization, which in turn impacts on their citizenship behaviour (Adams 1965; Ivancevich *et al.* 2005; Thomas 2008; Tremblay *et al.* 2004).

Recent research studies have found that higher levels of perceived equity are related to positive employee attitudes and behaviours (Gahan & Abesekera 2009; Gerhart 2008; Kirkman *et al.* 2006; Thomas 2008). There has been some consideration of linkages between perceived equity and OCB (Chhokar *et al.* 2001). Organ *et al.* (2006) has speculated that if an employee perceives that s/he is receiving more than what s/he deserves, the positive end of inequity, guilt may drive the employee to increase OCB. In contrast, if an employee feels s/he is receiving less than others, the negative end of inequity, s/he may decline to engage in any organizational citizenship behaviour (Chhokar *et al.* 2001; Organ *et al.* 2006). Generally, these findings suggest that perceived inequity leads to reduced organizational citizenship behaviour (Chhokar *et al.* 2001; Folger & Konovsky 1989; Organ *et al.* 1988).

The literature about the relationship between perceived equity or inequity and job satisfaction exists, though is limited (El-Din Khalifa & Truong 2010). These studies reveal that perceptions of equity are strongly related to job satisfaction. When an employee perceives that s/he is treated fairly, s/he consequently feels satisfied with the job (Deconinck & Bachmann 2007; El-Din Khalifa & Truong 2010; Lambert *et al.* 2007; McIntyre *et al.* 2002; Paik *et al.* 2007; Rifai 2005). On the contrary, job dissatisfaction is associated with perceived inequity. Miles *et al.* (1989), in their work on the differences in how people react to inequity, find a number of relationships between reward levels (outcomes) and job satisfaction. They find that employees who are being inequitably rewarded are less satisfied than those who are equitably rewarded (Deconinck & Bachmann 2007; El-Din Khalifa & Truong 2010; Lambert *et al.* 2007; McIntyre *et al.* 2002; Paik *et al.* 2007; Rifai 2005).

Accordingly, the following hypotheses are put:

**H2:** Perceived Workplace Equity influences employees' organizational citizenship behaviour and job satisfaction.

**H2a** – Perceptions of workplace equity are positively related to organizational citizenship behaviour.

**H2b** - Perceptions of workplace equity are positively related to job satisfaction.

While perceptions of equity in the workplace have been shown to affect employees attitudes and behaviours, the relevance of equity theory has been questioned in the academic managerial literature in the last few decades (Brockner *et al.* 1987; Huseman *et al.* 1987; Miles *et al.* 1994; Opsahl & Dunnette 1966; Vecchio 1981; Walster *et al.* 1978; Weick 1966). Generally, the major concern is whether perceptions of equity are determined to some extent by how sensitive one is to equitable/inequitable situations.

As a result of this concern, equity theory has become much less useful for managers and human resource professionals in predicting employees' different reactions to inequity (Allen & White 2002). It is possible that equity sensitivity may provide additional information. The next focus explores the possible mediating role of equity sensitivity with work-relevant variables.

## 2.6 Equity Sensitivity Theory

Equity sensitivity, developed by Huseman *et al.* (1985; 1987), builds on Adam's (1963; 1965) equity theory. Equity sensitivity is defined as "...individuals react in consistent but individually different ways to both perceived equity and inequity because they have different preferences for (i.e., are differentially sensitive to) equity" (Huseman *et al.* 1987, p. 223).

Researchers (King *et al.* 1993; 1994; Miles *et al.* 1989; 1994) assert that individuals have a unique sensitivity for fair and unfair situations. When faced with inequitable situations, individual differences in sensitivity to inequity can thereby influence their attitudes and behaviours either positively or negatively or not at all if one is unaware or indifferent to issues of equity. This suggests that employee differences in sensitivity to inequity exists and may have an impact on employees behaviours and attitudes (Akan *et al.* 2009; Huseman *et al.* 1987b; Miles *et al.* 1994a).

The concept of equity sensitivity indicates that employees can be classified along a scale in terms of their preference for equitable situations, or in their tolerance of inequality (Huseman *et al.* 1987; Miles *et al.* 1994). Three basic classes can be used to categorize employees in terms of their varying degrees of sensitivity to equity: benevolents, equity sensitives and entitles (Miles *et al.* 1989; Obasi *et al.* 2009). King *et al.* (1993; 1994) suggest that benevolent employees are more concerned what they contribute to the organization, they are “givers” to the organization having a high degree of input. Entitled employees are more focused on what they receive from the organization, they are regarded as “getters” from the organization focusing on the outcomes they receive.

To measure individual levels of equity sensitivity, Husman *et al.* (1987) developed the Equity Sensitivity Instrument (ESI) with high scores indicating benevolence, middle scores equity sensitivity, and low scores signifying entitlement. Several researchers have investigated the relationship of equity sensitivity to work-relevant variables such as job performance using the Equity Sensitivity Instrument (ESI) (Bing & Burroughs 2001; Davison & Bing 2008; Miles *et al.* 1989), negotiation outcomes (King & Hinson 1994), job satisfaction (King *et al.* 1993), and OCB (Chhokar *et al.* 2001). Work by a number of researchers (Deconinck & Bachmann 2007; Lambert *et al.* 2007; McIntyre *et al.* 2002; Paik *et al.* 2007; Rifai 2005) have examined the relationship between equity sensitivity and both job satisfaction and organizational

commitment. Results suggest that employees who have high levels of equity sensitivity are more satisfied with their jobs and more committed to their organizations.

In an exploratory study Fok *et al.* (2000b) find that individuals with higher equity sensitivity instrument scores are more likely to engage in OCB. Recently, a study by Obasi *et al.* (2009), confirms that there exists a strong relationship between equity sensitivity and scores and OCB. There is evidence that employees with higher equity sensitivity scores, “the benevolents”, are significantly associated with citizenship behaviour, satisfaction and commitment within a work situation (Akan *et al.* 2009; Allen *et al.* 2009; King *et al.* 1994; Miles *et al.* 1994). These benevolent employees do not mind if their contributions to their organizations exceed the salaries and rewards received from their organization. Furthermore, Akan *et al.* (2009) show benevolent employees are significantly more likely to engage in high levels of OCB and are “more willing to help other employees with tasks, not complain if they are asked to do extra work, and willing to take individual initiative to go beyond the call of duty by taking on extra responsibilities without a promise of extra rewards” (p. 101). These results illustrate that employees vary in their tolerance of fairness, which suggest that equity sensitivity differences do exist and have an impact on employees’ attitudes and behaviours when they are faced with inequitable situations in the workplace (Akan *et al.* 2009).

Few studies (Akan *et al.* 2009; Allen & White 2009) have explored and tested a positive and significantly relationship between employees’ cultural values and their perceptions of equity sensitivity. Also, there is a little evidence for the effect of equity sensitivity on attitudes and behaviours of job satisfaction, organizational commitment and OCB in the workplace (Allen *et al.* 2002; Bolino & Turnley 2008; Chhokar *et al.* 2001). Until now, however, there is no research examining the mediating effect of equity sensitivity between the independent variables of individual cultural values and perceptions of equity and the dependent variables of job satisfaction, organizational commitment and OCB.



Studies that specifically focus on the applicability of equity sensitivity theory to cultural differences are less prevalent (Allen *et al.* 2002; Chhokar *et al.* 2001). With limited recognition and consideration, several researchers (Allen *et al.* 2002; Chhokar *et al.* 2001) call for further work with regard to the application of equity sensitivity in the fields of cross-cultural management and human resource management.

The empirical findings that exist show that culture has a significant and direct impact on equity sensitivity (Allen *et al.* 2002; Bolino & Turnley 2008; Chhokar *et al.* 2001). Results suggest that employees who believe in individualistic cultural values are less likely to be benevolent in terms of their equity perception responses (Chhokar *et al.* 2001). On the contrary, employees from collectivistic cultures tend to be more benevolent and are more likely to be concerned with encouraging teamwork and good sportsmanship (Allen *et al.* 2002; Chhokar *et al.* 2001). Research also exists with respect to mastery and subjugation cultural values. Results show that employees from mastery cultures tend to resolve feelings of inequity by taking direct actions (i.e., refusing to go the extra mile for the organization) and that employees from subjugation cultures resolve inequity by taking indirect actions (i.e., transferring or resigning or leaving a job) (Akan *et al.* 2009; Bierhoff *et al.* 1986; Maznevski *et al.* 2002). Employees with mastery cultural values who are benevolent most likely would engage in OCB whereas those who feel entitled would disengage.

Equity sensitivity, however, may not have any influence on employees with subjugation cultural values. In addition, several previous empirical studies have investigated the age-equity sensitivity relationship (Li & Wan 2007). For example, Li and Wan (2007) investigated how age influences an individual's perception of their equity sensitivity. These researchers reveal that equity sensitivity is associated with age and that older employees tend to be more benevolent and engage in higher levels of OCB (Li & Wan 2007).

Accordingly, it is hypothesized:

**H3:** Perceived Workplace Equity Sensitivity acts as a mediator between the independent variables (Cultural Values, Equity Sensitivity, Age and Gender) and the dependent variables of Organizational Citizenship Behaviour, Job Satisfaction and Organizational Commitment.

## **2.7 Relationships among the Dependent Variables: Job Satisfaction, Organizational Commitment and Organizational Citizenship Behaviour**

Empirical findings indicate that employees need to feel satisfied with their job and with the work they have accomplished. Highly committed employees are more likely to be willing to contribute greater effort to the organization. Such attitudes are more likely to promote employees' positive behaviours and are perceived to increase organizational performance (Lepine & Van Dyne 2001; Organ 1990; 2006; Wagner & Rush 2000).

The relationship between job satisfaction and OCB has been consistently shown in OCB studies (Budhwar *et al.* 2008; Lapierre & Hackett 2007; Podsakoff *et al.* 2009; Sparrow *et al.* 2010). Employees who are more satisfied with their current jobs are more likely to engage in positive OCB (Budhwar *et al.* 2008; Kirkman *et al.* 2001; Lapierre & Hackett 2007; Organ *et al.* 1988; 2006; Podsakoff *et al.* 2009; Sparrow *et al.* 2010). Results also indicate that higher job satisfaction leads to greater organizational commitment (Budhwar *et al.* 2008; Ellickson & Logsdon 2001; Kirkman *et al.* 2001; Lapierre & Hackett 2007; Organ *et al.* 1988; 2006; Podsakoff *et al.* 2009; Sparrow *et al.* 2010; Yousef 2000).

As such, it is important that human resource managers and practitioners succeed in improving the levels of satisfaction, commitment and OCB in order to increase organizational performance. Based on the previous findings the final hypothesis is as follows:

**H4:** Job Satisfaction is positively related to a) organizational citizenship behaviour and b) organizational commitment.

## 2.8 Chapter Summary

This chapter provides the literature review identifying the key study variables. Specifically, the dependent variables suggested for the dissertation research are job satisfaction, organizational commitment and organizational citizenship behaviour independent variables proposed include cultural values, perceptions of equity and demographics of age and work experience. The possible mediating role of equity sensitivity is discussed with respect to the independent and dependent variables

In response to past empirical research, four research hypotheses are put to help guide this dissertation research and are summarised in Table 2. 1. Strong hypotheses provide important insights into the research questions. Answers to these questions increase our understanding of cultural differences, equity theory, equity sensitivity theory, and workplace attitudes and behaviours in the Australian organizations.

**Table 2 1** A Summary of Hypotheses (H)

Hypotheses	Type of Effect
<b>H1:</b> Organizational Citizenship Behaviour has a positive, direct relationship with a) Collectivistic Cultural Values and b) Mastery Cultural Values.	Direct
<b>H2:</b> Perceived Workplace Equity has a positive, direct relationship with a) Organizational Citizenship Behaviour and b) Job Satisfaction.	Direct
<b>H3:</b> Equity Sensitivity acts as a mediator between the independent variables (Cultural Values, Perceived Workplace Equity, Age and Work Experience) and the dependent variables (Organizational Citizenship Behaviour, Job Satisfaction and Organizational Commitment).	Mediator
<b>H4:</b> Job Satisfaction is positively related to a) Organizational Citizenship Behaviour and b) Organizational Commitment.	Direct

Chapter 3 describes the fundamental components of the research design. Several advantages and shortcomings of using an online survey as the data collection technique are discussed. Justifications of employing a Partial Least Squares analysis to test the overall conceptual model are provided.

## **CHAPTER 3 RESEARCH METHODS**

The goal of this study is to establish a conceptual model and test hypotheses. As such, descriptive research utilizing an online survey is appropriate. This chapter justifies the research design and illustrates some advantages and disadvantages of administering an online survey. The data collection techniques are discussed with a description of the sample and the procedure used to recruit participants. The survey scale measurements used are described. Finally, the chapter outlines the statistical methods and several justifications and limitations of employing a Partial Least Squares (PLS) analysis.

### **3.1 Justification of Research Design**

A quantitative research design is appropriate as the aim of the research is to test hypotheses founded on previous, well-established research. If theory building was the aim then exploratory research would have been used for this study. The choice of quantitative research utilizing an online survey is appropriate as it allows for a detailed investigation of the variables that comprise hypotheses and research questions (Phillips & Burbules 2000; Varaki 2006). Bryman and Bell (2007) and Creswell (2007) argue that quantitative methods are extremely useful for testing the applicability of an existing theory and for determining the level of acceptance concerning hypotheses proposed (Bryman & Bell 2007; Creswell 2007). In this study, all of the independent and dependent variables are recognized in the management literature with readily available measurement scales.

### 3.2 Advantages and Disadvantages of Online Surveys

Online surveys have become a popular method for academic researchers to collect quantitative data. Researchers who conduct their questionnaires online come from a variety of fields, such as: management, marketing, economics, psychology and hospitality (Dillman 2007; Pan 2009; Tierney 2000). For this study an online survey is the most viable option for allowing responses to be received quickly from employees employed in organizations across Australia to participate.

There are three advantages of an online survey over the more traditional paper based survey methods (Dillman 2007; Lyons *et al.* 2005; Pan 2009; Sheehan 2001). The first advantage of conducting an online survey is a faster response time (Dillman 2007; Lyons *et al.* 2005; Pan 2009; Sheehan 2001; Skitka & Sargis 2006; Tourangeau 2004). The faster responses allow researchers to implement data analysis that establishes validity, reliability, and statistical significance strategies in a short time (Bryman & Bell 2007; Creswell 2007; Fowler 2009; Lyons *et al.* 2005). The second advantage of online surveys is their cost effectiveness (Cobanoglu *et al.* 2001; Ladner *et al.* 2002). Online surveys by email or the web are low-cost compared with many traditional methods (Cobanoglu *et al.* 2001; Ladner *et al.* 2002). Ladner *et al.* (2002) estimate the costs of conducting online surveys to be 11 times less expensive than conducting a pencil-and-paper survey.

The final advantage of an online survey as a data collection instrument is its versatility. Online surveys allow different types of questions to be asked, with respondent answers automatically recorded and codified ready to be analysed (Cooper & Schindler 2008; Creswell 2007). In addition, it is possible to access and ask sensitive questions non face-to-face in more detailed replies. Online surveys allow participants time to think about questions (Bryman & Bell 2007).

Although there are several advantages to online surveys, there are some drawbacks associated with this method. The first disadvantage of an online survey relates to sampling bias. Only participant who have access to the internet are able to participate, thus potentially limiting the generalizability of results (Nardi 2003; Skitka & Sargis 2006; Tourangeau 2004). Another shortcoming of online surveys is the lower response rates typically obtained in comparison to paper based surveys (Cooper & Schindler 2008; Rea & Parker 2005). Solicited participants may choose not to participate in the research due to perceived risks associated with the internet (Skitka & Sargis 2006), including: internet abuse, privacy concerns, commercial advertisements and junk email (Birnbaum 2004; Tourangeau 2004). Despite this, non-response errors for online surveys tend to be comparable to postal questionnaire surveys (Pan 2009; Tourangeau 2004; Yun & Trumbo 2000).

### **3.3 Sample and Procedure for Recruiting Participants**

The study respondents were: 1) currently employed in small, middle and large-sized Australian companies with over 25 employees and 2) at least 18 years of age. A research company recruited respondents who met the above criteria from their panel members. The sample for this study consisted of 296 employees.

Previous researchers (Green 1991; Marks 1966; Schmidt 1971; Tabachnick & Fidell 1989) recommend a sample size of 300 or 400 participants when testing a model consisting of nine or ten variables. The current study examines only eight variables comprising of two cultural dimensions (individualism/collectivism and mastery/subjugation), workplace equity as the third independent variable, demographics as the fourth independent variable, equity sensitivity as a mediator and three dependent variables of satisfaction, commitment and organizational citizenship behavior (OCB). As such, a sample size of 296 in this study is sufficient.

Furthermore, instead of using SEM techniques, PLS path modelling is used. PLS is particularly useful when the sample size is relatively small (Henseler *et al.* 2009). In fact, PLS path modelling approach can provide information about the relevance of indicators at sample size as low as 20. According to Silva *et al.* (2010), “Chin and Newsted (1999) suggested that in PLS analysis, with models comprising only reflective latent variables, the recommended minimum sample size is ten times the number of structural paths leading to the endogenous latent variable with the largest number of such paths” (p. 5). For the current model this amounts to 15 paths and a minimum sample size of 150, which is exceeded by the current data.

### 3.4 Data Collection and Survey Measurements

**Data Collection Methods:** The research company sent an email invitation to potential respondents along with a link to the online questionnaire with an information statement explaining the aims of the research and the intended use of the material (see Appendix 1). The participants were asked to complete the voluntary, anonymous online survey (see Appendix 2). A complete survey submitted voluntarily was taken as participant consent. The online survey took 15-20 minutes. The data for this research were collected in September, 2011 over a two-week period after ethics approval was obtained.

**Survey Scale Measurements:** The survey consisted of 61 questions divided into seven parts: cultural dimensions, two sets of questions about equity perceptions and equity sensitivity, three sections on work outcome variables and one final set of demographic questions. The survey is provided (see Appendix 2). All the survey questions are adopted from previous questionnaires from the sources shown in Table 3.1.



**Table 3 1 Variables Scale**

Variables		Question	Scale	Survey Scale References
Cultural Dimensions	Beliefs & Values	10	1 to 7 (1=strongly disagree & 7=strongly agree)	Maznevski <i>et al.</i> (1997)
	Workplace Performance	6		
Equity Sensitivity	Workplace Equity Sensitivity	5	Same as above	Huseman <i>et al.</i> (1987)
Equity Perceptions	Workplace Comparisons	10	1 to 5 (1=much more & 5= much less)	Anthony (1996)
Job Satisfaction	Your Workplace Experience	13	1 to 7 (1=strongly disagree & 7=strongly agree)	Judge <i>et al.</i> (2000)
Organizational Commitment				Meyer <i>et al.</i> (1993)
OCB	Workplace Behaviour	8	Same as above	Lee & Allen (2002)
Demographics	About You	9	Night short sentences	Carrell <i>et al.</i> (1978) etc.

**Cultural Dimensions** are from the Cultural Perspectives Questionnaire (CPQ), version 4, developed by Maznevski *et al.* (1997) at the employee-level of cultural values. The respondents assess their beliefs about people, society and workplace performance. The research instrument has been adapted with 16 single-sentence questions in two cultural dimensions (i.e., “Relationships among People with Individualistic and Collectivistic Values” and “Relations to Broad Environment with Mastery and Subjugation Values”). All but one of the subscales of cultural values have acceptable Cronbach’s alpha reliability coefficients: individualistic = .65, collectivistic = .71, mastery = .47 and subjugation = .70.

The four subscales consisted of four reflective dimensions. Individualistic represents putting your own interests ahead of others and consists of four items. Collectivistic focuses on workgroup performance and consists of four items. Mastery relates to directing and changing the environment around us and contains four items. The last cultural dimension, Subjugation, is about trying not to change the basic direction of the broad environment and includes four items. This 16 item scale has been adapted from Maznevski *et al.* (1997). All items are

measured on a seven Likert-type scale ranging from '1' (strong disagree) to '7' (strongly agree).

**Cultural Dimensions** are from the Cultural Perspectives Questionnaire (CPQ), version 4, developed by Maznevski *et al.* (1997) at the employee-level of cultural values. The respondents assess their beliefs about people, society and workplace performance. The research instrument has been adapted with 16 single-sentence questions in two cultural dimensions (i.e., "Relationships among People with Individualistic and Collectivistic Values" and "Relations to Broad Environment with Mastery and Subjugation Values"). All but one of the subscales of cultural values have acceptable Cronbach's alpha reliability coefficients: individualistic = .65, collectivistic = .71, mastery = .47 and subjugation = .70.

**Equity Sensitivity** originally measured by Huseman *et al.* (1987) pertains to what is important to employees about the workplace. The Equity Sensitivity Instrument (ESI) contains five pairs of statements to measure either an organizational (benevolence) or individual (entitlement) focus. For example, the first question starts, "In any organization I might work for: It is more important for me to get from the organizations than it is to give to the organization." This research adapts the original ESI from a forced-distribution format to a seven-point Likert-type scale with anchors ranging from (1) strongly disagree to (7) strongly agree. Higher scores on this scale represent a higher level of equity sensitivity (benevolence) and lower scores represent a lower level of equity sensitivity (entitlement). King and Miles' (1994) research support not only the validity of this instrument with coefficient alphas ranging from .79 to .88 (King *et al.* 1994).

**Equity Perceptions** introduced by Anthony (1996) asks respondents to indicate how they compare with other employees in similar positions. Comparisons may be with co-workers in their organization or at another organization. The 10 comparison items included: opportunities for advancement, salary, performance expectations and desirable work assignments. This

section uses a 5-point Likert scale ranging from 1 = much more to 5 = much less. Participants, who have a higher score, perceive a higher perception of equity in the workplace. Participants who have a lower score, however, have a lower level of equity perception. Anthony (1996) reports a reliability coefficient of .76 for this scale.

***Job Satisfaction*** introduced by Judge *et al.* (2000) is measured by questions relating to an employee's overall fulfilment with their job. The questions ask about experiences working in the organization. It consists of four items using a 7-point Likert-type scale with score 1 = strongly disagree and 7 = strongly agree (Judge *et al.* 2000). Reliabilities of between .78 and .99 and a Cronbach's coefficient alpha of .91 are reported in empirical findings (O'Neil & Mone 1998; Price & Mueller 1986).

***Organizational Commitment (OC)*** measures employees' workplace experience and how they think and feel about their current job. Organizational commitment and its three dimensions such as affective, continuous, and normative commitment were employed by Meyer *et al.* (1993) which includes the eighteen questions. The researcher has reduced the original questionnaire from 18 items to nine to strengthen the reliability of the three commitment measures. The review included checking the clarity of dimensions and items, nine items were deleted in terms of all three dimensions. According to the need of this study, the remaining nine items of Meyer *et al.* (1993) were used to measure overall organizational commitment of the employees. It contains three sections: affective (3 items), continuous (3 items) and normative (3 items). Answers are given on 7-point Likert scales from "strongly disagree" to "strongly agree." The instrument's Cronbach's alpha reliability coefficients for affective = .95, continuance = .96, and normative = .88. Sample items for each subscale of organizational commitment are: feeling a strong sense of "belonging" to your organization (affective), staying with your organization (continuous) and leaving your organization right now (normative).

***Organizational Citizenship Behaviour (OCB)*** introduced by Lee and Allen (2002) captures employees' workplace behaviour. In a series of behavioural statements, the sample items include such statements as: "I willingly give my time to help others who have work-related problems". The scale items contains 8 items using a 7-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree. Lee and Allen (2002) report Cronbach's coefficient alphas of between .88 and .95.

***Demographic Variables*** measure respondents' characteristics with responses to these questions utilized for comparisons in the data analysis. Nine questions asked respondents to provide information on age, gender, race/ethnicity and place of residency, primary language, size of organizations and industry, position, tenure. Organizational categories used were taken from the Australian Bureau of Statistics Year Book Australia (YBA 2009-10). Age, race/ethnicity, primary language and job position were measured with open-ended questions, such as: "What is your age?", "Where were you born?", "What is the primary language you speak at home?" and "What is your current job position or primary role?".

Gender was measured by a categorical question, male and female. Place of residency was a categorical question with four categories ranging from less than one year to more than 10 years and was measured to capture the years that an employee has lived in Australia. Organizational size was measured with six categories ranging from less than 100 to 5000 or more in number of employees. Industry was measured by a categorical question with 11 categories, including: construction, finance and insurance, health, education etc. Tenure was a categorical question with six categories ranging from less than one year to over 20 years and was measured to capture the years that an employee has worked in their current organization.

### 3.5 Data Analysis Procedure

The survey dataset for this study was cleaned and coded and then analysed using the software SmartPLS version 2.0 (Ringle *et al.* 2005) for Partial Least Squares (PLS). PLS is a type of structural equation modelling (SEM) developed by Wold (1982). PLS allows researchers to investigate linear relationships among multiple independent, mediating and dependent variables using latent constructs derived from multiple observed variables (called indicator or manifest variables) and then combine this with path analysis (Chin 1998a; 2001; Gustafsson & Johnson 2004).

Even though the first software packages were openly accessible in the 1980s such as PLS Path (Sellin 1989), PLS path modelling is not a standard technique used in management and organizational research. Recently, however, PLS is being used in empirical studies by a growing number of researchers in strategic management (Hulland 1999), organizational behaviour (Podsakoff *et al.* 2000), information systems and marketing (Zur *et al.* 2012).

There are several justifications for employing PLS in comparison to SEM techniques. Efficacy of small sample sizes is the main justification for using PLS over other analytical techniques. The literature reports that PLS produces more accurate path coefficients estimates when sample sizes are less than 500 and independent latent variables are correlated (Chin 2001; Chin *et al.* 2003b; Chin & Newsted 1999). Given relatively the small sample size of 296 in this study PLS is the more appropriate technique.

The application of PLS requires minimal demands on measurement scales that “in PLS, constructs may be measured by a single item whereas in covariance-based approaches, at least four questions per construct are required” (Bontis & Serenko 2007, p. 1433). Similarly, other scholars (Chin 1998; Zur *et al.* 2012) have suggested that PLS is particularly useful when we

need to use small item scales because of dropping poor items. As previously noted, the model in the present study consists of eight constructs. Each of the eight constructs has different items, with all 30 items including culture (12); equity perceptions (2); demographics (2); equity sensitivity (3); job satisfaction (3); organizational commitment (3); OCB (5). All the items for the measurement of each construct can be found in Table 4.6. PLS is particularly well suited to the study of the current conceptual model (Bontis *et al.* 2007; Hansmann & Ringle 2004; Karim 2009; Temme *et al.* 2006).

In addition, PLS presents more accurate estimates of relationship effects such as mediation (Bontis *et al.* 2007; Chin 1998). The present study intends to explore the direct and indirect relationships between multiple independent (cultural values, equity, and demographics) and dependent variables (employee attitudes and behaviours like job satisfaction, organizational commitment, and OCB) and the mediating effect of equity sensitivity on these relationships. For this purpose, PLS is appropriate in order to test and validate stronger predictions in the relationships among large numbers of variables (Abdi 2010; Chin *et al.* 2003b; Chin & Newsted 1999; Vinzi 2010).

Henseler *et al.* (2009) recommend PLS models to be analysed and interpreted in two stages: the measurement model and the structural model. The measurement model assesses the reliability and validity of the items and constructs in the model, specifically the relations between the manifest variables (observed items) and the latent variables (Henseler *et al.* 2009). The structural model tests the significance of the path coefficients and the standard errors. In the current study SmartPLS (Ringle *et al.* 2005) is used, which allows for estimating both the measurement model and structural model simultaneously. Hypotheses are tested using bootstrapping method and cross-validated redundancy ( $Q^2$ ) using blindfolding method.

### 3.6 Chapter Summary

This chapter presents the data collection procedures and analytic methods used in conducting the study. This chapter describes the research design, including the advantages (time efficient, cost effective and versatile) and disadvantages (sampling bias and low response rate) of administering online surveys. The target population consists of individuals employed in the Australian workplace. In total 296 respondents completed the survey within a two-week period in 2011. The questions used to measure the independent and dependent variables have been adopted from previous research. In this study, the Partial Least Squares method is considered the most appropriate modelling technique as PLS can be evaluated the theoretical hypotheses in the proposed conceptual model using a relatively small sample.

In Chapter 4, all the hypothesized relationships between variables are analysed and tested by a Partial Least Squares method. The findings, their limitations and further research for theory and practice are examined in Chapter 5.

## CHAPTER 4 RESULTS

Data analyses have been conducted with the use of SPSS 19.0 and the systematic application of SmartPLS version 2.0 (Ringle *et al.* 2005). Sample size ( $N=296$ ) is adequate for estimating the proposed PLS path model (Barclay *et al.* 1995; Chin 1998b). This chapter examines four analyses carried out: 1) preliminary analysis comprising data screening and Harman's (1967) single factor test gained from an exploratory factor analysis (EFA); 2) descriptive statistics; 3) PLS measurement model and 4) PLS structural model on the study constructs obtained from a confirmatory factor analysis (CFA) following Henseler *et al.*'s (2009) recommendations.

### 4.1 Preliminary Analysis

#### 4.1.1 Data Screening

This study primarily used SPSS 19.0 for the purpose of data screening. Skewness and kurtosis results revealed that most of the items were not normally distributed, but none of the constructs showed extreme skewness or kurtosis in this case. Because Partial Least Squares (PLS) path modelling does not require any normality assumptions and can handle non-normal distributions (Bagozzi 1994; Fornell 1982; Karim 2009). No deletions were made.



Missing Data Analysis revealed that the data had less than 1%. The missing data were scattered randomly across variables with no item displaying more than 1% missing data. All of the missing data, or missing values were eliminated list-wise during analysis, resulting in a final sample consisted of 296 respondents (Byrne 2001).

#### **4.1.2 Harman's (1967) Single Factor Test**

For this study, all data were collected with one survey, with one sample during one period of time. As such, there is the potential problem of common method bias (CMB). It is critical to test and control for CMB because CMB impedes the validity of the constructs measured and the resulting conclusions about the relationships between the constructs (Podsakoff *et al.* 2003; Podsakoff & Organ 1986). Harman's (1967) single factor test was used to assess the extent of common method bias (CMB) using an exploratory factor analysis (EFA) of all of the scale items in SPSS 19.0 (Andersson & Bateman 1997; Aulakh & Gencturk 2000; Podsakoff *et al.* 2003; Podsakoff & Organ 1986).

According to Podsakoff *et al.* (2003), the Harman's Single Factor Test assumes that if CMB is present "(a) a single factor will emerge from the factor analysis or (b) one general factor will account for the majority of the covariance among the measures (p. 889)". Following Podsakoff *et al.*'s (2003) approach, all variables of the study were loaded on one unrotated, exploratory principal component factor analysis (PCA). Next, an exploratory (PCA) with varimax rotation was conducted. Both analyses revealed the presence of nine factors with eigenvalue greater than 1.0.

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy at 0.80 and the Bartlett's test of sphericity ( $p < .001$ ) confirm the validity of PCA in Table 4.1. As stated by Hutcheson and Sofroniou (1999): "Kaiser (1974) recommends that accepting values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above are superb (p. 224-225)". The KMO value for this study is very good, which indicates it is appropriate to proceed with factor analysis using all of the items (Field 2005). The Bartlett's test of sphericity also is significant at .001 level. The relationship among variables is strong in relation to KMO and Bartlett's test results. Hence without problem it is appropriate to continue with the factor analysis.

**Table 4 1 KMO and Bartlett's Test**

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		0.79913489
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	3655.941
	<b>df</b>	435
	<b>Sig.</b>	0.000

The Table 4.2 shows the figures for The Total Variance Explained. PCA of the 30 question items revealed 9 distinct factors with eigenvalues greater than 1.00, indicating that a single factor does not adequately explain the majority of the variance. About 67.73 % of the total variance in the 30 items is attributable to the first 9 factors; with the first and largest factor only accounting for 20.12% of the variance. These results indicate no significant common method bias among the constructs.

**Table 4 2 Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.035	20.116	20.116	6.035	20.116	20.116	3.895	12.982	12.982
2	3.300	11.001	31.117	3.300	11.001	31.117	3.177	10.590	23.572
3	2.808	9.360	40.476	2.808	9.360	40.476	2.690	8.967	32.539
4	1.855	6.182	46.658	1.855	6.182	46.658	1.982	6.608	39.147
5	1.598	5.326	51.984	1.598	5.326	51.984	1.979	6.597	45.744
6	1.354	4.512	56.496	1.354	4.512	56.496	1.683	5.610	51.354
7	1.247	4.158	60.654	1.247	4.158	60.654	1.676	5.585	56.939
8	1.111	3.703	64.357	1.111	3.703	64.357	1.660	5.534	62.472
9	1.011	3.371	67.728	1.011	3.371	67.728	1.577	5.256	67.728
10	.925	3.085	70.813						
11	.775	2.584	73.396						
12	.749	2.496	75.892						
13	.704	2.345	78.237						
14	.667	2.225	80.462						
15	.603	2.008	82.470						
16	.583	1.943	84.413						
17	.528	1.759	86.172						
18	.501	1.671	87.843						
19	.465	1.549	89.392						
20	.446	1.487	90.879						
21	.401	1.336	92.215						
22	.352	1.173	93.388						
23	.315	1.050	94.437						
24	.305	1.015	95.453						
25	.279	.931	96.384						
26	.270	.898	97.283						
27	.236	.787	98.070						
28	.213	.710	98.780						
29	.204	.680	99.460						
30	.162	.540	100.000						

Extraction Method: Principal Component Analysis.

The following communalities show that some exceed 0.7 or 0.8 in Table 4.3. The average communalities after extraction can be found by adding them up and dividing by the number of communalities (Total 20.318). For this study, the sample size exceeds 250 ( $N=296$ ), and the average communality is greater than 0.6 ( $20.318 / 30 = 0.68$ ). This analysis confirmed the need to retain all factors with eigenvalues above 1 (Kaiser's criterion).

**Table 4 3 Communalities**

	Initial	Extraction
Individualism 1	1.000	.564
Individualism 2	1.000	.594
Individualism 3	1.000	.517
Collectivism 1	1.000	.519
Collectivism 2	1.000	.592
Collectivism 3	1.000	.618
Mastery 1	1.000	.482
Mastery 2	1.000	.691
Mastery 3	1.000	.698
Subjugation 1	1.000	.547
Subjugation 2	1.000	.760
Subjugation 3	1.000	.748
Extrinsic Equity R*	1.000	.811
Intrinsic Equity R*	1.000	.805
Experience	1.000	.705
Age	1.000	.716
Equity Sensitivity R1*	1.000	.766
Equity Sensitivity R2*	1.000	.721
Equity Sensitivity R3*	1.000	.541
Organizational Citizenship Behaviour 1	1.000	.591
Organizational Citizenship Behaviour 2	1.000	.707
Organizational Citizenship Behaviour 3	1.000	.762
Organizational Citizenship Behaviour 4	1.000	.646
Organizational Citizenship Behaviour 5	1.000	.695
Organizational Commitment 1	1.000	.769
Organizational Commitment R2*	1.000	.685
Organizational Commitment R3*	1.000	.765
Job Satisfaction 1	1.000	.785
Job Satisfaction 2	1.000	.757
Job Satisfaction 3	1.000	.763
<b>Total</b>		<b>20.318</b>

Extraction Method: Principal Component Analysis. \*R: Reverse coded.

In the Table 4.4, the rotated component matrix shows each question item with a high loading at  $\geq 0.5$  or greater. Factor one essentially contains all of the JS items with two OC items. Factor two consists of the remaining OC items. Factor three contains the ES items. Factors four and five include the SUJ and IND items. These factor components can be used as variables for further analysis. The blanks in the table represent loadings that are less than 0.4.

**Table 4 4 Rotated Component Matrix**

	Component								
	1	2	3	4	5	6	7	8	9
JS1	0.858								
OC1	0.805								
JS2	0.797								
JS3	0.786								
OCR2*	0.585		0.534						
OCB3		0.842							
OCB2		0.800							
OCB1		0.702							
OCB4		0.674							
OCB5	0.416	0.652							
ESR1*			0.790						
ESR2*			0.782						
ESR3*			0.650						
OCR3*	0.575		0.583						
SUJ3				0.843					
SUJ2				0.823					
SUJ1				0.566					
IND2					0.757				
IND1					0.619				
IND3					0.603				
MAS1					0.529				
AGE						0.819			
Experience						0.816			
Extrinsic R*							0.855		
Intrinsic R*							0.799		
COL2								0.747	
COL3								0.740	
COL1								0.604	
MAS3									0.784
MAS2									0.778

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.  
a Rotation converged in 10 iterations. \*R: Reverse coded.

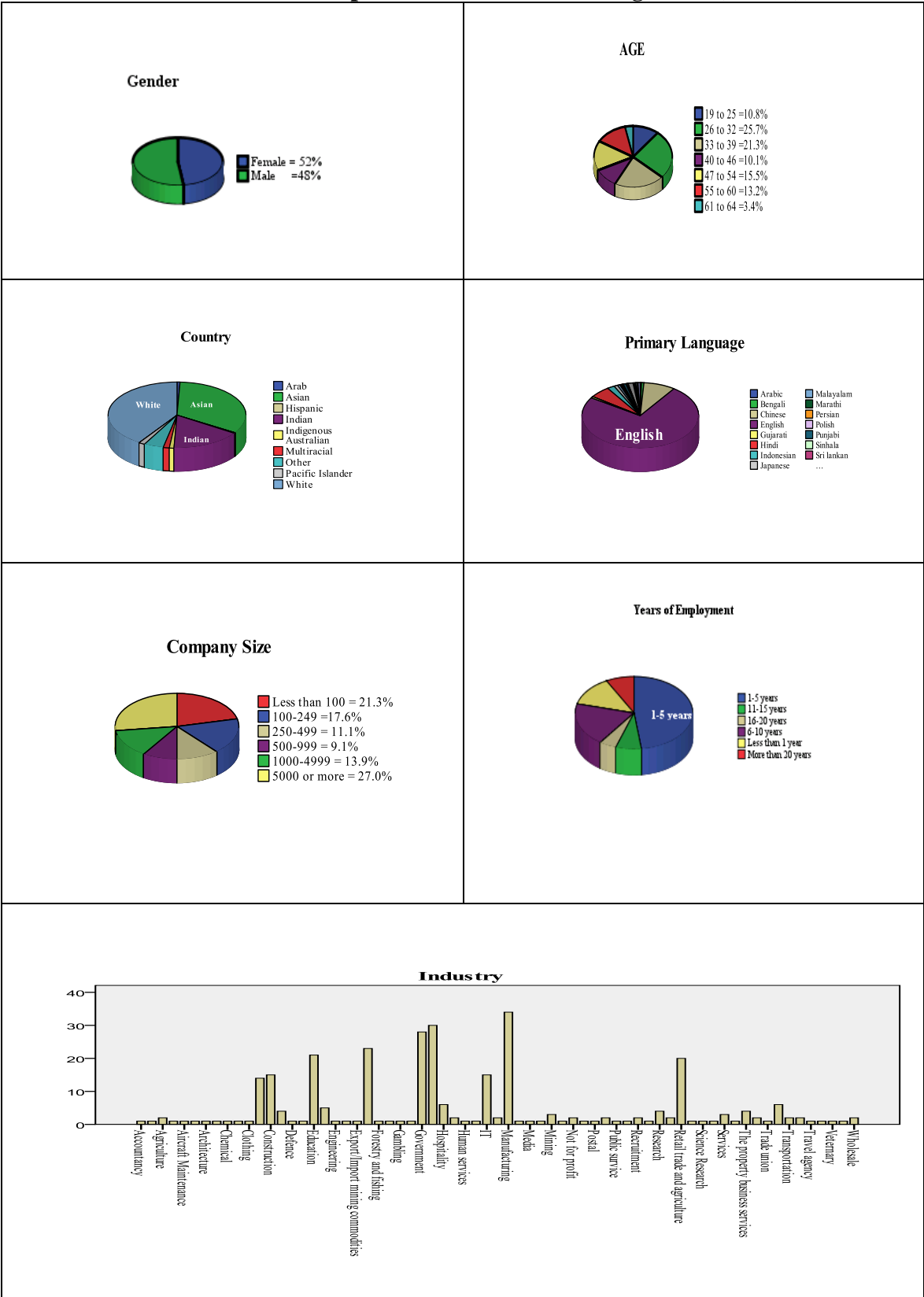
Consequently, the results of these analyses do not exclude the possibility of common method variance (CMB), they do suggest that CMB is not of great concern and thus is not likely to confuse the interpretations of the results. The following section includes descriptive statistics with SPSS 19.0 and Partial Least Squares (PLS) path modelling in two important methods such as measurement model and structural model using SmartPLS 2.0.

## 4.2 Descriptive Statistics

The survey instrument administrated in Australia on behalf of Macquarie University by a market research company obtained 296 respondents. Respondents are located across Australia and work in different industries, including: health care, education, financial, manufacturing, and retail industry. Table 4.5 shows 48 per cent of the respondents are male and 52 per cent are female. Respondents' ages range from 19 to 64, with 25.7 per cent of between the ages of 26-32, 21.3 per cent of between the ages of 33-39 and very few reporting their ages between 61 and 64 (3.4%). Ethnic background shows 38.5 per cent of respondents are white and 31.4 per cent are Asian with 74.3 per cent speaking English at home and 8.8 per cent speaking Chinese.

To ensure cultural diversity in the workplace, respondents employed in larger organizations were over-sampled. Table 4.5 shows 40 per cent of respondents employed in large organizations with 1000 or more employees. Overall 48 per cent of respondents have been in their current jobs for 1 to 5 years, and 19.3 per cent between 6-10 years. The majority of respondents work in manufacturing, health care, education, government, and retailing industries.

Table 4 5 Sample Profile: Personal Background (N=296)



The means and standard deviations for all model constructs are reported in Table 4.6. Results indicate that respondent means for Individualism, Mastery and Collectivism are relatively similar with Subjugation being the lowest. The variable mean for equity perceptions is a little higher on average ( $MD = 2.75$ ,  $SD = 0.56$  for a 5 point Likert-type response item). We followed Huseman *et al.* (1987) by summing the levels for the benevolent responses (organization focus). The equity sensitivity mean is at 4.13 (the scale is 1-7). The mean for ages ranged from 19 to 64 ( $MD = 38.96$ ,  $SD = 11.52$ ). In terms of years of employment in the Australian employees, 13.2% of respondents had been for less than 1 year, and 48.0% of them between 1 and 5 years, 19.3% of them had been for 6-10 years, 7.1% of them between 11 and 15 years, 4.7% of them between 16 and 20 years, and 7.8% of them had been for more than 20 years ( $MD = 2.75$ ,  $SD = 0.56$ ) (1 being less than 1 year and 6 being more than 20 years, the scale is 1-6). The mean and standard deviation for organizational citizenship behaviour are higher than job satisfaction and organizational commitment.

**Table 4 6 Construct Means, Standard Deviation (N=296)**

Latent Construct	N of Items / Scale	Mean	Standard Deviation
1. Culture: Individualism	3 / 7	5.29	0.92
2. Culture: Mastery	3 / 7	5.32	0.85
3. Culture: Collectivism	3 / 7	5.16	0.92
4. Culture: Subjugation	3 / 7	3.32	1.21
5. Equity Perceptions	10 / 5	2.75	0.56
6a. Demographic: Age	1 / 1	38.96	11.52
6b. Demographic: Experience	1 / 6	2.66	1.36
7. Equity Sensitivity	3 / 7	4.13	1.20
8. Job Satisfaction	3 / 7	4.73	1.31
9. Organizational Commitment	3 / 7	4.30	1.36
10. Organizational Citizenship Behaviour	5 / 7	5.33	0.89

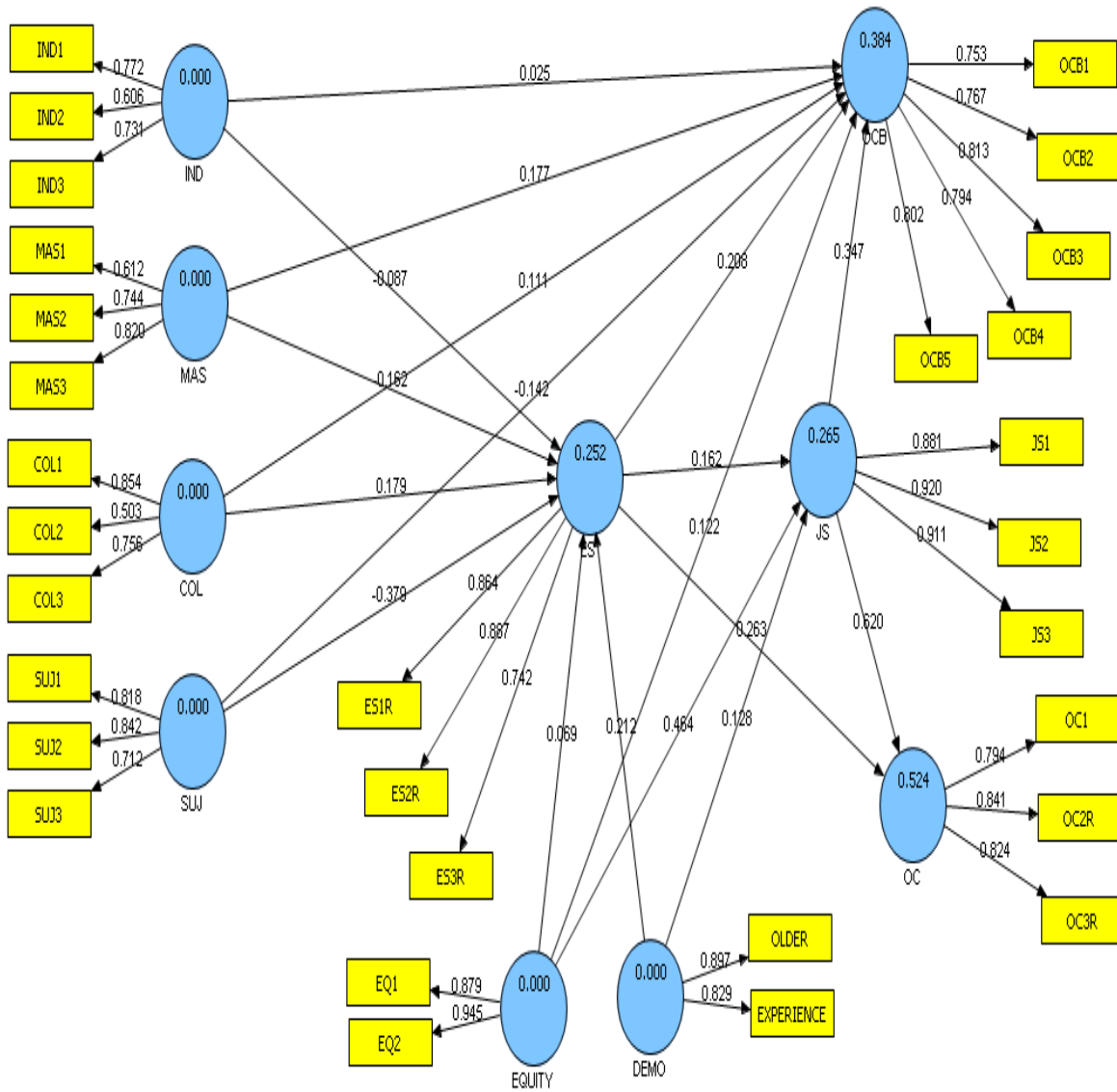


### 4.3 PLS Analyses: Measurement Model

The measurement model evaluates the relationship between manifest variables (observed items) and latent variables (Lohmöller 1981; Wold 1985). Reliable and valid construct measures are assessed before evaluating the relationships between the latent variables in the PLS model. To avoid misspecification for measurement of model, quality decision rules are employed to examine: 1) the direction of causality is from constructs to indicators; 2) the indicators are interchangeable and 3) indicators are highly associated (Jarvis *et al.* 2003). Reliability is defined as the consistency of measurement, whether all items are in agreement, whereas validity refers to the accuracy of a measure, whether the measure is a perfect representation (Fornell & Larcker 1981b; Cronbach 1971). Reliability does not guarantee validity. For instance, a measure of reliability may be consistent but not accurate (valid), also a measure of validity may be accurate but not consistent (Cronbach 1971; Fornell & Larcker 1981b; Hair *et al.* 2006). Two stages are used here: first, individual item reliabilities are determined (Fornell & Larcker 1981b; Cronbach 1971; Hair *et al.* 2006), and second, three types of validity are examined: a) convergent validity; b) construct validity and c) discriminant validity (Barclay *et al.* 1995; Fornell & Larcker 1981a; Henseler *et al.* 2009).

Saraf *et al.* (2007) find that PLS is a technique appropriate to test hypotheses with reflective latent variables (2007). As shown in Figure 2 the measurement model in this study consists of reflective measures. Quality criteria are required such as path coefficients ( $\beta$ ), composite reliability (CR), or the average variance extracted (AVE) which exceed .50 in our analysis. The most notable finding is that the construct Equity Perceptions consists of two underlying dimensions: performance with five indicators and social also with five indicators.

Figure 2 PLS Algorithm Results for SFL,  $\beta$  and  $R^2$



The factor loadings of the final PLS measurement items on the study constructs obtained from a confirmatory factor analysis using SmartPLS that parameters are substantial in Table 4.7, and 4.8 (Ringle *et al.* 2005). All items loaded significantly ( $> .50$ ) on their reflective factors which an indication of individual reliability.

**Table 4 7 A Summary of Latent Variables & Indicator Variables**

Construct	Indicators	Measurement Item	Factor Loadings
<b>Individualistic Culture (IND)</b>	IND1	We should try to avoid depending on others.	0.772
	IND2	People tend to think of themselves first, before they think of others.	0.606
	IND3	An employee's reward should be based mainly on his or her own performance.	0.731
<b>Mastery Culture (MAS)</b>	MAS1	It is important to try to prevent problems you may encounter in your life.	0.612
	MAS2	With enough knowledge and resources, any poor-performing business can be turned around.	0.744
	MAS3	Good performance comes from taking control of one's business.	0.820
<b>Collectivistic Culture (COL)</b>	COL1	Society works best when people willingly make sacrifices for the good of everyone.	0.854
	COL2	The performance of one's workgroup or unit is more important than one's own individual performance.	0.503
	COL3	Every person has a responsibility for all others in his or her workgroup or unit.	0.756
<b>Subjugation Culture (SUJ)</b>	SUJ1	It is best to leave problem situations alone to see if they work out on their own.	0.818
	SUJ2	People should not try to change the paths their lives are designed to take.	0.842
	SUJ3	Most things are determined by forces we cannot control.	0.712
<b>Demographic (DEMO)</b>	Age	What is your age in years?	0.897
	Experience	How long have you worked at your current organization?	0.829

**Table 4 8 A Summary of Latent Variables & Indicator Variables**

Construct	Indicator	Measurement Item	Factor Loadings
<b>Equity (EQ)</b>	For each item below, indicate how <b>you compare with other individuals in similar positions</b> by ticking the appropriate box. Comparisons may be made with individuals in your organization or at another organization.		
	<b>EQ1*</b>	= Opportunities for advancement; Salary; Performance expectations; Desirable work assignments; Employment benefits	0.879
	<b>EQ2*</b>	= Amount of encouragement received from supervisors; Extent of participation in management decisions; Amount of respect from clients, co-workers, and subordinates.	0.945
<b>Equity Sensitivity (ES)</b>	<b>In any organization I might work for:</b>		
	<b>ESR1*</b>	It is more important for me to get from the organization than it is to give to the organization.	0.864
	<b>ESR2*</b>	I am more concerned about what I receive from the organization than what I contribute to the organization.	0.887
	<b>ESR3*</b>	My personal philosophy in dealing with any organization is: "If I don't look out for myself, nobody else will"	0.742
<b>Job Satisfaction (JS)</b>	<b>JS1</b>	I feel fairly satisfied with my present job.	0.881
	<b>JS2</b>	Most days I am enthusiastic about my work.	0.920
	<b>JS3</b>	I find real enjoyment in my work.	0.911
<b>Organizational Commitment (OC)</b>	<b>OC1</b>	I would be very happy to spend the rest of my career with this organization.	0.794
	<b>OCR2*</b>	I do not feel a strong sense of "belonging" to my organization.	0.841
	<b>OCR3*</b>	I do not feel like "part of the family" at my organization.	0.824
<b>Organizational Citizenship Behaviour (OCB)</b>	<b>OCB1</b>	I willingly give your time to help others who have work-related problems.	0.753
	<b>OCB2</b>	I go out of the way to make newer employees feel welcome in the work group.	0.767
	<b>OCB3</b>	I show genuine concern and courtesy toward coworkers, even under the most trying business or personal situations.	0.813
	<b>OCB4</b>	I show pride when representing the organization in public.	0.794
	<b>OCB5</b>	I express loyalty toward the organization.	0.802

#### 4.3.1 PLS Model-based Measure of Reliability

To assess the reliability of scales, the PLS algorithm method of sampling using 500 maximum iterations computed on the basis of Path Weighting Scheme was computed as suggested by Lohmoller (1981) and Wold (1985). Table 4.9 displays the Standardised Factor Loadings (SFL) (Hulland 1999), Composite Reliability (CR) (Werts *et al.* 1974) and Cronbach alphas ( $\alpha$ ) (Chin 1980b; Cronbach 1971) for each of the ten model constructs. The findings from the application of the PLS Algorithm are satisfactory.

According to Hulland (1999), higher factor loadings show there is more shared variance between the constructs. The Standardised Factor Loadings from constructs to indicators are greater than 0.5 (ranging from 0.61 to 0.95), indicating that the reliabilities of the items are acceptable. Also, according to Nunnally (1978) and Fornell and Larcker (1981), a Cronbach alpha score of 0.70 or above is an acceptable value to indicate good internal consistency in multi-item reflective constructs. Table 4.9 shows unacceptable Cronbach alphas for three of the culture variables (Individualistic, Collectivistic and Mastery) and the combined Demographic variable. Composite reliability (CR) is preferred over Cronbach's alpha ( $\alpha$ ) because it provides a better estimate of variance shared by the expected indicators (Hair *et al.* 2006). CR estimates between indicators are all higher than 0.75 for all constructs.

**Table 4 9 Summated SFL, CR and Cronbach's  $\alpha$** 

Construct	Items	SFL	CR	$\alpha$
Individualistic (IND)	IND1	0.772	0.748	0.522
	IND2	0.606		
	IND3	0.731		
Mastery (MAS)	MAS1	0.612	0.772	0.553
	MAS2	0.744		
	MAS3	0.82		
Collectivistic (COL)	COL1	0.854	0.756	0.570
	COL2	0.503		
	COL3	0.756		
Subjugation (SUI)	SUI1	0.818	0.835	0.717
	SUI2	0.842		
	SUI3	0.712		
Equity (EQ)	EQ1R*	0.879	0.909	0.806
	EQ2R*	0.945		
Demographics (DEMO)	Older	0.897	0.854	0.664
	Experience	0.829		
Equity Sensitivity (ES)	ES1R*	0.864	0.872	0.778
	ES2R*	0.887		
	ES3R*	0.742		
Job Satisfaction (JS)	JS1	0.881	0.931	0.888
	JS2	0.92		
	JS3	0.911		
Organizational Commitment (OC)	OC1	0.794	0.860	0.762
	OC2R*	0.841		
	OC3R*	0.824		
Organizational Citizenship Behaviour (OCB)	OCB1	0.753	0.890	0.846
	OCB2	0.767		
	OCB3	0.813		
	OCB4	0.794		
	OCB5	0.802		

\*R: Reverse coded.

#### 4.3.2 PLS Model-based Measures of Validity

PLS analysis allows for three ways of investigating validity: (a) convergent validity, (b) construct validity and (c) discriminant validity. Validity results are shown in Table 4.10. Convergent validity is tested using Fornell and Larcker's (1981) average variance extracted (AVE) criterion. According to Fornell and Larcker (1981) AVE should exceed 0.5 for variables. Table 4.10 shows acceptable AVE results for all constructs, varying from 0.52 to 0.83, suggesting all latent variables explain more than half of the variance of their indicators on average (Henseler *et al.* 2009). Construct Validity is determined by examining the question items measuring each of the constructs. This study used well defined scales from previous research. As such, correlating question items is the appropriate technique to measure whether construct validity holds (Campbell and Fiske, 1959).

Table 4.10 shows the correlations between constructs are not highly correlated, with the highest correlation among principal constructs at  $r = 0.68$  (highlighted in red). Discriminant validity is verified by comparing the square root of the average variance extracted (AVE) and its correlations with other latent constructs. Evidence of discriminant validity occurs when square root of the variance extracted estimation exceeds the correlations between the factors making each pair (Fornell & Larcker 1981b). As given in Table 4.10 the reflective PLS measurement model shows the square root of AVE for each construct is greater than the levels of correlations involving the construct. Also, the inter-construct correlations show that each construct shares larger variance with its own measures than with other measures (Fornell & Larcker 1981b) and that each construct is different from the others (Barclay *et al.* 1995).

**Table 4 10 Correlations between Constructs**

	AVE	COL	DEMO	EQUITY	ES	IND	JS	MAS	OC	OCB	SUJ
COL	<b>0.518</b>	<b>0.72</b>	0	0	0	0	0	0	0	0	0
DEMO	<b>0.746</b>	0.068	<b>0.864</b>	0	0	0	0	0	0	0	0
EQUITY	<b>0.833</b>	0.175	-0.092	<b>0.913</b>	0	0	0	0	0	0	0
ES	<b>0.695</b>	0.092	0.234	0.057	<b>0.833</b>	0	0	0	0	0	0
IND	<b>0.499</b>	0.334	-0.036	0.086	-0.136	<b>0.707</b>	0	0	0	0	0
JS	<b>0.817</b>	0.119	0.123	0.462	0.218	0.06	<b>*0.904</b>	0	0	0	0
MAS	<b>0.534</b>	0.434	0.054	0.092	-0.108	0.334	0.057	<b>0.73</b>	0	0	0
OC	<b>0.672</b>	0.02	0.149	0.258	0.398	-0.019	<b>0.677</b>	-0.074	<b>0.82</b>	0	0
OCB	<b>0.618</b>	0.272	0.09	0.331	0.336	0.104	0.479	0.237	0.339	<b>0.786</b>	0
SUJ	<b>0.629</b>	0.036	-0.06	0.004	-0.403	0.14	-0.042	0.032	-0.032	-0.227	<b>0.793</b>

Note: AVE: Average Variance Extracted; COL: Collectivistic culture; DEMO: Demographic factors; ES: Equity sensitivity; IND: Individualistic culture; JS: Job satisfaction; MAS: Mastery culture; OC: Organizational commitment; OCB: Organizational citizenship behaviour; SUJ: Subjugation culture. \* Correlation is significant at the highest level. \*The shaded numbers in the diagonal row are square roots of the AVE.

## 4.4 PLS Structural Model

The structural model specifies relations between latent constructs. The structural path estimates ( $\beta$ ) and t-statistics for hypotheses testings are examined using a bootstrapping method for assessing the statistical significance of the structural path estimates. As well, cross-validated redundancy ( $Q^2$ ) measures are assessed using a PLS blindfold method for exploring predictive relevance in the quality of the path model.

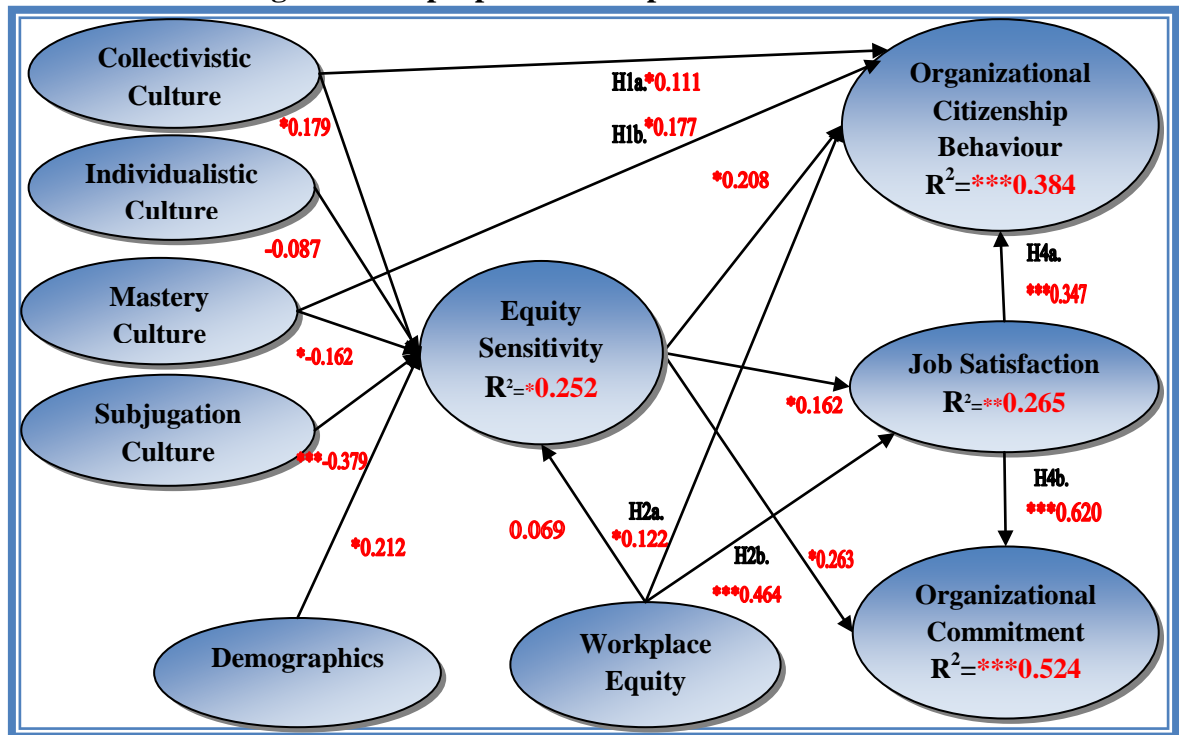
### 4.4.1 PLS Testing the Proposed Conceptual Model

According to Barclay *et al.* (1995, p. 288), “PLS has as its objective the explanation of variance in a regression sense, and thus  $R^2$  and the significance of relationships among constructs are measures more indicative of how well a model is performing”. The stability and statistical significance of the structural path estimates are assessed using the bootstrapping resampling method (Tenenhaus *et al.* 2005).



Figure 3 reports the path coefficients ( $\beta$ ) for the resulting latent variables and  $R^2$  for the mediator and three dependent variables. The coefficients of the hypothesized paths are significant with predictive relevance. The proposed conceptual model has an  $R^2$  of 38.4% for organizational citizenship behaviour construct, 26.5% for job satisfaction construct and 52.4% for organizational commitment construct. The  $R^2$  for the mediating construct is 25.2%. All relationships among the constructs and  $R^2$  are significant and reach satisfactory levels. The results support that the structural model has predictive power (Chin *et al.* 1996; 2003b).

**Figure 3 The proposed Conceptual Model for Paths and  $R^2$**



Note: Variance explained in bold.

\* Significant at  $p < 0.05$ ; \*\*Significant at  $p < 0.01$ ; \*\*\* Significant at  $p < 0.001$ .

R-square values are inside the circles in red.

#### 4.4.2 Hypothesis Testing

The PLS structural model is mainly evaluated by the  $R^2$  of endogenous latent variable and t-statistics (Chin 1998b; Tenenhaus *et al.* 2005). The evaluation of the PLS model is therefore based on prediction oriented measures that are non-parametric since PLS makes no distributional assumptions for parameter estimation (Chin 2001). Thus, PLS path modelling does not report any kind of fit indices like TFI, RMSEA or CFI as with covariance based structural equation modelling (SEM).

In order to test whether hypotheses are significant, the significance of path coefficients ( $\beta$ ) and t-statistics estimated in the PLS model are used. Table 4.11 reveals the overall bootstrap outputs of the means, standard deviations, standard errors and t-statistics.

**Table 4 11 Structural Model Results**

Hypothesis (H)	Path Coefficients ( $\beta$ )	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ( O/STERR )	Significant (Yes/No)
H1a	COL -> OCB	0.111	0.117	0.038	0.038	**2.414	Yes (+)
H1b	MAS -> OCB	0.177	0.178	0.042	0.042	***4.254	Yes (+)
H2a	Equity -> OCB	0.122	0.121	0.042	0.042	***2.941	Yes (+)
H2b	Equity -> JS	0.464	0.461	0.039	0.039	***11.978	Yes (+)
H3	COL -> ES	0.179	0.18	0.058	0.058	***3.090	Yes (+)
	IND -> ES	-0.087	-0.092	0.051	0.051	1.729	No
	SUJ -> ES	-0.379	-0.381	0.045	0.045	***8.449	Yes (-)
	MAS -> ES	-0.162	-0.156	0.051	0.051	***3.200	Yes (-)
	DEMO -> ES	0.212	0.212	0.04	0.04	***5.299	Yes (+)
	Equity -> ES	0.069	0.071	0.047	0.047	1.446	No
	ES -> OCB	0.208	0.208	0.041	0.041	***5.092	Yes (+)
	ES -> JS	0.162	0.164	0.043	0.043	***3.744	Yes (+)
	ES -> OC	0.263	0.263	0.039	0.039	***6.719	Yes (+)
H4a	JS -> OCB	0.347	0.346	0.049	0.049	***7.147	Yes (+)
H4b	JS -> OC	0.62	0.621	0.027	0.027	***23.063	Yes (+)

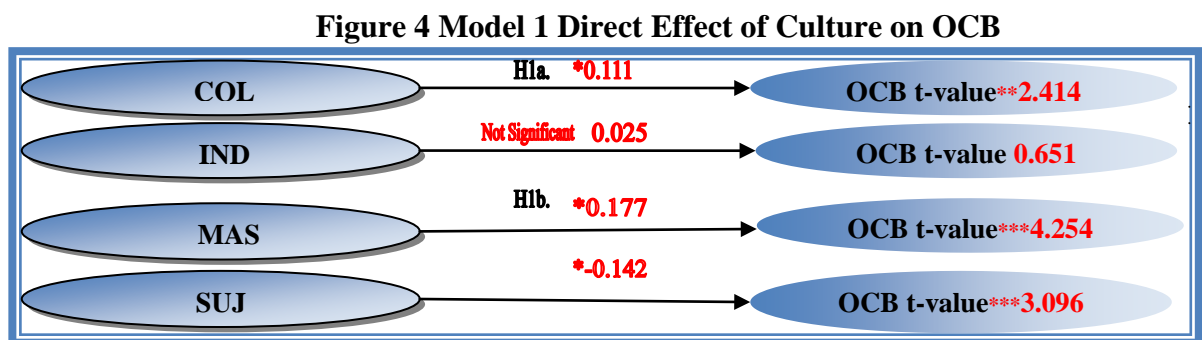
Note: COL: Collectivistic culture; IND: Individualistic culture; SUJ: Subjugation culture; MAS: Mastery culture; ES: Equity sensitivity; OCB: Organizational citizenship behaviour; JS: Job satisfaction; OC: Organizational commitment; DEMO: Demographic factors; \*\* Significant at the 0.01 level; \* Significant at the 0.05 level; (+); Positive: (-); Negative.

As shown in Table 4.11 above, the results for the path coefficients ( $\beta$ ) are statistically significant and thus fully or partially support the four hypotheses. The overall t-statistics range from 1.446 to 23.063. This findings support the statistically significances for latent variables for all hypothesized effects excluding IND->ES, and EQUITY->ES for path coefficients ( $\beta$ ) and t-statistics were insignificant.

The four model analyses for whether each of the hypothesized relationship exists were specifying evaluated as follows.

### Model One Analysis for H1a & H1b

A significant portion of the literature on cultural values has argued that employees' cultural values predict their workplace attitudes and behaviours in a given situation. Figure 4 shows that the direct links between the four dimensions of culture and organizational citizenship behaviour. As hypothesized the relationship between collectivistic culture (COL) and organizational citizenship behaviour (OCB) ( $\beta = 0.111$ , t-value = 2.414,  $p < 0.05$ ) is significant, supporting H1a. The relationship between mastery (MAS) and OCB also is significant ( $\beta = 0.177$ , t-value = 4.254,  $p < 0.001$ ), supporting H1b. Not hypothesized, but interestingly the relationship between individualistic culture (IND) and OCB ( $\beta = 0.025$ , t-value = 0.651,  $p < 0.10$ ) is not significant, yet subjugation is significantly and negatively related to OCB ( $\beta = -0.142$ , t-value = 3.096,  $p < 0.05$ ).

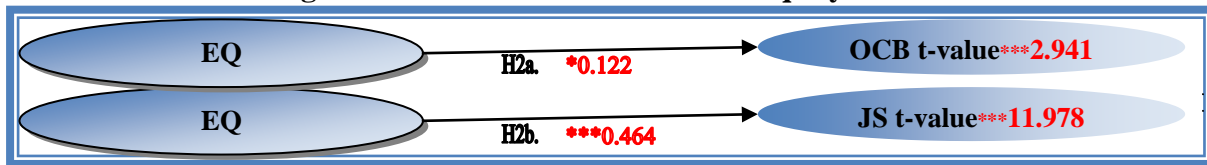


Note: \* $P < .05$ ; one-tailed; \*\* $P < .01$ ; two-tailed; \*\*\* $P < .001$ ; three-tailed.

## Model Two Analysis for H2a & H2b

The second model shows direct paths from perceived workplace equity (EQ) to the two dependent variables of organizational citizenship behaviour (OCB) and job satisfaction (JS). All links are significant at the 0.05 level or at the 0.001 level. No indirect effects are hypothesized or tested. As hypothesized (Hypotheses 2a and 2b), perceived workplace equity is positively related to OCB and JS. Figure 5 shows H2a and H2b achieve satisfactory results. In H2a, perceived employees' equity has a positive effect on the high level of employees' citizenship behaviour ( $\beta = 0.122$ ,  $t\text{-value} = 2.941$ ,  $p < 0.05$ ), supporting H2a. In H2b, perceived employees' equity has a positive effect on the high level of employees' satisfaction with their job ( $\beta = 0.464$ ,  $t\text{-value} = 11.978$ ,  $p < 0.001$ ), providing strong significant support for H2b.

**Figure 5 Model 2 Direct Effects of Equity on OCB & JS**



Note: \* $P < .05$ : one-tailed; \*\* $P < .01$ : two-tailed; \*\*\* $P < .001$ : three-tailed.

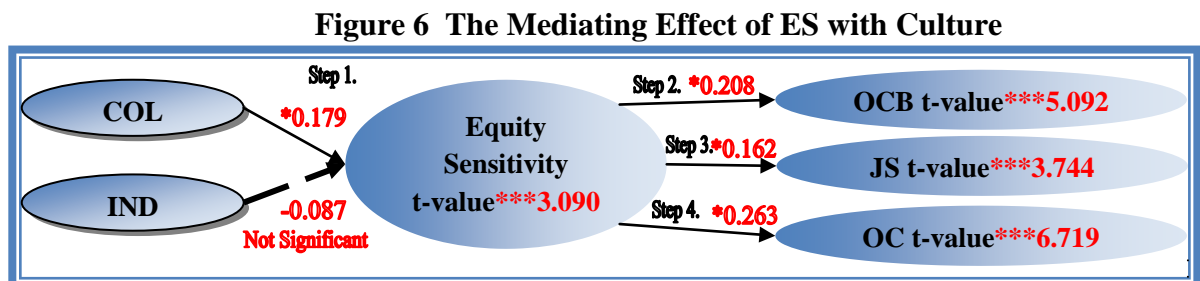
## Model Three Analysis from H3a to H3d

The third model shows the mediating effect of equity sensitivity (ES) between the four independent variables of cultural dimensions (i.e., individualism: IND; collectivism: COL; mastery: MAS; subjugation: SUJ), equity and demographics (DEMO) and the dependent variables of organizational citizenship behaviour (OCB), job satisfaction (JS) and organizational commitment (OC). Research testing the mediating effect of equity sensitivity has not been found in past studies. Consequently, for this study, equity sensitivity is hypothesized to mediate the relationships between individual cultural values, equity and demographics and workplace attitudes and behaviours.

Hypothesis 3 is broken into four distinct models to examine the mediation effect of equity sensitivity, involving the following four steps.

1. A direct path from each independent variable to the mediator (ES)
2. A direct path from the mediator (ES) to OCB
3. A direct path from the mediator (ES) to JS
4. A direct path from the mediator (ES) to OC

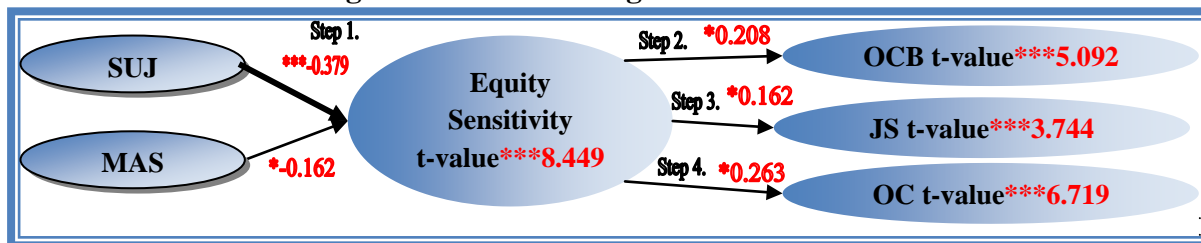
This study implements a tool to test the four distinct models for mediation relationships. The first distinct model hypothesized examines the employee cultural values of Individualism (IND) and Collectivism (COL). As shown in Figure 6, partial support is found as equity sensitivity significantly mediates the relationship between COL and JS, OC and OCB. The value dimension of collectivistic culture (COL) has a positive direct effect on the overall level of employees' equity sensitivity (ES) ( $\beta = 0.179$ ,  $t\text{-value} = 3.090$ ,  $p < 0.05$ ), as well, the direct links from equity sensitivity to OCB, JS and OC are significant and positive ( $\beta = 0.208$ ,  $t\text{-value} = 5.092$ ,  $p < 0.05$ ), ( $\beta = 0.162$ ,  $t\text{-value} = 3.744$ ,  $p < 0.05$ ) and ( $\beta = 0.263$ ,  $t\text{-value} = 6.719$ ,  $p < 0.05$ ) respectively. Contrary to the hypothesis, the mediating effect of ES is not significant between IND and workplace outcomes. As a result, findings partially support H3.



Note: \* $P < .05$ : one-tailed; \*\* $P < .01$ : two-tailed; \*\*\* $P < .001$ : three-tailed.

The second distinct model hypothesis is based on the subjugation (SUJ)/mastery (MAS) culture values. Figure 7 the culture value dimension of subjugation (SUJ) and mastery (MAS) have significant, negative effects on the overall level of employees' equity sensitivity (ES), with SUJ having a strong negative effect ( $\beta = -0.379$ ,  $t\text{-value} = 8.449$ ,  $p < 0.001$ ) ( $\beta = -0.162$ ,  $t\text{-value} = 3.200$ ,  $p < 0.05$ ) respectively. And direct links from ES to workplace outcomes are positive and significant, confirming support H3.

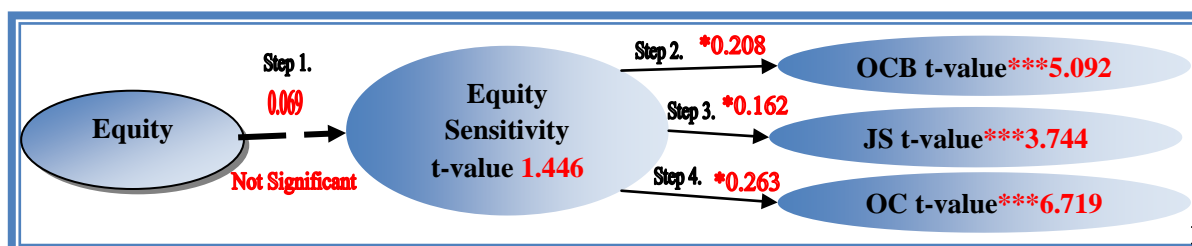
**Figure 7 The Mediating Effect of ES with Culture**



Note: \* $P < .05$ : one-tailed; \*\* $P < .01$ : two-tailed; \*\*\* $P < .001$ : three-tailed.

The third distinct model of the mediating effect of equity sensitivity (ES) between perceived workplace equity, organizational citizenship behaviour (OCB), job satisfaction (JS) and organizational commitment (OC) are assessed. As given in Figure 8, although the result for step 1 is not significant ( $\beta = 0.069$ ,  $t\text{-value} = 1.446$ ,  $p < 0.10$ ), the direct links between ES with OCB, JS and OC are significant, finding partial support for H3.

**Figure 8 The Mediating Effect of ES with Equity**



Note: \* $P < .05$ : one-tailed; \*\* $P < .01$ : two-tailed; \*\*\* $P < .001$ : three-tailed.

Lastly, full mediation is tested between demographics (DEMO) and workplace outcomes in Figure 9. A significant, positive relationship is detected from DEMO to ES ( $\beta = 0.212$ , t-value = \*\*\*5.299,  $p < 0.05$ ). Also a strong, significant direct effect from ES to OCB, JS and OC is found, providing support for a mediating effect of ES on workplace attitudes and behaviour.

**Figure 9 The Mediating Effect of ES with Demographics**

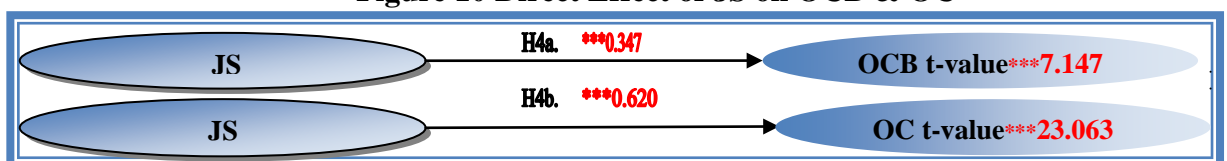


Note: \* $P < .05$ : one-tailed; \*\* $P < .01$ : two-tailed; \*\*\* $P < .001$ : three-tailed.

#### Model Four Analysis for H4a & H4b

The last model measures the paths between job satisfaction (JS) and both organizational citizenship behaviour (OCB) and organizational commitment (OC), testing H4a and H4b. A significant portion of the literature on JS argues JS is an important predictor of workplace attitudes and behaviour. The model shows JS is highly correlated with OCB and OC. In particular, Figure 10 reveals that JS has a significant impact on OCB ( $\beta = 0.347$ , t-value = 7.147,  $p < 0.001$ ), supporting H4a. In addition, JS has much stronger impact on OC ( $\beta = 0.620$ , t-value = 23.063,  $p < 0.001$ ), supporting H4b.

**Figure 10 Direct Effect of JS on OCB & OC**



Note: \* $P < .05$ : one-tailed; \*\* $P < .01$ : two-tailed; \*\*\* $P < .001$ : three-tailed.

Table 4.12 summarizes the results for the hypothesis testing.

**Table 4 12 A Summary of Hypotheses Results**

Hypotheses	Type of Effect	Support
<b>H1a:</b> Collectivistic Cultural Values have a positive relationship with Organizational Citizenship Behaviour.	Direct	Supported
<b>H1b:</b> Mastery Cultural Values have a positive relationship with Organizational Citizenship Behaviour.	Direct	Supported
<b>H2a:</b> Perceived Workplace Equity influences employees' Organizational Citizenship Behaviour.	Direct	Supported
<b>H2b:</b> Perceived Workplace Equity influences employees' Job Satisfaction.	Direct	Supported
<b>H3:</b> Perceived Workplace Equity Sensitivity acts as a mediator between the independent variables (cultural values, equity, age and experience) and the dependent variables of Organizational citizenship behaviour, Job satisfaction and organizational commitment.	Mediator	Partially Supported
<b>H3a:</b> The effect of equity sensitivity mediates between collectivistic/individualistic cultures and organizational citizenship behaviour, job satisfaction and organizational commitment.	Mediator	Partially Supported
<b>H3b:</b> The effect of equity sensitivity mediates between subjugation/mastery cultural values and organizational citizenship behaviour, job satisfaction and organizational commitment.	Mediator	Supported
<b>H3c:</b> The effect of equity sensitivity mediates between workplace equity and organizational citizenship behaviour, job satisfaction and organizational commitment.	Mediator	Partially Supported
<b>H3d:</b> The effect of equity sensitivity mediates between demographics such as age and experience and organizational citizenship behaviour, job satisfaction and organizational commitment.	Mediator	Supported
<b>H4:</b> Job Satisfaction is positively related to a) Organizational citizenship behaviour and b) Organizational Commitment.	Direct	Supported



#### 4.4.3 PLS $Q^2$ Testing

Cross-validated redundancy ( $Q^2$ ) measures the goodness of fit for evaluating the predictive relevance of the model using a PLS blindfolding method (Chin 1998b; Fornell & Cha 1994; Geisser 1975; Stone 1974). Specifically,  $Q^2$  evaluates the capacity of the path model to predict the endogenous manifest variables (i.e., cultural values, equity and demographics) indirectly from a prediction of their own latent variable (e.g., ES, OCB, JS and OC) using the related structural relation. Thus, Fornell and Cha (1994) indicate that a  $Q^2$  greater than 0 means that the model has predictive relevance while  $Q^2$  less than 0 indicates that the model does not have predictive relevance. The results shown in Table 4.13 show the  $Q^2$  of 0.17 (ES), 0.23 (OCB), 0.22 (JS) and 0.28 (OC) are significant with medium and large predictive relevance in the quality of the path model evaluation (Fornell & Cha 1994; Henseler *et al.* 2009).

**Table 4 13 Results of  $Q^2$**

Mediator and Dependent Variables	Construct Cross validated Redundancy ( $Q^2$ )
Equity Sensitivity (ES)	0.1697
Organizational Citizenship Behaviour (OCB)	0.2280
Job Satisfaction (JS)	0.2155
Organizational Commitment (OC)	0.2844

## 4.5 Chapter Summary

This study analyses responses from 296 individuals working in Australia. Partial Least Squares (PLS) path modelling is used to test the four hypotheses proposed in the conceptual model. The application of PLS was done in two steps. First, a measurement model assessed the reliability and validity of the items comprising each latent variable using the PLS Algorithm (Lohmöller 1981; Wold 1985). The results achieved satisfactory support for the assessment of the model. Second, the structural model evaluated the relationships between the variables. Bootstrapping and blindfolding methods were used to assess the model's predictive capability (Chin *et al.* 1996, 2003b). Specifically, to test the hypotheses, four model analyses were conducted. All of the proposed hypotheses received partial or full support. The structural model of this study had a middle to high predictive power using  $Q^2$  measures. The results for this research show empirical support for the importance of cultural values and equity sensitivity on workplace attitudes and behaviour. Conclusions to the findings, their limitations and further research for theory and practice are examined in the next chapter.

## CHAPTER 5 DISCUSSION AND CONCLUSIONS

This final chapter provides a discussion of the overall thesis. The first section summarizes of four key findings established through testing the hypothesized relationships using partial least square (PLS) analysis. Next, the theoretical, methodological and practical implications are examined. Finally, several limitations and suggestions for future research are presented.

### 5.1 Key Findings

This current study has four key findings. The first two have to do with the independent variables of cultural value and equity perception. As expected, results support hypotheses H1a, H1b, H2a and H2b, confirming cultural values and perceptions of equity matter to employees' workplace attitudes and behaviours. Employees who report more collectivistic cultural values also tend to report higher levels of OCB (H1a), which is consistent with previous research indicating that employees who identify with the organization and are not simply working to benefit themselves are more willing to voluntarily perform additional duties without being financially compensated. Collectivists feel a strong sense of belonging and gratitude to the firm and they believe that if the firm prospers so will the employees. Due to this sense of reciprocity, collectivists willingly take on extra tasks that need to be done to benefit the firm, and to keep their relationship with the firm going and to strengthen their career. Employees who report mastery cultural values also tend to engage in more OCB (H1b). These employees tend to be more involved in their organizations as they believe they can make a difference by taking control of their environment. These employees are more likely to take action because they are competent and feel confident to engage in activities, to benefit the organization.

Perceptions of equity are directly and positively related to OCB (H2a) and JS (H2b). Employees who believe that they are equitably treated in comparison to their colleagues, report being more contented with their work and also are more willing to go above and beyond for their organization. As well, employees who feel they are receiving equitable treatment by the organization are more satisfied to their jobs. Obviously, these findings imply that fair treatment has important effects in the workplace. Employees who are treated properly and honestly are contented in the workplace, they may be more comfortable and relaxed and feel appreciated all of which may engender an enthusiasm to give back to the organization leading to increased levels of overall organizational performance such as competitiveness and profitability.

The third study finding results from testing the mediating role of equity sensitivity. This current study develops an understanding of the mediating effect of equity sensitivity regarding employees' cultural values, their equity perceptions, demographic variables of age and experience with work attitudes and behaviours in the organizational context. Three of the four cultural dimensions are significantly mediated by equity sensitivity. Surprisingly, individualistic cultural values are not significantly mediated by equity sensitivity. Specifically, there is no support for the hypothesis that employees who hold individual cultural values are less likely to be benevolent, and more focused on their own. Collectivistic cultural values are positively related to equity sensitivity, indicating that employees who are more concerned about the organization and are more benevolent tend to be more satisfied with their jobs, more committed to the organization and willing perform work above what is required.

Mastery and subjugation cultural values are negatively related to equity sensitivity, with subjugation cultural values having a substantially larger negative association. These results suggest that employees who tend to take control of their environment as well as those who let external forces determine their fate tend to be satisfied, committed and engage in citizenship behaviours provided they believe they are entitled to be rewarded regardless of their efforts.

There is also evidence of a significant, positive relationship between the demographic variable that combines age and experience with equity sensitivity, indicating that older and more experienced employees who are generous and unselfish tend to be satisfied, committed and willing to go above and beyond their formal work duties. Perhaps older employees are more engaged and more collaborative because they already have achieved their career ambitions. As such, they are more willing to assist others in the organization. There is, however, no significant mediation effect between perceptions of equity and equity sensitivity. In the previous studies, the effect of perceived equity has been not examined with the levels of equity sensitivity. The results of this study support the criticism of the equity theory in that not all employees are equally affected by inequity, although the conceptualisation of equity sensitivity in this study is different.

Conversely, strong empirical supports for the relationships between equity sensitivity and work outcomes of OCB, job satisfaction and organizational commitment were found. Given previous findings included with in this study, the results revealed that equity sensitivity is a driver of employee attitudes and behaviours were confirmed in H3c. The result of this study intends to support the equity sensitivity theory in that employees with have high levels of sensitivity fit into their inequitable situations tend to be more satisfied and committed that influence citizenship behaviour than those who do not. Within the model tested, it is concluded that equity sensitivity as a partial mediator of the links: workplace equity and equity sensitivity; equity sensitivity among OCB, JS and OC in the workplace.

The fourth relates to the relationships between job satisfaction and both OCB and organizational commitment. Results from this study report that satisfied employees willingly give their time to help others who have work-related problems and offer ideas to improve the functioning of the organization as well as express loyalty toward the organization. Additionally, satisfied employees are very happy to spend the rest of their career with their organization and they feel a strong sense of belonging to their organization. Given these findings, managers should pay more attention to the influence of job satisfaction on OCB and organizational commitment. The findings highlight the importance of treating employees fairly and thus providing employees with the motivation to engage in higher citizenship behaviour, and commitment, which in turn promotes organizational performance.

Based on the overall findings, this study appears to be one of first to examine cultural values and analyse equity sensitivity as a mediator between other work-related variables. Table 5.1 summarizes the findings for this study.

**Table 5 1** Results of All Hypothesized Relationships

Hypothesis	Effect	Paths	Results
H1a	Direct	<i>Collectivistic Culture-&gt;OCB</i>	Supported
H1b	Direct	<i>Mastery Culture-&gt;OCB</i>	
H2a	Direct	<i>Workplace Equity-&gt;OCB</i>	Supported
H2b	Direct	<i>Workplace Equity-&gt;JS</i>	
H3a	Mediation	<i>Collectivistic Culture-&gt;Equity Sensitivity-&gt;OCB, JS, OC</i>	Partially
		<i>Individualistic Culture-&gt;Equity Sensitivity-&gt;OCB, JS, OC</i>	
H3b	Mediation	<i>Mastery Culture-&gt;Equity Sensitivity-&gt;OCB, JS, OC</i>	Supported
		<i>Subjugation Culture-&gt;Equity Sensitivity-&gt;OCB, JS, OC</i>	
H3c	Mediation	<i>Workplace Equity-&gt;Equity Sensitivity-&gt;OCB, JS, OC</i>	Supported
H3d	Mediation	<i>Demographics -&gt;Equity Sensitivity-&gt;OCB, JS, OC</i>	Supported
H4a	Direct	<i>Job Satisfaction-&gt; OCB</i>	Supported
H4b	Direct	<i>Job Satisfaction-&gt; OC</i>	Supported

Note: OCB: Organizational Citizenship Behaviour; JS: Job Satisfaction; OC: Organizational Commitment

## 5.2 Implications

The results from the current research have theoretical, methodological and practical implications. Each are of contribution is discussed in turn.

**Theoretical Implications:** The findings contribute to the literature exploring equity and equity sensitivity theory, individual cultural values and work-related outcome variables in three ways (Ambrose *et al.* 1999; Boyacigiller & Adler 1991; Maznevski *et al.* 2002; Paine & Organ 2000; Smith *et al.* 2006). First, the research explores the link between equity sensitivity, job satisfaction, commitment and citizenship behaviour (Allen *et al.* 2005; Allen & White 2002; Wheeler 2002).

Additionally, the study's findings contribute to the knowledge of equity sensitivity on OCB, job satisfaction and organizational commitment which adds to the equity sensitivity and work-related outcome literature (Allen *et al.* 2005; Allen & White 2002; Wheeler 2002). More specifically, this research includes both Adams' (1965) original equity theory and Huseman *et al.*'s (1985; 1987) equity sensitivity providing greater insight into the extent to which individuals' perceptions of fairness and differences in preferences for equity impacts on their organizational citizenship behaviour, job satisfaction and organizational commitment.

In addition, this research examines individual level cultural values applying Maznevski *et al.*'s (2002) value orientation model (VOM). This study is the first to use the VOM in combination with equity sensitivity theory to investigate employees' attitudes and workplace behaviour. Results show that cultural values do indeed directly and indirectly affect job satisfaction, organizational commitment and organizational citizenship behaviour. A significant and original contribution to the literature is the finding that mastery and subjugation cultural values are negatively related to equity sensitivity.

**Research Methodology:** This research provides one of the few management studies to use Partial Least Squares (PLS) providing evidence of a mediation effect for equity sensitivity. Results show equity sensitivity mediates the independent variables of cultural values and demographics with respect to workplace attitudes and behaviours. The PLS path modelling results suggest that understanding employees' cultural values, perceptions of equity and their levels of equity sensitivity can assist in predicting employee attitudes and behaviours. This knowledge may also be beneficial for selection and retaining employees.



**Practical Implications:** The main contribution of this research is its focus on the role of equity sensitivity, cultural values, equity and demographic factors play in determining employee attitudes and behaviours in the work settings. Results from this study are valuable in assisting the management of culturally diversity within the workplace. It is hoped that this research will raise awareness of the importance of cultural values and encourage organisations to put in place policies that ensure diversity in the workplace is recognised and respected. Additionally, it is hoped that the findings will assist managers and human resource management practitioners in understanding the extent to which employees from different cultural backgrounds perceive equity in the workplace and how culture and perceptions of equity influence job satisfaction, commitment and OCB. Specifically, the results may help organizations to manage a diverse organizational environment where employee attitudes to the jobs and behaviours to the organization can naturally occur.

### 5.3 Limitations and Suggested for Future Research

The findings of this research are subject to several limitations. One primary limitation of the current study is the use of an organizational sample in a single country and results may not be generalizable to other countries. As all participants in the sample are part-time or full-time employees in Australia, previous research studies have found differences in attitudes and behaviours towards employees' perceptions of equity sensitivity in the cross-cultural setting (Akan *et al.* 2009; Allen & White 2002; Chhokar *et al.* 2001). It is recommended that the proposed conceptual model be tested and the research expanded to include employees working in organizations in Asian countries.

Second, this thesis examined the mediating effect of equity sensitivity with other workplace variables, however the study's results may be affected by factors other than those included here. These factors might include contextual and structural factors such as technology, industry sector and leader-member interaction. Specifically, more research that investigates organizational culture is needed in order to provide a thorough examination of distinctive constellation of beliefs, values, work styles, and relationships that distinguish one organization from another (Appelbaum *et al.* 2004). There is a possibility that employees who work in a certain organizational culture would have a significantly different attitude and behaviour than employees who work in other organizational cultures. Further future research could compare the role equity sensitivity plays across different types of industry sectors such as profit, non-profit organizations, or the private or public sectors. Future research could further investigate whether employees in different positions within the same organisation have different attitudes and behaviours that are influence by culture, perceived equity, and demographics.

The third limitation of this study is the construction of the quantitative, online survey instrument. The overall design of individual questions can have significant impact on the quality of research (Creswell 2007; Feig & Stokes 2011). A series of structured questions using an online survey instrument included interval, and ratio variables. All variables were measured based on previous well-validated scales. All of the survey findings should take into account the limitations of quantitative, structured surveys using reported answers from a sample of respondents in providing reliable conclusions. Due to this fact, it is further recommended to conduct additional studies employing qualitative or mixed-methods, such as case study research and/or in depth interview that contain some open-ended, and semi-structured questions, such questions are likely to yield useful results that are able to provide insights into reasons behind why people think and behave in the ways they do (Feig & Stokes 2011).

The fourth limitation related to the research design lies in the sample. Due to time constraints, the data gathering employed an online survey with a panel of research participants via the research company in Australian organizations across various industries. Using a panel results in limitations associated with wider generalizations of the findings to other populations. Future studies could overcome this limitation by gathering data from samples of respondents drawing on specific industrial and/or organizational members. Such data may have more direct relevance to specific organizations rather than samples drawn from all organizational members across various industries.

Finally, this study provides one of the very first quantitative, empirical explorations of the construct of equity sensitivity using a single measure (one-dimensional construct) in the PLS model. Future research could include other mediating factors in place of or in addition to equity sensitivity to determine whether equity sensitivity is the best mediator between cultural values and workplace attitudes and behaviours.

## **5.4 Chapter Summary**

Chapter 5 summarizes the research findings confirming the key theoretical, methodological and practical implications stemming from the research. A number of limitations are discussed and suggestions for future research provided.

## Definitions of Terms

**Benevolents.** “Individuals who show altruistic tendencies because they give, while expecting little in return” (Huseman *et al.* 1987, p. 224).

**Collectivism.** “A term that describes a member of a culture identifying more with the group than individual and self-serving basis” (Cesare & Sadri 2003, p. 30).

**Entitleds.** “Individuals who always want and expect more, regardless of their inputs” (Huseman *et al.* 1987, p. 225).

**Equity.** “Rewards are allocated according to individual contribution” (Fadil *et al.* 2005, p. 19).

**Equity sensitives.** “Individuals who represent the traditional equity theory model and desire their outcome and input ratios to be equal to those of the comparison other” (Huseman *et al.* 1987, p. 225).

**Equity sensitivity.** “Individuals react in consistent but individually different ways to both perceived equity and inequity because they are differentially sensitive to equity” (Huseman *et al.* 1987, p. 223).

**Equity theory.** “The theory focuses on individuals’ perceptions of how fairly they are treated relative to others” (Daft & Marcic 2004, p. 454).

**Relationships** - responses can be individualistic, colineal, and hierarchical. Individual” suggests that our main responsibility is to and for ourselves and our immediate family. Colineal suggests responsibility to and for a larger group, such as the extended family or work group. Hierarchy suggests power and responsibility unequally distributed with power and responsibility for others going hand in hand (Maznevski *et al.* 2002, p. 277).

**Individual.** All people should have equal rights, and each should have complete control over one's own destiny. When we have to make a decision as a group it should be "one person one vote." (Gallagher 2001, p. 1).

**Collateral.** The best way to be organized is as a group, where everyone shares in the decision process. It is important not to make important decisions alone (Gallagher 2001, p. 1).

**Hierarchical.** There is a natural order to relations, some people are born to lead, and others are followers. Decisions should be made by those in charge (Gallagher 2001, p. 1).

**Environment** - responses can be subjugation, harmony, and mastery, with the environment. Subjugation indicates that it is natural to follow a predetermined path and obey forces around us. Mastery indicates that we can control nature and our environment. Harmony indicates a need to maintain the balance of forces in the world around us (Maznevski *et al.* 2002, p. 277).

**Subordinate to Nature.** People really can't change nature. Life is largely determined by external forces, such as fate and genetics. What happens was meant to happen (Gallagher 2001, p. 1).

**Harmony with Nature.** Man should, in every way, live in harmony with nature (Gallagher 2001, p. 1).

**Mastery over Nature.** It the great human challenge to conquer and control nature. Everything from air conditioning to the "green revolution" has resulted from having met this challenge (Gallagher 2001, p. 1).

**Human Nature** - responses can indicate that humans are basically good or evil or that they are changeable. Good/Evil: The basic nature of people is essentially good (lower score) or evil (high score). Changeable/Unchangeable: The basic nature of humans is changeable (higher score) from good to evil or vice versa, or not changeable (lower score) (Maznevski *et al.* 2002, p. 277).

**Activity** - responses can be doing, thinking, and being. Doing: People should continually engage in activity to accomplish tangible tasks. Thinking: People should consider all aspects of a situation carefully and rationally before taking action. Being: People should be spontaneous, and do everything in its own time (Maznevski *et al.* 2002, p. 277).

## **List of Appendices**

### **Appendix 1: Information and Consent Form**



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### **Online Questionnaire Information and Consent Form**

DD Month 2011

#### **Impact of Cultural Values and Equity Sensitivity on Employees' Perceptions of Workplace Equity, Job Satisfaction, Commitment and Organizational Citizenship Behaviour**

Dear Potential Participant,

I am a Macquarie University student completing a Masters of Philosophy of Human Resource Management. I am examining Australian employees' cultural values, their perceptions of workplace equity and how these impact on their job satisfaction, organizational commitment and organizational citizenship behaviour. I am focusing on medium and large employers operating across Australia in all industry groups. This research may contribute to the literature in the areas of equity theory, value orientations and work-related outcomes.

Participation in this project involves completing an online survey which takes approximately 15-20 minutes. To complete the on-line version of the survey, please see the following link: **(URL link to be inserted)**. Click on the “submit” button at the end of the survey and your responses are recorded. Participation and submission of the completed survey indicates that you give your informed consent to the information you provide being used as data for research which may be published, subject to measures to ensure confidentiality as outlined below. Please note that only individuals aged 18 or older are eligible to participate in this study.

Participation in this study is voluntary. You are not required to answer questions that you do not wish to answer. You can withdraw from the survey at any time without reason or consequence. Information or personal details provided are confidential. No individual will be identified in the presentation of the survey results. All information collected will be stored securely at Macquarie University. This study has been approved by the Macquarie University ethics committee.

If you have any questions about this study, please contact either Eun-Kyung Seo or Dr. Alison Barnes. If you would like to receive a summary copy of the findings, please contact either the investigator or Dr. Alison Barnes at the above address.

Thank you for considering participation in this study.

Kind regards,

Miss Eun-Kyung Seo

Dr. Alison Barnes

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**Complaints about this research:**

The ethical aspects of this study have been approved by the Macquarie University Ethics Review Committee (Human Research). If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Research Ethics Officer (telephone +61 2 9850 7854, fax +61 2 9850 8799, email: [ethics@mq.edu.au](mailto:ethics@mq.edu.au)). Any complaint you make will be treated in confidence and investigated, and you will be informed of the outcome.



## Appendix 2: Online Questionnaire

### Online Questionnaire

#### SECTION 1 – Beliefs and Values

Section 1 is on your beliefs about people and society. Using the scale below, please indicate how much you agree or disagree with the following 10 statements.

1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Neutral, 5=Somewhat Agree, 6=Agree, 7=Strongly Agree

1. Whatever is going to happen will happen, no matter what actions people take.	1	2	3	4	5	6	7
2. We should try to avoid depending on others.	1	2	3	4	5	6	7
3. People tend to think of themselves first, before they think of others.	1	2	3	4	5	6	7
4. Society works best when people willingly make sacrifices for the good of everyone.	1	2	3	4	5	6	7
5. It is best to leave problem situations alone to see if they work out on their own.	1	2	3	4	5	6	7
6. Society works best when each person strives to serve his or her interests.	1	2	3	4	5	6	7
7. We can have a significant effect on the events in our lives.	1	2	3	4	5	6	7
8. People should not try to change the paths their lives are designed to take.	1	2	3	4	5	6	7
9. Most things are determined by forces we cannot control.	1	2	3	4	5	6	7
10. It is important to try to prevent problems you may encounter in your life.	1	2	3	4	5	6	7

## SECTION 2 – Workplace Performance

Section 2 is on your beliefs about workplace performance. Using the scale below, please indicate how much you agree or disagree with the following 6 statements.

1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Neutral, 5=Somewhat Agree, 6=Agree, 7=Strongly Agree

- |  |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|
| 1. An employee's reward should be based mainly on his or her own performance.                          | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2. The performance of one's workgroup or unit is more important than one's own individual performance. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3. With enough knowledge and resources, any poor-performing business can be turned around.             | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4. Good performance comes from taking control of one's business.                                       | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 5. An employee's rewards should be based mainly on the workgroup or unit's performance.                | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 6. Every person has a responsibility for all others in his or her workgroup or unit.                   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

### SECTION 3 – Workplace Equity Sensitivity

The following 5 questions are about what is important to you about the workplace. Using the scale below, please indicate how much you agree or disagree with the following statements.

1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Neutral, 5=Somewhat Agree, 6=Agree, 7=Strongly Agree

**In any organization I might work for:**

1. It is more important for me to get from the organization than it is to give to the organization.	1	2	3	4	5	6	7
2. It is more important for me to help others than to watch out for my own good.	1	2	3	4	5	6	7
3. I am more concerned about what I receive from the organization than what I contribute to the organization.	1	2	3	4	5	6	7
4. The hard work I do should benefit the organization more than it benefits me.	1	2	3	4	5	6	7
5. My personal philosophy in dealing with any organization is: “If I don’t look out for myself, nobody else will”	1	2	3	4	5	6	7

## SECTION 4 – Workplace Comparisons

For each item below, indicate how **you compare with other individuals in similar positions** by ticking the appropriate box. Comparisons may be made with individuals in your organization or at another organization.

1=Much More, 2=Somewhat More, 3=The Same, 4=Somewhat Less, 5=Much Less

1. Opportunities for advancement.	1	2	3	4	5
2. Salary.	1	2	3	4	5
3. Amount of encouragement received from superiors.	1	2	3	4	5
4. Extent of participation in management decisions.	1	2	3	4	5
5. Amount of respect from clients.	1	2	3	4	5
6. Amount of respect from co-workers.	1	2	3	4	5
7. Amount of respect from subordinates.	1	2	3	4	5
8. Performance expectations.	1	2	3	4	5
9. Desirable work assignments.	1	2	3	4	5
10. Employee benefits.	1	2	3	4	5

## SECTION 5 – Your Workplace Experience

The questions ask about your experience working in your organization. The following are 13 statements about how you think and feel about your current job. Read each statement carefully. Then indicate the extent you agree or disagree with the following statements.

1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Neutral, 5=Somewhat Agree, 6=Agree, 7=Strongly Agree

1. I feel fairly satisfied with my present job.	1	2	3	4	5	6	7
2. Most days I am enthusiastic about my work.	1	2	3	4	5	6	7
3. Each day at work seems like it will never end.	1	2	3	4	5	6	7
4. I find real enjoyment in my work.	1	2	3	4	5	6	7
5. I would be very happy to spend the rest of my career with this organization.	1	2	3	4	5	6	7
6. I do not feel a strong sense of "belonging" to my organization.	1	2	3	4	5	6	7
7. I do not feel like "part of the family" at my organization.	1	2	3	4	5	6	7
8. Right now, staying with my organization is a matter of necessity as much as desire.	1	2	3	4	5	6	7
9. It would be very hard for me to leave my organization right now, even if I wanted to.	1	2	3	4	5	6	7
10. I feel that I have too few options to consider leaving this organization, I might consider working elsewhere.	1	2	3	4	5	6	7
11. Even if it were to my advantage, I do not feel it would be right to leave my organization now.	1	2	3	4	5	6	7
12. I would feel guilty if I left my organization now.	1	2	3	4	5	6	7
13. I would not leave my organization right now because I have a sense of obligation to the people in it.	1	2	3	4	5	6	7

## SECTION 6 – Workplace Behaviour

Below is a series of behavioural statements. Carefully read each item, and consider how often you engage in the following behaviours. Please indicate your typical behaviour for each statement by circling the appropriate box. Please use the number that is closest to the way you feel.

1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Neutral, 5=Somewhat Agree, 6=Agree, 7=Strongly Agree

- |  |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|
| 1. Willingly give your time to help others who have work-related problems.   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2. Adjust your work schedule to accommodate other employees' requests for time off.                                | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3. Go out of the way to make newer employees feel welcome in the work group.                                       | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4. Show genuine concern and courtesy toward coworkers, even under the most trying business or personal situations. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 5. Attend functions that are not required but that help the organizational image.                                  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 6. Show pride when representing the organization in public.  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 7. Offer ideas to improve the functioning of the organization.   | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8. Express loyalty toward the organization.  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

## SECTION 7 – About You

Please answer the following questions about yourself. Please know that all information is confidential. Responses to these questions will be used for comparisons within the study.

1. What is your age? \_\_\_\_\_
2. What is your gender? \_\_\_\_\_
  - a. Female
  - b. Male
3. Where were you born? \_\_\_\_\_
4. How long have you lived in Australia? \_\_\_\_\_
  - a. Less than 1 year
  - b. 1-4 years
  - c. 5-9 years
  - d. More than 10 years
5. What is the primary language you speak at home? \_\_\_\_\_
6. What size is your organization? \_\_\_\_\_
  - a. Less than 100
  - b. 100-249
  - c. 250-499
  - d. 500-999
  - e. 1000-4999
  - f. 5000 or more
7. What industry is your organization? \_\_\_\_\_
  - a. Construction
  - b. Finance and insurance
  - c. Retail trade and agriculture
  - d. The property business services
  - e. Manufacturing
  - f. Health
  - g. Communication services
  - h. Electricity, gas and water supply
  - i. Forestry and fishing
  - j. Education
  - k. Other (please indicate): \_\_\_\_\_
8. What is your current job position or primary role? \_\_\_\_\_
9. How long have you worked at your current organization? \_\_\_\_\_
  - a. Less than 1 year
  - b. 1-5 years
  - c. 6-10 years
  - d. 11-15 years
  - e. 16-20 years
  - f. More than 20 years

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