

## **The Effect of Employee Perceived Reputation to Organizational Citizenship Behavior: A Study of Professional Event Organizer's Employees**

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### **ABSTRACT**

The study tested the effect of employee perceived reputation to citizenship behavior in event industry. More specifically, the purpose of this study was to examine whether and how the employee perceived reputation, which is, consist of social responsibility reputation and employee treatment reputation influences organizational citizenship behavior. The survey was administered in some Professional Event Organizer (PEO) in Jakarta. Multiple regression analysis provided support for the hypotheses from a sample Of 50 employees from Professional Event Organizer (PEO). The results showed that social responsibility reputation has a positive effect on organizational citizenship behavior. Furthermore, it was found that employee treatment reputation has a positive effect on organizational citizenship behavior. This result is the same with previous research that employee perceived reputation has an effect to organizational citizenship behavior (Fu et.al, 2014; Lai et.al, 2010 and Alotaibi, 2001). The contributions of the paper are, that in promoting social responsibility reputation on Professional Event Organizer is expected to be able to give more attention to the surrounding environment, with increasing concern about the environment, supporting the aspects of education and health, such as providing education benefits to employees who have a good performance. In employee treatment reputation, leadership is expected not to unilaterally terminate employment because can lead to loss the trust from the employees. Employees are expected to respect each other in order to feel comfortable in working atmosphere therefore increasing productivity and also organizational citizenship behavior.

**Keywords:** Social Responsibility Reputation, Employee Treatment Reputation, and Organizational citizenship behaviors.

### **1. INTRODUCTION**

Indonesia tourism prospects even brighter. This is partly due to the performance of Indonesian tourism continues to increase, the stronger competitiveness, as well as the positive perception of the international community towards Indonesia has seen so many events held in Indonesia, both national and international events (Tempo.co, 2014). Professional Event organizer (PEO) is a term for a professional service provider of the event who are legally designated by its clients, in order to organize the entire series of events, starting from the planning, preparation, execution and evaluation, in order to help realize the expected goals in making the event a client.

Basically, the task of the PEO is to help its clients to be able to hold the event as desired. Could be this because of limited resources or time owned by the client, so that the results are better than when done by themselves. Professional Event Organizer (PEO) as the organizer of the event or activity regardless of its form requires an ability to organize events management professionals (Surroca et al., 2010). In order to improve service, the company should be able to build a good reputation in stakeholders. At the corporate level, a good reputation provides positive benefits (Pfarrer et al., 2010). At the individual level (employees) a good corporate reputation can be seen from the service employees of the identity of the company, the extra work is reflected in the behavior of employees who do voluntary, sincere, happy without having governed and controlled by the company in providing services to both (Organ et al.; 2006) its known as the organization citizenship behaviors. Organizational citizenship behaviors can enhance the competitive advantage of companies, because employees have to work hard to be able to respond to the various desires of consumers (Podsakoff et al., 2000).

Behavior that exceed the formal obligations to an employee is affected the form of corporate responsibility towards our employees and the environment. Social responsibility plays an important reputation because companies are in a society where every activity of the company is to have an impact on the environment. Social responsibility reputation is a form of corporate accountability to the parties concerned (stakeholders) on the various activities of the company. In this case, social responsibility reputation was born of the awareness the company to disclose its social responsibility voluntarily as a form of concern for the social environment. Social responsibility reputation can improve a company's reputation and can develop attitudes that profitable for the company (Ali & Jawaria., 2011). In an effort to increase the number of events organized, then the map must have a good reputation in the community. So that employees can have organizational citizenship behaviors that work far beyond the required job in serving the needs of consumers who are increasingly varied. With the creation of organizational citizenship behaviors expected of all PEO can have a social responsibility reputation that enables companies do employee treatment reputation.

## **2. RELATED LITERATURE**

### **2.1. Social Responsibility Reputation**

According to Bhattacharya et al., (2012) and Homburg et al., (2013) stated that social responsibility reputation is the perception of employees about the company's performance to maintain a balance between economic development and social welfare and the environment. According to Kotler and Nance (2005) defines social responsibility reputation is a company's commitment to improve the welfare of the surrounding community through discretionary business practices and contribute to the company's resources. Lai et al., (2010) social responsibility reputation is a situation and the activities undertaken by the company in connection with what is perceived by the public. Meanwhile, according to Abigail and Donald (2001) social responsibility reputation is defined as an action taken by the company to continue the social good, beyond the interests of companies that are required by law. From the definition above can be concluded that the reputation is a form of social responsibility of companies towards social responsibility and the environment in which they operate. One example of social responsibility reputation is doing activities that can improve the welfare of local communities and improvement of the environment.

Kotler and Nance (2005) explains that there are several types of activities that are in practice Social Responsibility Reputation: a) Cause Promotion the Company provides funding, as a contribution to increasing awareness of and concern for social issues, or fundraising support, participate or volunteer for such problems; b) Cause Related Marketing The company's commitment to contribute or donate a percentage of profits to address social problems; c) Corporate Social Marketing The company carries out activities associated with changes in behavior, to improve public health, safety and well-being of the environment in which it operates; d) Corporate Philanthropy In this company's CSR activities provide direct assistance selflessly to a particular community, as a form of love of neighbor. The donation can be funds, gifts or products, free services, as well as scholarships. The benefits the company is able to improve the company's reputation, strengthen the company's future through the creation of a good image in the eyes of society, as well as giving effect to the settlement of social problems.; e) Community Volunteering The Company provides support and encourage employees and business partners in providing their time voluntarily to help a local community organizations and the people who were targeted program.

The benefits of CSR activity is the creation of a genuine connection between the company and the community, to contribute to the achievement of corporate objectives, as well as improve customer satisfaction and employee motivation; f) Social Responsible Business Practices The company carries out its business practices beyond the ethical standards established by regulations, and make investments that support solving a social problem to improve the welfare (employees, suppliers, distributors, peer companies, as well as the general public) and environmental protection (health, safety, and compliance psychological and emotional needs.

## **2.2 Employee Treatment Reputation**

Fu et al., (2014) defines employee treatment reputation is the evaluation and assessment of how organizations treat their employees. According to Rayner (2003) treatment employee reputation is how the company treats its employees, employees to be satisfied with their work environment so that employees feel proud and make a name well-known company. According Fombrun et al., (1999) explains that the employee treatment reputation is reputation or image of the company's ability to acquire, develop and retain the human resources or employees. From the definition above can be concluded that the employee treatment reputation is a company's ability to develop and retain quality employees by providing what the rights of employees, such as salaries, and career development. Employees who feel with high employee treatment reputation will have higher job satisfaction (Kim and Brymer, 2011), commitment (Grant et al., 2008) and retention to the organization (Moncarz et al., 2009).

Job satisfaction is high with regard to ethical leadership and how the values of the organization presented to employees who have an impact on job satisfaction and behavior of employees are encouraged, as well as the performance of employees in the organization. Commitment when employees care about and take advantage of the services offered by the program of support, employees are likely to feel that their organization values their wellbeing and thus replying to build affective commitment to the organization. For example, perceived organizational support shows the employees feel supported by the organization, the employees develop confidence that the organization cares about the welfare of employees, which in turn motivates employees to strengthen affective commitment to their organizations. Retention of the organization

implementation of retention of good employees can increase productivity and reduce the cost of employee turnover.

### **2.3 Organizational Citizenship Behaviors**

Fu et al., (2014) defines organizational citizenship behaviors as behavior is a choice and individual initiative, not a formal reward system associated with the organization, but in the aggregate increase organizational effectiveness. Likewise, according to Podsakoff et al., (2000) organizational citizenship behaviors often defined as behavior that exceeds the formal obligations (extra role) that are not related to direct compensation. Definition of a formal obligation (extra role) is someone who has the organizational citizenship behaviors height will not be paid in the form of money or certain bonus, but the organizational citizenship behaviors rather the social behavior of each individual to work beyond what is expected, such as helping colleagues in during recess voluntarily is one such example. Organizational citizenship behavior is defined as contextual behavior. OCB is a behavior which is free, is not part of the formal role that must be done employee, but behavior this makes the organization function more effectively and efficiently (Christjatkiko and Mutiara; 2016). From the definition above can be concluded that the organizational citizenship behaviors are behaviors displayed by employees who not only perform their obligations and responsibilities, but the employees also perform extra than what they are responsible without any reward from the organization and solely for the benefit of the organization in achieving its goals. One example of organizational citizenship behaviors is when employees are willing to help other employees who are unable to attend and to work overtime to finish the job.

Organizational citizenship behaviors according to the Organ (2006) has five dimensions as follows: (1) Altruism is attitude willing to help the party or other colleagues) is an attitude that leads to action, either directly or indirectly to assist other colleagues in addressing the problems and complete the task, this behavior will certainly encourage solidarity that is needed in the work team. Moreover, the jobs that are charged will be easier to solve; (2) Courtesy is the behavior of employees who maintain good relationships with co-workers in order to avoid interpersonal problems. Someone who has this behavior is people who appreciate and care for others; (3) Sportsmanship is employee behavior tolerate less than ideal circumstances in the organization without submitting objections. Someone who has a high level of sportsmanship will improve the situation in a positive among employees, employees are more courteous and cooperate with others so that it will create a more pleasant working environment; (4) Conscientiousness is an attitude that led to the behavior of employees in an organization or company to obey the rules. For example, trying to keep the level of attendance remains above the minimum limit, arriving at work on time and complete the work on time. This behavior will drive efficiency and effectiveness of employees; (5) Civic Virtue is an attitude that leads to the responsibility to get involved and participate in organizational life. For example, the desire to follow the issue of the important issues that developed around the organization. Thus employees will not feel anticipation to the organization, it will even grow a sense of belonging and loyalty to the organization's employees.

## **3. CONCEPTUAL FRAMEWORK**

According to the theory of cognitive consistency (Magnini et al., 2013, and Morhart et al., 2009) that individuals trying to seek psychological harmonization when inconsistency makes them uneasy. If the employee recognizes the organization's reputation is good, they are more likely to have the consistency of beliefs such as: continuing to work in the company and support of voluntary behavior, extra role to improve services or provide valuable advice to the company. Social responsibility high reputation, employees are motivated to be a positive spokesperson for the company and devote us to improving the efficiency and effectiveness of the organization (Morhart et al., 2009). Social responsibility undertaken by the company's reputation will affect organizational citizenship behavior (Fu et al., 2014). High employee treatment reputation will result high in job satisfaction (Kim and Brymer., 2011), commitment (Grant et al., 2008) and retention within the organization (Moncarz et al., 2009), which is the main type of organizational citizenship behavior (Fu et al., 2014) . Employee treatment undertaken by the company reputation will affect organizational citizenship behavior (Fu et al., 2014). It has been stated in Figure 1 on the influence of social responsibility reputation and employee treatment reputation to organizational citizenship behavior as follows:

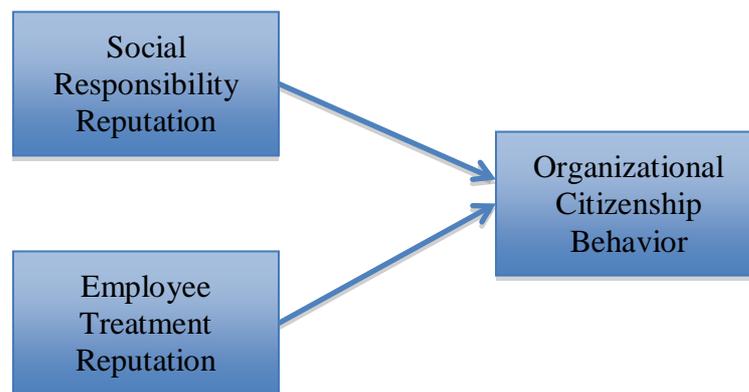


Figure 1  
Conceptual Framework Chart

#### 4. HYPOTHESIS DEVELOPMENT

Social responsibility reputation is a company's commitment to improve the welfare of the surrounding community through discretionary business practices and contribute to the company's resources (Kotler and Nance, 2005). Therefore, with the social responsibility of high reputation, employees can voluntarily behave be a positive spokesperson for the company (Morhart et al, 2009). According to Fu et al, (2014) show that social responsibility reputation has a positive effect with organizational citizenship behaviors.

H1: Social Responsibility Reputation has a positive effect on Organizational Citizenship Behavior

Each company should be able to treat their employees, as they should be. With this case the employees are satisfied and feel pride in making the company's name became famous (Rayner, 2003). So that every employees can be motivated to devote

ourselves and improve the competitiveness of companies through organizational citizenship behavior thus employee reputation treatment has a positive effect with organizational citizenship behavior (Fu et al., 2014).

H2: Employee Treatment Reputation has a positive effect on Organizational Citizenship Behavior

## 5. VARIABLES AND MEASUREMENT

First variable in this study is the social responsibility reputation. There are five items on the statement of social responsibility reputation that draws on research conducted Fombrun et al., (1999) for example the company is running a business by taking into account the social aspects, the company pay attention to preservation of the environment, the company supports all aspects of education, health and the environment. The second variable is employee treatment reputation. There are four items regarding employee treatment reputation statements that refer to research carried out by Fu et al., (2014) for example the company supports career development.

The dependent variable in this study is organizational citizenship behaviors. There are twenty-four items statements, which divided into five dimensions in organizational citizenship behavior, which draws on research conducted by Podsakoff et al., (1990). Example items for organizational citizenship behavior are I am willing to help other employees who have a heavy workload, I help provide direction and guidance (orientation) to new employees, though not necessary, I am willing to help other employees who have a problem in my work, I am always ready to help other employees around me. All items are measured using a Likert scale of 1 to 5, where 1 = Strongly Disagree, 2 = Disagree, 3 = Quite Agree, 4 = agree, and 5 = Strongly Agree.

## 5. DATA COLLECTION AND ANALYSIS

### 5.1 Data Collection

Collecting data in this study is conducted by distributing questionnaires to PEO's employees in Jakarta as a population. Samples were taken from 50 respondents who send back the questionnaires, which can be processed. The sampling method that is used is purposive sampling which is one of the non-probability sampling techniques, that the researchers chose members of the sample is based on certainty (Sekaran, 2011). Profile contains a list of questions about the respondent and statements regarding social responsibility reputation, employee treatment reputation and organizational citizenship behavior

### 5.2 Data Analysis Method

In addition using descriptive statistics analysis, to analyze the effect of social responsibility reputation and employee treatment reputation of the organizational citizenship behavior on PEO's employees, is processed by multiple regression analysis using SPSS.

## 6. FINDING AND RESULT

Table 1 Regression Test Analysis

Hypothesis	$\beta$	$\rho$ -value	Decision
H1: Social Responsibility has a positive effect on Organizational Citizenship Behavior	0.326	0.035	H1 supported
H2: Employee Treatment Reputation has a positive effect on Organizational Citizenship Behavior	0.362	0.003	H2 supported

The results of hypothesis 1 testing (H1) showed that significant value ( $\rho$ -value) for testing the influence of social responsibility towards organizational citizenship behaviors reputation amounted to  $0.035 < 0.05$ , which means there are significant social responsibility is the reputation of the organizational citizenship behaviors, while the beta value of 0.326 indicates the magnitude of the effect that a positive value means to show the higher level of social responsibility reputation, the higher the organizational citizenship behaviors.

Based on the results of hypothesis testing shows that there is positive effect between social responsibility reputations with organizational citizenship behaviors. Corporate social responsibility towards the environment is one thing that is noticed by employees when working in a company. Social responsibility high reputation will improve organizational citizenship behaviors of employees of the company. The average value of descriptive statistics for social responsibility reputation is 3.768. This means that the respondents felt that the PEO has done its responsibility to the social environment well. The PEO has been running the business by taking into account the social aspects and environmental conservation, supporting aspects of education, health and the environment and to compete fairly with rivals. It can affect the behavior of employees, which exceed the formal obligations. It can be seen from the average value of descriptive statistics organizational citizenship behaviors of 3.484. That means the tendency of employees to behave beyond the formal obligations quite high.

Employees have a tendency to be willing to help and appreciate their coworkers, meticulous in doing the job, have a positive outlook when it works and apply the values that apply in the work environment. This study supports research conducted by Fu et al., (2014) which states that social responsibility reputation positive effect on organizational citizenship behaviors. The better the reputation of companies regarding their responsibility for the social environment, the higher the tendency of employees to behave beyond the formal obligations.

From the results of hypothesis 2 testing (H2) showed that significant value ( $\rho$ - Value) to test the effect of treatment reputation of the employee organizational citizenship behavior is  $0.003 < 0.05$  which means there are significant reputation on the treatment of employee organizational citizenship behavior, while the beta value of 0.362 indicates the magnitude of the effect that a positive value means to show higher levels of employee treatment reputation, the higher the organizational citizenship behavior. How the company treats its employees is also one thing that is noticed by employees when working in a company. Employee treatment of high reputation will improve organizational citizenship behavior of employees of the company.

The average value of descriptive statistic for employee treatment reputation at 3.985. This means that the respondents felt that the PEO has been treating its employees well. The PEO had given a competitive salary, other benefits are attractive, does not provide layoffs and support the career development of its employees. It can affect the behavior of employees, which exceed the formal obligations. It can be seen from the average value of descriptive statistics organizational citizenship behaviors of 3,484. That means the tendency of employees to behave beyond the formal obligations quite high. Employees have a tendency to be willing to help and appreciate their coworkers, meticulous in doing the job, have a positive outlook when it works and apply the values in the work environment.

This study supports research conducted by Fu et al., (2014), which states that the employee treatment reputation has positive effect on organizational citizenship behaviors. According Fombrun (1999) explains that the employee treatment reputation is reputation or image of the company's ability to acquire, develop and retain the human resources or employees. Every employee can be motivated to devote him or herself and improve the competitiveness of companies through organizational citizenship behavior. The better the reputation of companies regarding how the company treats its employees, the higher the tendency of employees to behave beyond the formal obligations.

## **7. CONCLUSION**

Results of testing the influence of social responsibility reputation to organizational citizenship behavior show that, there is a positive influence social responsibility reputation to organizational citizenship behavior, Meanwhile, from testing the effect of employee treatment reputation to organizational citizenship behaviors show that, employee treatment reputation has a positive influence on organizational citizenship behavior.

## **8. MANAGERIAL IMPLICATIONS**

In promoting social responsibility reputation on Professional Event Organizer, is expected to provide more attention to the surrounding environment, with increasing concern about the environment, supporting the aspects of education, health, and the environment, such as providing education benefits to employees who perform or have performed well and do not dispose of waste in the environment so that the environment is maintained. In the employee treatment reputation on PEO, not the leadership is expected to unilaterally terminate employment to have no negative thoughts and a loss of confidence on the treatment given employees of the PEO. To improve organizational citizenship behavior in the PEO, the employees are expected to respect each other in order to feel comfortable working atmosphere thus affecting productivity.

## **9. SUGGESTIONS FOR FUTURE RESEARCH**

It is expected to be able to do this research on other objects to be able to compare the results of this study if done on other objects such as in manufacturing or services other than the hospitality industry to be able to compare the results. Then is expected to be able to examine the variables in addition to social responsibility reputation, employee treatment reputation, and organizational citizenship behavior, or may increase the number of independent variables that can also affect organizational citizenship behavior.

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